

MICRO CREDIT COMPANY
“MIKROFIN” LLC,
BANJA LUKA

Market Potentials and Products



Prepared by Aleksandar Kremenovic
Director
Sibiu, May 2008

MIKROFIN's Mission Statement

- “ MIKROFIN is for profit institution with the mission to provide credit and other related services to the entrepreneurial and responsible clients respecting their needs and time. “
- “ MIKROFIN will be remarkable institution on the financial market, which will contribute to the economic prosperity of the citizens of Bosnia and Herzegovina. “

Results by March 2008

- Total assets of EUR 115.7 million.
- Gross loan portfolio of EUR 108 million.
- 54.5 thousands active loans.
- 84 locations all over the country.
- 303 employees, and 204 loan officers.
- Loan portfolio at risk after 30 days as percentage of gross loan portfolio 0.62%.
- Write offs as percentage of average gross loan portfolio, over 2007, were 0.1%.
- Largest MFI in the country with market share of 22%.
- Annual rates of the growth of the gross portfolio, for the years 2006/2007, were more than 60%.

Bosnian Market Summary

- Most developed microfinance sector in the region.
- Market for microfinance significantly evolved over the past 10 years. Around 10-12 small “municipality” MFI’s in the near past became strong country wide institutions.
- Still high demand for loans in the country (?)
- High financial repayment discipline in retail lending (?)
- Downscaling of commercial banks
- Market size more than billion KM (511 mill EUR)

Business Concept

- Positioning MIKROFIN as client oriented financial institution targeting micro and small entrepreneurs
- SERVICE quality is primary focus of MIKROFIN
- Creation of different forms of financial institutions to expand variety of product and services
- High outreach
- IT systems and technology as important part of efficiency and control
- Country and regional presence

Micro Insurance – New VALUE for Clients

- Undeveloped insurance business in Bosnia
- Targeting NON served market niche
- Orientation to property and accident insurance
- New VALUE for clients

Challenges and Risks

- Concept of Cross Selling?
- Premium Pricing
- Market Selection?
- Reputational Risk
-