

LRC

KREDITNI BIRO

The first fully operating private credit bureau in Bosnia and Herzegovina.

We create safer business and investment environment in BiH

LRC Credit Bureau - A Brief Overview

LRC Credit Bureau, established in 2000, is the first fully operating private credit bureau in Bosnia and Herzegovina.

The company follows the credit history of legal and physical entities, monitors debt liabilities and paying trends and provides banks, public utilities, micro-credit organizations, insurance companies and other legal and physical entities with relevant information in the form of credit reports.

LRC Credit Bureau operates on the principles and good practices of modern credit reporting agencies in developed countries. The establishment, development, and expansion of LRC has been achieved in part by the constant streamlining of its systems and information flows. The company undertakes wide-ranging promotional activities on financial discipline, capacity building and training of the staff of commercial banks, micro-credit organizations, insurance companies, pension funds, donor organizations, public utilities companies and other BiH institutions and legal entities, as well as assisting the staff of the Central Bank, FBiH and RS Banking Agencies, Ministry of Finance, Ministry of Justice, judiciary sector and other relevant state institutions.

Since its inception the number of LRC members had increased drastically, with a composition of clients varying from legal entities to foreign and domestic financial institutions and donor organizations.

The company has its corporate headquarters in Sarajevo, and has grown to an 50-strong team of business professionals over the last 7 years, with operations across the country. As an adjunct to its credit tracking and reporting services the company recently expanded into debt-collection.

LRC Credit Bureau

Company history:

- Foundation date: 17 August 2000
- Registration Type: Limited Liability Company (D.O.O)
- Current Membership: 3956 Organizations
- **Only Government Accredited Private Data Collection Agency within B&H**
- 12 Owners (foreign capital 18,5%)

LRC's Work is Supported by:

- Central Bank of Bosnia and Herzegovina
- Banking Agencies
- Federal Ministry of Finances and Justice
- Republic of Srpska Ministry of Finances and Justice
- Our Members: Banks, Micro-Credit Organizations, Leasing Companies, Insurance Companies, Businesses, Public Utility Companies, and many others

LRC's Database is Composed of Data Contributed by:

Members

- The member institutions with which LRC Credit Bureau has a signed data exchange contracts include micro credit institutions, leasing companies, insurance companies, public utility companies, landlords, government institutions, agencies, associations, retirement funds, and commercial businesses.
 - Banks: 26
 - Micro-credit Institutions: 19
 - Leasing companies: 5
 - Insurance companies: 10
 - Public Utilities: 75
 - Government institutions and Municipalities: 5
 - Employment Institutions: 22
 - Pension Funds: 2
 - Embassies and International Organizations: 10
 - Legal Entities: 3956
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What are the Benefits of Being LRC's Member?

- More effective debt collection process
- Reduced investment risk
- More complete picture about clients' financial history and payment habits
- More efficient decision process

PRODUCTS AND SERVICES OF LRC CREDIT BUREAU

- Credit Reports
- Monitoring
- Industry sector performance standards
- Transaction accounts of legal entities in BiH
- Annual financial accounting statements
- Debt Collection
- Barter business

PRODUCTS AND SERVICES OF LRC CREDIT BUREAU

Credit Report

- Credit report contains information on all registered debts of financial institutions (banks, MCOs, leasing firms, insurance agencies, municipal corporations, as well as other companies that offer their products and services in montly installments), type and amount of credit, payment habits, late or on-time payments and overall payment habits based on monthly obligations.

Monitoring

- Monitoring is a service activated by a request from an institution and concerns the monitoring of credit history of a particular legal entity during a particular time period. All changes in subject's credit history monitoring, which is noted in LRC Credit Bureau database, will automatically be forwarded via e-mail to the individual requesting this service.

PRODUCTS AND SERVICES OF LRC CREDIT BUREAU

- **Industry Sector Performance Standard**

- Industry Sector Performance Standard (ISPS) was developed as a method of assessing company performance, reflected in its financial statements, so that the performance can be compared to an 'average' for that industry sector.

- The standards were primarily intended for the use in banking, as well as investing sectors of industry; however, with enormous need for such information, ISPS is utilized by a wide range of institutions, from governmental organizations to domestic and foreign investors in BiH.

- **Transaction accounts of legal entities in Bosnia and Herzegovina**

- The registry of Central Bank of Bosnia and Herzegovina contains all transaction accounts of legal entities in Bosnia and Herzegovina. CBBiH and LRC Credit Bureau have made a cooperation agreement for the exchange of information. LRC Credit Bureau database is updated daily by the data from Central Bank of BiH. This way, LRC Credit Bureau is able to further complete its credit statement with one relevant information used to detect fictitious companies, ease the process of payment collection as well as impede money laundering.

PRODUCTS AND SERVICES OF LRC CREDIT BUREAU

- **Annual financial accounting statements**

- LRC Credit Bureau and Agencies for financial, information technology and operational services in Banja Luka, Mostar and Sarajevo are working on a joint project of consignment, use and forwarding of annual and semi-annual accounting statements of successful operations of legal entities throughout Bosnia and Herzegovina. APIF, AFIP and FIP, at a request of LRC Credit Bureau, will yield data in the form of accounting statements for each individual inquiry of LRC members. At the same time, LRC Credit Bureau is able to create its own base of annual financial statements. Requested and forwarded statements, at the request of clients, are collected in LRC database and used for future needs.

PRODUCTS AND SERVICES OF LRC CREDIT BUREAU

- **Debt collection**

- The LRC team offers a combination of highly-developed skills and a wide-range of prompt, professional accounts receivable collection and bad debt collection programs specifically designed to fit your company's needs.

- LRC Collections is dedicated to serving you with the intention of building a long-term client relationship. We are the intelligent alternative for your company's need for bad debt collection, clearing backlogged receivables, improving cash flow and liquidity while enhancing your profitability.

PRODUCTS AND SERVICES OF LRC CREDIT BUREAU

- Debt collection solutions

- Debt Collection out of court process without commission
- Debt Collection out of court process with commission
- Debt Collection by law suit

PRODUCTS AND SERVICES OF LRC CREDIT BUREAU

•Debt collection - Out of Court process without commission

Benefits :

- Collection ability of small amounts debts
- Collection ability of dated debts
- Ability of placing your bills as collection priority
- Ability of new Cooperation Establishing with your Debtor
- LRC Activation as third Entity is a better possibility of Collection.
- Information Registration and creation of „negative business record“ of your Debtors until the collection is completed
- You are the only Subject which has ability enhance their Credit Report
- Disputable Collections in law of suit are placed in Evidence until the Court make a decision
- Process is one month long
- Private Software Solution – which enables cultivating more than 18 000 application in a 24 hours

PRODUCTS AND SERVICES OF LRC CREDIT BUREAU

•Debt collection - Out of Court process with commission

Benefits:

- LRC Employees are constantly focused on collections
- In any case we accede regularly in order to collect as much as possible
- Debt Collection is a planned, administratively complex logical sequence based on time importance
- Debtors are not treated as criminals, but subjects with hard business status, in which we try to find a proper solution of debt problems
- We enable their repayment in annuity with Approval of our Clients,
- Each Subjects has its own referent with continuous week reports
- Each Debt Collection Procedure is done by Law Principles of Bosnia and Herzegovina
- Activation of LRC as Intermediary, collection process is more appropriate
- We do not impair the Client – Debtor Relations
- Private Software Solution – which enables cultivating more than 18 000 application in a 24 hours
- 60 days process

Facts:

- More than 3000 Members in Service
- More than 20 000 000 KM debt collection
- Smallest debt collected – 1,60 KM
- Biggest debt collected – 220 254 KM
- The most debt collections per company 534 455 KM

Acknowledgments and Awards

With the awarding of 5 international awards and two certificates (TQCS 3000 and TQM QC 100) for its work, LRC Credit Bureau has confirmed its dedication to the development of a credit bureau in BiH respecting all internationally recognized standards. Additionally, BiH is the only country in this surrounding region that has, thanks to LRC Credit Bureau's work, been recognized on the World Bank Group's map of countries with institutions providing financial and credit information exchange, and at the same time lower business risk, both for foreign and local investments.



- The best company in 2004. in the category The best banking / financial or insurance company in the Southeast Europe, awarded at the Regional Conference for Southeast Europe in January 2005, Sarajevo, BiH

Credit Bureaus World Map

EUROPE AND CENTRAL ASIA PRIVATE CREDIT REPORTING

PRIVATE CREDIT REGISTRY:



DOING BUSINESS REPORT

As a result of fulfilling predefined goals in order to achieve operating standards of worldly renown credit bureaus, LRC's business accomplishments were among the key parameters taken into consideration by the World Bank for the "Credit Accessibility" criteria ranking in its "Doing Business" report. Hence, based on the LRC's accomplishments, Bosnia and Herzegovina ranked 7. in the "Credit Accessibility" area, thus surpassing all countries in the region as well as many highly developed members of European Union.

"Doing Business" report issued by the World Bank and the IFC is third in the line of the world annual reports focusing on the respective country's legal regulative. The findings of the report provide an insight into presence of either a strong and healthy business environment or obstacles that need to be resolved to facilitate economic development.

<http://rru.worldbank.org/DoingBusiness/>

DOING BUSINESS REPORT

Bosnia and Herzegovina
Region: Europe & Central Asia
Income category: Lower middle income
Population: 3,907,074
GNI per capita (US\$): 2,440.00
Country laws: see our [Law Library](#)



Ease of...	2006 rank	2005 rank	Change in rank
<i>Doing Business</i>	95	91	-4
Starting a Business	141	136	-5
Dealing with Licenses	160	159	-1
Employing Workers	95	96	+1
Registering Property	139	142	+3
Getting Credit	7	9	+2
Protecting Investors	83	81	-2
Paying Taxes	111	98	-13
Trading Across Borders	56	53	-3
Enforcing Contracts	117	114	-3
Closing a Business	69	68	-1