

## Report on the credit portfolio's performances of the Macedonian Banking System

in (000) denars

| Items  | 31.12.1997        | 30.06.1998        | 30.09.1998        | 31.12.1998        | 31.03.1999        | 30.06.1999        | 30.09.1999        | 31.12.1999        | 31.03.2000        | 30.06.2000        |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>A</b>   | 17,534,242        | 18,894,197        | 19,372,432        | 20,358,281        | 20,933,751        | 20,224,735        | 18,587,089        | 21,617,057        | 21,369,408        | 23,185,804        |
| <b>B</b>   | 11,602,287        | 13,733,482        | 13,851,288        | 13,173,761        | 13,644,550        | 10,017,972        | 10,658,827        | 8,083,135         | 8,012,793         | 7,420,410         |
| <b>C</b>   | 5,270,171         | 5,487,943         | 6,558,474         | 7,787,624         | 8,646,722         | 11,621,931        | 10,290,209        | 8,217,902         | 7,343,758         | 7,569,779         |
| <b>D</b>   | 5,834,359         | 6,260,336         | 6,025,480         | 7,074,593         | 7,453,538         | 8,274,039         | 7,121,910         | 9,174,895         | 9,165,043         | 7,070,343         |
| <b>E</b>   | 5,010,335         | 3,464,933         | 1,023,730         | 1,549,809         | 1,591,591         | 1,879,288         | 6,350,108         | 3,541,401         | 3,115,353         | 4,987,246         |
| <b>Total Credit Exposure</b>                       | <b>45,251,394</b> | <b>47,840,891</b> | <b>46,831,404</b> | <b>49,944,068</b> | <b>52,270,152</b> | <b>52,017,965</b> | <b>53,008,143</b> | <b>50,634,390</b> | <b>49,006,355</b> | <b>50,233,582</b> |
| <b>Potential Losses</b>                            | <b>10,755,971</b> | <b>9,718,319</b>  | <b>7,448,666</b>  | <b>8,758,553</b>  | <b>9,263,171</b>  | <b>10,328,082</b> | <b>13,921,240</b> | <b>11,423,979</b> | <b>10,762,481</b> | <b>11,620,619</b> |
| <b>Total C, D, E</b>                               | <b>16,114,865</b> | <b>15,213,212</b> | <b>13,607,684</b> | <b>16,412,026</b> | <b>17,691,851</b> | <b>21,775,258</b> | <b>23,762,227</b> | <b>20,934,198</b> | <b>19,624,154</b> | <b>19,627,368</b> |
| <b>Total D, E</b>                                  | <b>10,844,694</b> | <b>9,725,269</b>  | <b>7,049,210</b>  | <b>8,624,402</b>  | <b>9,045,129</b>  | <b>10,153,327</b> | <b>13,472,018</b> | <b>12,716,296</b> | <b>12,280,396</b> | <b>12,057,589</b> |
| <b>Total C, D</b>                                  | <b>11,104,530</b> | <b>11,748,279</b> | <b>12,583,954</b> | <b>14,862,217</b> | <b>16,100,260</b> | <b>19,895,970</b> | <b>17,412,119</b> | <b>17,392,797</b> | <b>16,508,801</b> | <b>14,640,122</b> |
| <b>C, D, E / Total Credit Exposure</b>             | <b>35.61</b>      | <b>31.80</b>      | <b>29.06</b>      | <b>32.86</b>      | <b>33.85</b>      | <b>41.86</b>      | <b>44.83</b>      | <b>41.34</b>      | <b>40.04</b>      | <b>39.07</b>      |
| <b>D, E / Total Credit Exposure</b>                | <b>23.97</b>      | <b>20.33</b>      | <b>15.05</b>      | <b>17.27</b>      | <b>17.30</b>      | <b>19.52</b>      | <b>25.41</b>      | <b>25.11</b>      | <b>25.06</b>      | <b>24.00</b>      |
| <b>C, D / Total Credit Exposure</b>                | <b>24.54</b>      | <b>24.56</b>      | <b>26.87</b>      | <b>29.76</b>      | <b>30.80</b>      | <b>38.25</b>      | <b>32.85</b>      | <b>34.35</b>      | <b>33.69</b>      | <b>29.14</b>      |
| <b>D / Total Credit Exposure</b>                   | <b>12.89</b>      | <b>13.09</b>      | <b>12.87</b>      | <b>14.17</b>      | <b>14.26</b>      | <b>15.91</b>      | <b>13.44</b>      | <b>18.12</b>      | <b>18.70</b>      | <b>14.07</b>      |
| <b>E / Total Credit Exposure</b>                   | <b>11.07</b>      | <b>7.24</b>       | <b>2.19</b>       | <b>3.10</b>       | <b>3.04</b>       | <b>3.61</b>       | <b>11.98</b>      | <b>6.99</b>       | <b>6.36</b>       | <b>9.93</b>       |
| <b>C / Total Credit Exposure</b>                   | <b>11.65</b>      | <b>11.47</b>      | <b>14.00</b>      | <b>15.59</b>      | <b>16.54</b>      | <b>22.34</b>      | <b>19.41</b>      | <b>16.23</b>      | <b>14.99</b>      | <b>15.07</b>      |
| <b>Potential Losses/Total Credit Exp</b>           | <b>23.77</b>      | <b>20.31</b>      | <b>15.91</b>      | <b>17.54</b>      | <b>17.72</b>      | <b>19.85</b>      | <b>26.26</b>      | <b>22.56</b>      | <b>21.96</b>      | <b>23.13</b>      |
| <b>Net items in C, D and E</b>                     | <b>6,869,808</b>  | <b>7,246,125</b>  | <b>7,931,596</b>  | <b>9,378,015</b>  | <b>10,211,811</b> | <b>12,853,468</b> | <b>11,278,612</b> | <b>10,750,874</b> | <b>10,090,340</b> | <b>9,212,506</b>  |
| <b>Guarantee Capital</b>                           | <b>11,272,668</b> | <b>12,401,974</b> | <b>12,472,746</b> | <b>13,303,741</b> | <b>14,067,882</b> | <b>13,612,200</b> | <b>10,173,728</b> | <b>14,403,817</b> | <b>15,545,772</b> | <b>15,611,842</b> |
| <b>C, D, E / Guarantee Capital</b>                 | <b>142.96</b>     | <b>122.67</b>     | <b>109.10</b>     | <b>123.36</b>     | <b>125.76</b>     | <b>159.97</b>     | <b>233.56</b>     | <b>145.34</b>     | <b>126.23</b>     | <b>125.72</b>     |
| <b>D, E / Guarantee Capital</b>                    | <b>96.20</b>      | <b>78.42</b>      | <b>56.52</b>      | <b>64.83</b>      | <b>64.30</b>      | <b>74.59</b>      | <b>132.42</b>     | <b>88.28</b>      | <b>79.00</b>      | <b>77.23</b>      |
| <b>C, D / Guarantee Capital</b>                    | <b>98.51</b>      | <b>94.73</b>      | <b>100.89</b>     | <b>111.71</b>     | <b>114.45</b>     | <b>146.16</b>     | <b>171.15</b>     | <b>120.75</b>     | <b>106.19</b>     | <b>93.78</b>      |
| <b>D / Guarantee Capital</b>                       | <b>51.76</b>      | <b>50.48</b>      | <b>48.31</b>      | <b>53.18</b>      | <b>52.98</b>      | <b>60.78</b>      | <b>70.00</b>      | <b>63.70</b>      | <b>58.96</b>      | <b>45.29</b>      |
| <b>E / Guarantee Capital</b>                       | <b>44.45</b>      | <b>27.94</b>      | <b>8.21</b>       | <b>11.65</b>      | <b>11.31</b>      | <b>13.81</b>      | <b>62.42</b>      | <b>24.59</b>      | <b>20.04</b>      | <b>31.95</b>      |
| <b>C / Guarantee Capital</b>                       | <b>46.75</b>      | <b>44.25</b>      | <b>52.58</b>      | <b>58.54</b>      | <b>61.46</b>      | <b>85.38</b>      | <b>101.14</b>     | <b>57.05</b>      | <b>47.24</b>      | <b>48.49</b>      |
| <b>Net items in C, D and E / Guarantee Capital</b> | <b>60.94</b>      | <b>58.43</b>      | <b>63.59</b>      | <b>70.49</b>      | <b>72.59</b>      | <b>94.43</b>      | <b>110.86</b>     | <b>74.64</b>      | <b>64.91</b>      | <b>59.01</b>      |
| <b>Capital Adequacy Ratio</b>                      | <b>27.30</b>      | <b>27.90</b>      | <b>26.20</b>      | <b>25.90</b>      | <b>26.50</b>      | <b>26.10</b>      | <b>20.20</b>      | <b>28.70</b>      | <b>30.60</b>      | <b>30.90</b>      |