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SUPPORTING SERVICES ENVIRONMENT FOR CREDIT AND FINANCE
OF SERBIAN SME SECTOR

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1. INTRODUCTION

The central objective of this Report is to better understand the environment in which support services for lending and finance operate, and to identify constraints and opportunities for the development of these services. The focus of the research was adjusted to the situation in the field; the analysis was guided by the answers and opinions expressed by the respondents. All respondents are, or were, directly involved in the lending process, as borrowers, lenders, or providers of support services. Answers were obtained directly from more than 80 participants, mostly bankers. More information regarding the interview process is presented in Appendix 1. Answers provide insight into the current situation and practice of the services engaged in support of lending. Interviews were the most important source of information. Some opinions and facts presented were verified in consultation with others or by using official sources of information (web presentations of institutions, as well as laws and bylaws). All conclusions expressed in this Report are based on the information collected and should be deemed as credible indicators of inefficiency. However, a final judgment regarding inefficiency and possible improvements should be only be passed after further research is done into the practice and regulation of these services.

2. EXECUTIVE SUMMARY

Supporting services have improved substantially, which resulted in the greater availability of credit. The most dynamic period began in 2004. Since then, the establishment of public registries and automation thanks to the development of IT infrastructure, have made those services “invisible” for users, as was observed during the preparation of this report. Still, the potential for improvements is obvious, and most of the suggestions refer to the speed of the lending process. Accessibility is not a problem anymore. There were comments regarding costs; nevertheless, costs do not attract excessive attention, especially when a service is provided promptly.

A summary of answers given by parties directly involved in the process (borrowers, lenders, and, in some cases, providers) suggests that supporting services should be improved regarding the property valuation process. Answers also suggest that there would be much more lending if borrowers and lenders were better adapted/educated/equipped for the current economic environment. The disproportion between borrowers’ needs and lenders’ capacity to bear risk supports the opinion that traditional banking is not a sufficient source of funding and that there should be more lenders with a greater capacity to bear risk.

3. PROVIDERS OF SUPPORT SERVICES

The following are the main services (and their providers) in support of lending:

- Appraisal of collateral (authorized persons and legal entities);
- Documentation related to real estate ownership (National Land Survey Agency, *Republički geodetski zavod - RGZ* and cadaster services);
- Registration documents (Business Registries Agency, *Agencija za privredne registre APR*);
- Enforced collection reports (National bank of Serbia);
- Credit history report (Credit Bureau of the Association of Serbian Banks);
- Debt collection (registered legal entities);
- Data providers (statistical office, chamber of commerce, associations etc.), and
- Insurance services (registered domestic insurance companies).

The following are supporting services (and their providers) of secondary or minor importance:

- Solvency report services;¹
- Tax Administration, and
- Consultants and lawyers.

Accounting services are very important to their users. Despite the fact that their primary purpose is not related to lending, they nonetheless remain very important in the lending process. It is not possible to borrow money from financial institutions without adequate and reliable financial reports.

4. APPRAISAL OF COLLATERAL

This issue attracted many comments from business owners/managers and bankers (coming from 21 domestic banks that together represent more than 90% of banking sector assets in Serbia). Bankers were the primary pool of interviewees. Further, very useful and rather detailed comments were provided by the National Association of Appraisers (NUPS) and its president, Mrs Danijela Ilic.

¹ The main providers of solvency reports in Serbia are the APR and Rating (a local representative of D&B).

Profession

Due to the long history of the State's certification system of court experts in different fields under the Ministry of Justice, the profession of appraiser has gradually and inappropriately come to be equated to that of expert witness.

The value of property is usually appraised by expert witnesses, whose appointments are within the remit of the Ministry of Justice. Accordingly, court experts for civil engineering (construction and architecture) are in charge of real estate appraisals, while court experts for mechanical engineering appraise the value of equipment. There are as yet no capital appraisal licenses for either individuals or firms.

Hence, the motivation of existing court experts to receive education or become members of professional appraisers' organizations is very low or even completely absent, as it depends on their ability to appraise property under current certifications issued by Ministry of Justice. There are no minimum requirements for court experts as to formal training in appraising property, although they are appointed to carry out appraisals.

Associations

The situation is not clear as to who speaks on behalf of the profession. There is the National Association of Appraisers – a non-profit, nongovernmental and independent organization. At present, NAVS has some 57 members, mostly real estate appraisers, but its founding members are recognized business appraisers. Only a small number of those who currently engage in appraisals are full members of the Association (membership is voluntary provided admission criteria are met). Membership status is approved by the Association's Managing Board. The criteria and requirements are as follows:

- University degree (4.5 to 6-year studies are acceptable);
- Commitment to ethical standards;
- Proof of education;
- Proof of experience in appraising property (at least 4 years);
- Willingness to submit to a review of his or her work by the Association, and
- Acceptance of Articles of Association and ethical standards of the Association.

Although there was interest in attending education seminars, additional support from government institutions and banks has to date failed to materialize. The Association has invested a great deal of effort in offering adequate education and certification in accordance with international standards. It resulted in the translation of international valuation standards into Serbian, the use of that translation across the region, and membership status in international organizations (IVSC and TEGoVA). The Association has continuously placed emphasis on ethical and professional standards and their promotion. Notwithstanding the above, it failed to attract interest from professional appraisers. Among the reasons for this could be the fact that there is no specific benefit for professional appraisers that would attract them to the Association. This is not required by banks, employers, other institutions, etc.

Besides the NUPS, there are also the Belgrade Expert Witness Agency (*Gradski zavod za vestacenja Beograd* – GZV, www.gzv.rs) and the Serbian Chamber of Engineers (www.ingkomora.org.rs). While the GZV is a public institution (not subject to registration with the Business Registry) it has more than 80 employees and offers numerous services in the field of expert testimony and appraisal. The Chamber of Engineers is a professional association established under the law, with some 22,000 members, that has issued more than 34,000 licences in many fields of mechanical and electrical engineering, urban planning and construction.

Banking sector

The appraisal of real estate and equipment is among the most frequent needs of banks; consequently, these forms of appraisals will be covered in greater detail below.

According the Decision on the Classification of Bank Balance Sheet Assets, authorized appraiser is a court appointed expert, and the NBS, requires banks to use court experts with the appropriate level of expertise, or legal entities authorized for appraisals, as provided for with legislation governing valuation but there is no law specifically targeting the area of appraisal. In other words, real estate in Serbia is appraised construction and architecture professionals who are appointed as court experts.

The criteria required for appointment as court experts defined by the Ministry of Justice:

- University or higher-level education (master’s degree, specialized academic or professional studies) in the field related to the one in which expertise is required;
- At least 5 years of working experience in the field she/he is applying for,
- Professional knowledge and practical experience in specific field of court expertise,
- Integrity necessary for acting as an expert witness, and
- High school degrees are permitted only under specific circumstances.

Since these criteria are too board, its possible that one may be appointed court experts for a profession without any reference to property appraisal. e.g. appointing a court experts in the field of construction is considered appropriate for appraising real estate So it could happen that a residential or bridge construction expert (engineer) is both expert in his or her profession, but is also able to appraise property even when lacking adequate financial education and knowledge of the real estate market needed to perform an adequate appraisal.

An appraiser with specific expertise is selected for equipment or similar items; respondents made no comments for this kind of appraisal. Equipment is usually appraised by mechanical or electrical engineers. Prices are easier to obtain from dealers of used equipment and new equipment need not be valued (invoice price is used instead).

Borrowers

The main impressions from the client (borrower) side are related to specific circumstances:

- Unprofessional behavior of appraisers – the valuation process often starts with the question “what is the amount of loan you asked the bank for?”

- Borrowers believe that valuation is not always necessary, especially when value is “obvious” or easily observed (easy marketable real estate where asking prices can be easily found in advertisements; this property is bought and sold frequently and as such is not needed to value by valuers)

Borrowers emphasize other aspects. A suggestion made by the borrowers was that the need to use appraisers could be avoided in some cases if *mass valuation*² were used. Done more efficiently and accurately than current valuation determined by the Tax Administration, it could lead to “unnecessary valuation costs” being avoided.

Mass valuation is an ongoing project at the RGZ³, financed through Swedish development assistance⁴. Articles 149 to 152 of the Law on State Survey and Cadaster authorize the RGZ to perform mass valuation and manage the registry of real estate values. The RGZ is also authorized to determine the method of valuation. The Author was told by the RGZ that the entire process of mass valuation was in the final phase of development. The RGZ is preparing for mass valuation together with the Tax Administration and the Ministry of Finance. These projects will substantially improve the technical and human capacities of the RGZ. A number of important achievements have already been made: a separate department has been established, the Transaction Registry web application has been developed and is in the final stages of testing, and methodology has been developed based on experiences with a model implemented in Slovenia and Sweden. One of the results of this process has been the fact that the adoption of a specific law to govern mass valuation is now under consideration. As for the public availability of data, Article 154 of the Law stipulates that temporary data (i.e. data obtained during project development) should be posted on the RGZ web site, but also that after the process is completed and after values are determined, the RGZ is not under any form of obligation to publish the data. Greater interest on the part of the public should enable full availability of data, considering how important these data are to the real estate market and lending. As for residential real estate, the National Mortgage Insurance Corporation calculates its DOMEX index, an indicator of residential real estate prices. Price data disaggregated by region and municipality are also available. The problem with DOMEX data is the extent to which it is representative. It only includes residential properties and only those transactions financed from loans insured by the NKOSK, which is just one segment of real estate market.

We could here touch on the question of the reliability of data used in appraisals of comparable sales (comparable transactions). Although appraisers refer to their own databases of transaction data (as used by larger real estate agencies/companies), asking prices as listed in sale advertisements and their own knowledge of market trends, there is no publicly available database that could be considered a relevant or reliable point of reference. The easiest to use, and the most accessible to the public, are data from the DOMEX index mentioned above, as well as those coming from the NKOSK. Except for DOMEX, there is no nationally recognized index and source of real estate prices. Although appraisal of residential properties falls outside the core business activity of NKOSK, its practices should be

² Mass valuation is systematic valuation of groups of properties using standardized procedures and statistical testing.

³ http://www.rgz.gov.rs/template1.asp?PageName=2010_10_4_07&MenuID=0020065

⁴ http://www.rgz.gov.rs/template1a.asp?PageName=2010_10_4_01&MenuID=0020065&LanguageID=2

mentioned due to the extent to which these services are used (60.000 loans insured). The NKOSK does not have a list of authorized appraisers (expert witnesses), but does keep a black list. Although appraisals are done by expert witnesses, the NKOSK always compares their results with its own DOMEX database, using it as a reference point.

At this time the RGZ is engaged in a mass valuation project as part of Phase III of the Property Cadaster and Registration Project. This effort was scheduled to be complete in February 2012; there is no new information regarding its status.

The **cost** is relatively low in relative terms when compared to loan amounts, but nevertheless cannot be considered irrelevant. The minimum cost of valuation is EUR 70. According to rough estimates, these expenses could amount to as much as 0.2% of the loan amount, which usually runs into thousands of euros (the most expensive services are provided by internationally recognized real estate service companies, whose prices usually range up to EUR 7,000). Due to the factors referred to above, one of the parties to the lending process often disagreed with an appraisal or considered it inappropriate. Borrowers currently feel pressure from banks: appraisers undervalue their properties due to the conservative stance of banks. Conversely, lending policies were more aggressive in previous years. Banks now encourage more aggressive valuations so lending criteria can be met. On the other hand, bankers do not emphasize this view, as they always review appraisals and reject the overly aggressive ones.

Accessibility

Appraisal services are eminently accessible. The major banks cover almost all of Serbia and cooperate with local or regional appraisers. Borrowers located in larger cities have more options to choose from. The exceptions to this rule are specific circumstances which require specific knowledge: these contingencies are handled by companies equipped for such valuations. The number of court experts can be obtained from the Ministry of Justice.

A new Law on Court Experts was adopted in mid-2010. Court experts appointed under the previous law were given a period of one year to seek re-appointment. The Ministry was thus required to issue a public call for appointment of court experts by a set deadline. One of the important innovations is the Registry of Court Experts. This Registry is kept by the Ministry of Justice and is available online at the Ministry's web site.

In the meanwhile, according to information obtained from the Expert Witness Division at the Ministry of Justice, under pressure of the banking sector, the MoJ introduced a new sub-specialization category - "appraiser" for existing licenses in the filed construction as well as in the field architecture. According to the MoJ, the only criteria that these court experts need to meet to have this type of qualifications recognized is to provide an agreement with any bank as proof they already have experience as real estate appraisers, or to provide proof that appraising real estate is a part of their regular job.

Precise numbers for each field of expertise disaggregated by town are is given in the table at the end of the report.⁵

Region	High Court(District Court)	No. of court expert (appointed), construction		No of court expert (appointed), architecture		No of court expert, specialized as appraisers, construction + architecture
		Tot	Of which	Total	Of which	
BELGRADE	Beograd	221	57	99	8	65
BELGRADE		221	57	99	8	65
CENTRAL	Jagodina	39	0	8	2	2
CENTRAL	Cacak	22	2	3	1	3
CENTRAL	Pozarevac	20	5	4	0	5
CENTRAL	Smederevo	24	4	4	0	4
CENTRAL		105	11	19	3	14
SOUTHEAS	Vranje	26	2	6	0	2
SOUTHEAS	Zajecar	31	0	8	0	0
SOUTHEAS	K.Mitrovica	2	1	0	0	1
SOUTHEAS	Leskovac	48	4	4	0	4
SOUTHEAS	Negotin	10	1	0	0	1
SOUTHEAS	Nis	97	11	14	1	12
SOUTHEAS	Pirot	15	1	0	1	2
SOUTHEAS	Prokuplje	14	2	14	2	4
SOUTHEAS		243	22	46	4	26
VOJVODINA	Zrenjanin	33	5	7	4	9
VOJVODINA	Novi Sad	104	36	24	5	41
VOJVODINA	Pancevo	14	5	9	3	8
VOJVODINA	Sombor	21	6	8	1	7
VOJVODINA	S.Mitrovica	17	4	4	3	7
VOJVODINA	Subotica	23	8	7	1	9
VOJVODIN		212	64	59	17	81
WEST	Novi Pazar	16	3	5	1	4
WEST	Valjevo	29	1	6	1	2
WEST	Uzice	32	1	8	0	1
WEST	Sabac	32	0	1	0	0
WEST		109	5	20	2	7
TOTAL		890	159	243	34	193

There is no information about whether there are any court experts vacancies. In addition, there is no information about if and when there will be another public call for the appointment of expert witnesses. Needs for court experts should be identified in advance by the courts; the Ministry of Justice is notified of their numbers required, and it is up to the minister to

⁵ In the first draft of this report, the Consultant provided the number of court experts as listed in one of the three calls issued by the MoJ to ensure harmonization with the new Law and establish the Registry. The Registry of Court Experts has been in operation since mid-2011.

decide whether there is a shortage of court experts and whether a call for appointment of new ones is to be published⁶.

Observations and Recommendations

These are some observations that can be made regarding some aspects of real estate appraisal that have to do with the lending process and the profession of appraiser:

- Designation process is not appropriate – appraisers must meet statutory and professional criteria, but the rules are too loose and, in consequence, most appraisers are inadequately educated (usually construction engineers without knowledge of economics, finance or the real estate market) which strongly impacts on the quality of their work as appraisers. There is no ongoing education requirement, nor are any exams obligatory after appointment. The main consequence of this is biased valuation due to the subjective choice of a cost-based approach instead of following the “greatest and best use of property” principle, as recommended by professional standards. The cost-based approach may have its uses and be well respected, but using predominantly or exclusively this method is not justified.
- Because of the focus placed on the cost-based approach, standard valuation reports issued by inadequately educated appraisers do not contain adequate information about the real estate market, demographic trends, local economic conditions, and supply of and demand for properties relevant for valuation.
- There is no regulation governing the appraisal process and appraisers’ activities.
- There are no generally accepted professional standards, nor are any applied – NUPS has invested a great deal of effort in promoting internationally-accepted professional standards, but has nevertheless failed to ensure their use in practice or incorporate them into regulation governing real estate appraisal. NUPS commissioned a translation of EVS 2009 and IVS 2011 standards and their Serbian-language versions are available to professionals. The reasons for this situation should be discussed with all institutions affecting the real estate market and those dealing with lending for or financing real estate projects (real estate service companies, NUPS, Ministry of Urban Planning, RGZ, banks, government-sponsored lending institutions, NBS, Association of Serbian Banks, investors, etc.).
- Excessive room is left for the appraiser’s subjective opinion, and there is no professional accountability of appraisers.
- Adequate professional liability insurance is not available in Serbia.
- A specific issue is the fact that each bank has its own list of acceptable valuers and yet another list, a so-called “black list”, which is not public and which contains names of court experts whose appraisals are not acceptable. There is no official explanation nor are there any publicly available criteria for someone to be placed on the black list. Unofficially, appraisers are blacklisted for unethical behavior and poor quality of appraisals.
- In many cases valuation done by appraisers is informally verified by the bank. The reason for this is the distrust of appraisers as a profession, as there is no single representative association of appraisers in Serbia, nor are there any widely accepted professional standards or sanctions for misconduct.

⁶ Article 11 of the Law on Court Experts

- There is no unique, national, comprehensive regulatory body responsible for sanctioning unprofessional and unethical behavior. Although banks are the most frequent users of appraisal reports, the interest in improving the profession of appraiser is so low as to be virtually nonexistent. Sanctions are referred to in the Law on Expert Witnesses. This piece of legislation stipulates specific criteria for being dismissed as expert witness. The author found no data regarding dismissed court experts or any instances of this taking place in Serbia. An expert witness may be dismissed upon his or her own request; where he or she no longer meets the requirements for appointment or where it is found that he or she did not meet them at the time of appointment; where he or she is convicted of an offence making him or her unfit to serve as expert witness; where he or she is forbidden from working in the particular field of expertise; if his or her ability to work is diminished or lost; or where he or she performs the duties of expert witness improperly, negligently or incompetently.

The level of knowledge of the real estate market at public institutions (RGZ, Tax Administration, municipal land development agencies etc.) is very low, which is reflected in the day-to-day application of laws and bylaws, and, in some cases, even in the drafting of routine documents. Realistic appraisal of real estate by a competent and authorized public institution (for instance, the Tax Administration) that could be used by other institutions (both public and private) could improve transparency of valuation. It could lead to the harmonization of different methodologies and ensure favorable conditions for business planning. Although this is not of primary importance to the SME sector, realistic information about the values of its assets will lead to more reasonable decision-making.

The basic recommendations in this area are:

- Develop and implement regulation taking into account best practices of countries where the profession of appraiser is developed;
- Promote the profession and respect for the highest ethical standards in public;
- Educate those valuers who are already active;
- Educate civil servants, and
- Develop professional liability insurance.

5. CADASTRE SERVICES

Cadaster offices are organizational units of the National Land Survey Agency (*Republički geodetski zavod*, RGZ). All services provided by the RGZ are listed on its website at www.rgz.gov.rs. The basic services related to the lending process are provided by local cadaster offices. The services used the most frequently in the lending process are issuing title deeds and instituting liens on property and removing them. In addition to registering changes to land plots (splitting or amalgamating them, etc.), the RGZ also issues land plot plans and provides other related services, although not as frequently as those mentioned above.

Cadaster services have recently seen a substantial improvement, with the World Bank financing the Real Estate Cadastre and Registration Project⁷. Among the substantial improvements enabled by this Project⁸ is customer satisfaction. Cadaster registries are established in municipalities where property data was not organized; coverage currently reaches 98% of all cadastral municipalities. Technical capacity of the RGZ was also improved, and the Project was also able to achieve success as measured by other parameters. According to the last project report there was still room for improvement in the IT segment and in the segment of customer perception (procedures were described as complex). Basic services, such as issuing title deeds, function perfectly (usually one day after the request is filed). According to the report on the already mentioned World Bank-financed Real Estate Cadaster Project in Serbia, the time for registering a transaction has been shortened substantially, from 60 days in 2004⁹ to up to 5 days in 2012. Registrations are made in up to 5 days in 54% of transactions, while the remaining transactions are registered in under 10 days. It is important to note that the 5-day target is achieved for those willing to pay for the “urgent procedure”.

Despite the presence of obvious improvements, the author found complaints related not to organization but to the efficiency of some local branches. More specifically, the larger the city/town, the slower the service. We can assume that the probable cause of this is the large workload and inadequate number of staff at larger branch offices. Novi Sad and Belgrade branches are often cited as being the least efficient, supporting the assumption that an adverse workload/staff ratio is a major cause of the problem. The RGZ is aware of this issue and is considering introducing a special fee for expediting individual cases more quickly.

Besides the efficiency of some branches, other recommendations for possible improvements are:

- Ability of local offices to check whether a fee has been paid by e-banking should be improved (as they currently have to verify with their own accounting departments whether payment has cleared or require physical receipts);
- Reduce time needed to institute a lien or remove it from the property (this currently takes more than a month. The standard time is 1 to 2 months, or, in some cases, as much as 6-12 months), and
- Central register of mortgages (liens on real estate) is very helpful, but its greater accuracy (more frequent updating) would be beneficial.

Borrowers stress that instituting or removing a lien takes a great deal of time. This is a problem when money cannot be transferred before a lien is instituted or removed. At the same time many banks do not perceive this as a problem (they approve transfers of money before a lien on the property is formally instituted). This is used by some banks as a competitive advantage and it is matter of each bank’s risk policy. Most banks do not require

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<http://web.worldbank.org/external/projects/main?Projectid=P078311&theSitePK=40941&menuPK=64282134&pagePK=64283627&piPK=64290415>

⁸ Detailed improvements are listed in the last project implementation report available at <http://web.worldbank.org/external/projects/main?pagePK=7593653&piPK=7321312&theSitePK=40941&projid=P078311&docTY=791001>

⁹ The 2005 Doing Business survey indicated that it took 186 days to register property in Serbia.

that a lien be formally instituted before approving a loan, but will instead accept confirmation from the cadaster that a filing to institute a lien has been made, and that is the final step before money is transferred. Due to the flexibility of banks this is not an issue of primary importance for lending. Faster service by the cadaster will enable faster transfer of money by banks who insist on a lien being formally instituted, and especially in cases where removing a lien is necessary (loan refinancing). One to two months cannot be said to be excessive (and this is probably determined by cadaster capacity) because an appropriate benchmark could not be found. The perception is that it should be shorter.

Respondents suggested making the cadaster database available online, but were unaware that the RGZ had already developed an online data access service. This service is functioning very well; the RGZ should consider more actively promoting projects designed to improve its services as this particular service was not known to many respondents. The only drawback of online access is that data provided online is not legally admissible (as legally admissible documents must be issued physically by a cadaster office).

Another suggestion for improvement is equal treatment of the same services at all offices. An example is instituting a lien on an unfinished building. Some cadaster offices allow the institution of liens on individual parts of a building (as-yet nonexistent housing units) before the building is completed. Other offices do not allow this practice and, until construction is complete, only make it possible to institute a lien on the plot of land where the building will be built.

6. THE BUSINESS REGISTRIES AGENCY – APR

The work of the APR and the transparency of collected data were commended by respondents. The APR provides one of the best services from the point of view of both borrowers and lenders. Comments for improvement were made by bankers and focus on even greater transparency in the following areas:

- Abuse and fraud could be prevented if business registries were made searchable by names of individual persons and their relationships with legal entities (board memberships, ownership, status of officer or director, etc.). This could be considered a violation of privacy, but if consent were required there should be no problems. The ability to view historical and current activity of each Serbian or foreign national regarding powers of attorney, establishing and closing legal entities (and especially bankruptcy) in the Republic of Serbia will make it possible for each lender to easily identify possible threats, and
- Making it possible to search business registers for entities located at the same address should serve the same purpose.

Automatic identification of related entities by the APR is another desired service that could be based on the search criteria mentioned above. The APR is important because it keeps the Registry of Charges on Movable Assets and Rights under the Law on Registered Charges on Movable Assets.. The Registry includes movable assets financed through operating leases. The law and the Registry do not apply to charges on vessels and aircraft. The registration of a charge does not constitute proof of there being no other charges on the movable property or right in addition to the registered charge. Further, the information available from the

Registry is not proof that the chargor is the owner of the charged property or has any other rights to that property. Although the amount secured by the charge is listed, this is not evidence of its validity. The APR also keeps the registry of financial leases. This lists all financial lease contracts entered into by legal entities or individuals, and is searchable by lease client, provider, contract number and leased item. There were no comments or complaints regarding these registries.

7. ENFORCED COLLECTION AT NBS AND OTHER SERVICES PROVIDED BY NBS

The central bank was praised by lenders for the efficiency of its enforced collection (account freezing system). Suggestions for improvement pertain to the following:

- Increase transparency of data about the frozen account (at this time, the only item visible is the amount, while amount structure, and names of entities with claims should also be made public), and
- Consider changing priority in collection or equally or proportionally collecting debts if so agreed by lenders moving to freeze the borrower's account, as this will make it easier to reach agreement between the borrower and lenders in restructuring.

Other comments regarding NBS services refer to more detailed statistics on corporate lending (small, medium and large entities are reported as the corporate sector, and disaggregating them will provide more insight into SME development). In addition, to monitoring the SME sector, overall lending activity and business sentiment could be statistic of loan application. Data on the number of applications received and applications accepted, rejected or withdrawn by the borrower and overall amounts per each category could be an excellent source of business information and a very useful macroeconomic indicator.

8. CREDIT BUREAU OF ASSOCIATION OF SERBIAN BANKS

Together with the NBS and the APR, the Credit Bureau received praise from both lenders and borrowers. The up-to-dateness and quality of data were usually cited. This is not surprising given the number of awards and commendations this institution has received. The Credit Bureau has recently begun to implement electronic signatures for its services provided to individuals, and has expanded the scope of its data sources to include telecoms and insurance companies, complementing banks and leasing companies, its standard sources of information.

A possible improvement cited by respondents is that data on indebtedness could contain creditors' names in addition to amounts owed.

9. DEBT COLLECTION

Banks restructure loans made to businesses in an effort to improve the likelihood of collecting, either in cash or from collateral. This is the responsibility of various bank departments (where this process is termed Debt Collection, Restructuring, Work-Out, Late Work-Out, etc.). Some of the banks operating in Serbia have had these departments from the outset, but most of them established such divisions over the past three years, as non-performing loans grew. Where these activities are outsourced, these activities generally come down to pleading banks' cases before courts or providing interpretations of the various legal considerations involved. Most of the work is still the responsibility of the banks themselves. The so-called "debt collection agencies" are predominantly used to collect smaller non-performing loans from private individuals. The number and individual values of these loans make it cost-ineffective for banks to use courts or other means, which is why any efforts to collect are entrusted to these specialised agencies. The agencies also collect on contracts between businesses.

Enforced collection in the case of SMEs is governed by the Law on Contracts and Torts, the Mortgage Law, the Law on Enforcement and Security and bylaws adopted by the National Bank. The most frequent, and indeed the primary, recommendation for improving enforced collection is to make it possible to sell non-performing receivables to non-financial institutions. Under Item 42 of the Bank Risk Management Decision, the central bank bylaw governing this area, a matured claim of a legal entity may be assigned to "another legal entity domiciled in the Republic of Serbia engaging primarily in financial activities." The **Banking and Insurance Section** of the Serbian Chamber of Commerce recently put forward an initiative to amend Item 42 of the Decision, calling for the central bank to allow banks to assign matured debts owed by businesses not only to Serbian-domiciled financial institutions, but also to any other legal entities that have an interest in taking such claims. The Banking Committee, made up of heads of boards of directors and senior bankers of 19 banks, believe that relaxing the central bank's decision would result in a far more efficient debt collection system and provide for more effective clearance of risky assets.

Banks have advanced this solution aiming to resolve issues that banks lack adequate solutions and/or resources to actively tackle themselves, since collection on security is not always the best option, or is not always possible because of issues with the collateral. Non-financial institutions (mainly businesses) often endeavour to gain control of assets* (property, equipment, office space, etc.), or the owner may wish to use "associated entities" to help his company overcome liquidity issues. (In addition, latest changes to Article 46 of the Law on Payment Operations, adopted in May 2011, prohibit a company from assuming a debt owed by another company whose bank account has been frozen.)

According to the 2011 Serbian Statistical Yearbook, a total of 2526 entities are engaged in financial services and insurance. Most of these are sole proprietors (1555), followed by limited liability companies (678), open joint-stock companies (124) and closed joint-stock companies (123).

While still significant, the remaining comments as to possible improvements are nevertheless less topical than the first recommendation. These relate to:

- Underdeveloped profession of private enforcement officers under the Law on Enforcement and Security. Its development is expected to bring about major improvements.
- Article 49 of the Mortgage Law. This provision, introduced in the latest iteration of the Mortgage Law, stipulates that the rights of subsequent mortgagees remain reserved. Practice has shown that buyers' interest has declined dramatically, since no-one wants to buy property that remains encumbered by the rights of subsequent mortgage creditors. Bankers complain of fictitious contracts between two companies used to institute mortgages and thereby make a property as unattractive as possible to a prospective buyer. Banks have consequently turned to the courts to collect on receivables secured by mortgaged property. Court procedures take more time and result in lower prices than out-of-court procedures did before these amendments were made to the law; all of these changes are expected to have a direct impact on lending conditions. In court proceedings, having sold a property at a public auction, the court uses the proceeds to satisfy the creditor(s), and then registers the property in the name of the new owner without any encumbrances, regardless of whether all creditors were satisfied from the proceeds.
- Implementation of Article 31 of the Mortgage Law. This governs the record of sale of mortgaged property, making it possible for the debtor to appeal against a decision recording the sale of mortgaged property. Although the Ministry of Spatial Planning, the body in charge of these issues, has a 15-day statutory deadline to adopt a second-instance decision, it often takes between one and two years to do so, thereby leading to ever greater abuse of the right to appeal.
- Bankruptcy Law. Many statutory deadlines provided by this piece of legislation are often exceeded. Numerous cases in progress can be the main cause underlying this situation. The extensive jurisprudence associated with the Bankruptcy Law can be expected to significantly improve and accelerate collection.
- Posting court rulings on court bulletin boards. This should take the form of electronic notices to all interested parties as soon as the ruling is posted on the actual physical bulletin board, instead of forcing all parties to wait for the documents to be posted on the BRA web site. An "e-bulletin board" project addressing these issues may be in progress at the Ministry of Justice, but this information could not be independently verified.
- Enforced collection. Improvements are desired, primarily in proceedings that call for co-operation between courts and other institutions (mainly the police).

(* By way of an example, where a company has sold goods and has an outstanding claim arising from a sale and purchase contract. The buyer of the goods may, at the same time, owe his bank for a loan secured by collateral. If the bank's non-performing receivable is assigned to the buyer the payable/receivable cycle can be closed without the buyer having to declare bankruptcy. At the same time, the bank would be faced with lower collection costs. The end result of this transaction is that the buyer is freed of its obligation to pay, both for the loan and for the goods, that the bank has collected on its NPL, and that the seller is in possession of the collateral and no longer has an outstanding claim on the buyer.)

The largest agency dealing with debt collection from retail clients is EOS Matrix, which currently does business, or has done business, with several banks in Serbia. Neither the banks nor EOS Matrix were willing to provide any type of information on who does debt collection in Serbia, and especially whether an agency is retained by a bank to do so. It was therefore not possible to determine the number of banks using the services of EOS Matrix and other agencies.

10. DATA PROVIDERS

For this segment of the report, inputs were collected from staff of banks' analytical departments and from the Author's extensive experience in the field of investment analysis. Improvements are expected regarding the availability of information on available capacities, quantity of production/services and similar types of data that are needed for creditors to better evaluate a specific business project or an already active company's strength and ability to repay loans. The most important data provider is the Statistical Office of the Republic of Serbia. Data from the Statistical Office are sometimes outdated or insufficient so alternative sources are used. Market research agencies (GFK, AC Nielsen, MEMRB, etc.) partially fill these needs, but analysts often say they need more precise and public data from the Chamber of Commerce, associations of producers, professional associations, etc.

To the author's best knowledge, the provision of data on SME lending terms is not developed. This is to some extent related to the fact that demand for these services from those willing to pay is limited. The web portal www.kredit.rs is a possible information source, but its capacity to provide information is low. This could be considered logical because corporate clients always have terms tailored to their specific needs and circumstances. Basic information, such as interest rate, period and amount can be found for micro clients, but these data are more informative because a real offer from a bank is always customized to suit each client. Lending criteria are also not public, as mentioned below in the segment covering client education. Statistics of the National Bank show the average interest rate charged on loans to non-financial institutions and businesses; this data is, nevertheless, very general. There is doubt as to whether it is possible to obtain these data from banks, and whether data obtained is adequately informative (precise) because it is considered confidential.

There are well developed providers of data on lending terms in Serbia, but only in the retail segment (an example is the web portal www.kamatica.com).

There is no provider of data provider on demand for financing; these data were not found by the Author on official web sites (NBS, Statistical Office, Belgrade Stock Exchange, Association of Serbian Banks). A possible source could be bank statistics on loan applications and amounts, but there are large difficulties in adequately estimating needs for funding due to the following reasons:

- Double counting (when a borrower applies with to more than one bank for the same loan);
- Besides bank loans, debts could be in the form of bonds; this is, however still in the early stages of development in Serbia, and
- Despite borrower willingness, many loan applications are not formally sent to banks because banks' relationship managers perform preliminary screening.

The www.dobos.rs web portal provides information on the sale of assets through debt collection, including a large number of cars, properties (both residential and commercial) and equipment put on sale by banks and leasing companies.

11. INSURANCE SERVICES

There were no comments regarding possible improvements to property insurance, but insurance in the agricultural sector has been characterized as expensive. This attitude could be the result of personal impressions. Checking this question with other respondents resulted in the conclusion that there were no issues with this. At the moment, the standard insurance premium for maize in Vojvodina is about 2%¹⁰ of the insured amount (the actual rate is influenced by the location, amount of coverage and other details specific to each insured client). The insurance premium for a higher quality apple orchard is around 7%¹¹ of the insured amount. But the fact is that insurance in agriculture is not used as it is in developed countries. Data¹² show that in Serbia crops covering just 8% of total arable land are insured, while, more optimistic estimates put the figure at 10 to 11%. The market is rather modest and underdeveloped in comparison with Austria (90%) and France (77%). Reasons for this could be sought in the fact that agricultural production in Serbia is still in development, and in the low profitability of such production where premiums account for a large part of the profit. According to the head of non-life insurance at Delta Generali,¹³ the cost of insurance compared to the standard level of outage during harvest means these costs are not substantially important. He concluded that insurance cost could be considered small relative to the protection it provides.

Banks do not insist on insurance for working capital loans because insurance costs could substantially diminish profitability.

Insurance services accessibility is excellent due to high competition.

Lending activity and insurance come together in the work of the National Mortgage Insurance Corporation (Nacionalna korporacija za osiguranje stambenih kredita, NKOSK), which insures all mortgage loans granted to individuals under specifically defined criteria. Since this report is limited to support services for lending to the SME sector, the NKOSK is not of interest for this report. An exception was made for appraisal, where the NKOSK was mentioned because of its very comprehensive valuation methodology for residential properties and the price index created by it.

12. SOLVENCY REPORTING SERVICES

Despite the existence of solvency reporting and the service provided by the APR in this segment, financial institutions are well equipped and are not willing to outsource or partially rely on outsourced services because credit analysis is the most important and most sensitive activity in banking. Besides the APR, solvency reporting services are provided by several other companies (Rating doo, an affiliate of Dun & Breadstreet, Coface Srbija, Solvent rating doo, etc.).

¹⁰ Current rate checked with insurance broker.

¹¹ Current rate checked with insurance broker.

¹² Dunav osiguranje ADO Beograd Danijela Nedeljko, Director of Direction for insurance of SME sector, Politika newspaper article, 13.05.2012

¹³ Delta generalni ADO, Sava Bogicevic, Director for non-life insurance, Politika newspaper article, 13.05.2012

13. TAX ADMINISTRATION

The Tax Administration plays a twofold role in the lending process. Firstly, the Tax Administration issues assurances that the borrower has no unpaid tax liability, a document sometimes required by banks.

The second role of the Tax Administration is property valuation. Tax Authority valuation is not used for lending but, if improved, could be a good indicator for owners and lenders. Current methodology uses previously registered transactions as the main guideline for valuation, which leads to under- or over-estimation during upward or downward trending markets. The downward trend in prices means that the Tax Authority usually overestimates property values. This appears more frequently with assets that are not traded often (construction land distant from cities/towns, land intended for tourism and leisure on mountains etc.). Improved and more usable mass valuation is of great importance, not only for the Tax Administration, but also to improve the efficiency of lending and foster further development of the real estate market.

14. CONSULTANTS AND LAWYERS

The role of consultants and lawyers in lending is minor during initial phases. It is up to the borrowers to decide whether to use these services, and borrowers are reluctant to incur additional costs when they cannot see any real tangible benefits at the very beginning of the process. On the other hand, banks do not outsource the financial and legal aspects of the initial phase of processing the loan application.

In the final stage of the borrowing process (loan repayment and non-performing loans), the situation as to consulting and legal services changes substantially. Both banks and borrowers use these services much more often, especially for non-performing loans. The increase in non-performing loans and the number of bankruptcies have had an effect on the rise of independent consulting companies that provide combined legal and financial expertise, usually with just a few employees or, in some cases, operating as one-man shows

Borrowers and banks usually use these services for restructuring loans and preparing reorganization plans. There is no official data on the number of consulting companies in the field of corporate consulting (including restructuring). Those services are very broad in nature (involving management, tax, M&A, financial and organizational issues) and are provided by many auditing companies, consulting companies and self-employed consultants. The market for those services could be characterized as very competitive, as evidenced by the fall in the fees of auditing services, corporate advisory and M&A advisory over the last several years.

It is regular practice for banks to outsource court representation services to law offices. Banks also commonly retain outside counsel for obtaining independent opinions on specific issues. Law practice is very developed in Serbia, with some 7000 lawyers operating in the market, according to the president of the Belgrade Bar Association (no official source could be found). Legal500 (a company covering legal service providers internationally) lists 29 offices in Serbia, all of them in Belgrade. In other parts of Serbia accessibility is not at the level of Belgrade, but, as can be observed from public business registries, all municipalities have lawyers.

Interestingly, companies cited education-related services provided free of charge. Borrowers described as very useful several projects targeting the development of skills needed to negotiate better financing conditions. Such projects were praised by borrowers; any government-sponsored assistance in financing negotiations would be helpful (similar to assistance provided by SIEPA to foreign investors). Due to their very poor knowledge of

corporate finance, sole proprietors and small companies sometimes refer to domestic lending practices as “shark lending”. Guides for responsible and reasonable indebtedness could help retail and SME clients avoid overspending and inappropriate investments. A guide for personal finance (aimed at the retail market) is available from the NBS (www.tvojinovac.nbs.rs, or “your money” in English). Although there is a broad range of sources of corporate indebtedness data on the Internet, no such sources are sponsored by reputable national institutions (Association of Banks, Chamber of Commerce, NBS, etc.).

15. COSTS

Complaints regarding the cost of support services mainly related to property valuation expenses and enforced collection fees charged by the NBS. The central bank fees characterized as excessive were the fee for calculating interest (0.25% of base blocking amount and not less than RSD 900) and fees for orders to block accounts and orders to remove blocks (RSD 2,000 and RSD 2,500, respectively).

Other supporting service fees are considered burdensome, but the speed, quality and infrequent use of these services mean that borrowers consider them acceptable.

16. OTHER ASPECTS

Support services are at the core of this report, but the overall impression and numerous comments regarding improvements to efficiency (generally concerning time) indicate that direct stakeholders have the greatest potential for improvement. Most of the time wasted is related to borrowers and lenders (with the exception of the cadaster, an obvious obstacle).

Improvements in efficiency on the part of the **lenders** can be brought about in the following aspects:

- After approval of the financing, understaffed legal departments can take as much as several weeks to complete paperwork;
- Excessively conservative approach and requirement for personal guarantees to be provided leads to the rejection of some applicants, and
- Analysis of borrower capability and solvency should not take more than two weeks. In some cases borrowers wait for a whole month before their loan application is rejected.

Analysis of borrower business and the entire post-application process until the loan amount is transferred is encumbered by many manual operations. Several banks have made a step forward in automating this process, and competition can reasonably be expected to lead to further improvements and to the disappearance of those who do not adapt. This is a characteristic of maturing or saturated markets; Serbia is at this stage at the moment, considering low asset growth in previous years.

Improvements in efficiency on the part of the **borrowers** can be brought about in the following aspects:

- Unreliable financial reports, and
- Education of borrowers.

Unreliable financial reports almost always result from “cost savings”. The lack of good accounting staff or cooperation with good accounting agencies, combined with non-audited

reports (as audits are not obligatory for small companies), at times makes financial reports useless for business owners and lenders (accountants' mistakes usually lead to incorrectly calculated depreciation, wrongly filed tax returns, incorrectly calculated pension and social insurance benefits, and poorly calculated profitability).

Inappropriate expectations of business owners as to their borrowing capacity and the ability of local banks to assume risk are two sides of the same problem. Banks are conservative institutions, and this approach is promoted by the NBS, the regulator of the banking system. The lack of lenders prone to higher risk and equity investors is obvious in current circumstances. Lenders who can act promptly and whose actions and estimates will not be burdened with strict and conservative regulation, such as that governing banking, will certainly become important players if allowed to enter the market. This is borne out by the situation in the field. Prime borrowers can easily obtain financing long before paperwork is done. Doing so is much harder for riskier ones, and depends on the collateral they can put forward and their relationship with the lender (previous experience with the bank and information the bank has about the client) but is still possible. At the moment, the primary lending criteria are borrower's cash flow, which is normal, but the attitude of banks used to be much closer to collateral-based lending, which has led to today's high rates of non-performing loans. Collateral-based lending is rare nowadays, and that does not incentivize entrepreneurs capable of taking higher risk and willing to do so. The growth of the operating leasing (rent) model of financing and its subsequent decline show that more risk-prone capital is absent.

The above has led to the development of **informal lending**. This report does not focus on an analysis of informal lending practice in Serbia, but will nevertheless mention it. Comments made by borrowers indicate that this is a developed, very widespread, almost always collateral-based, non-regulated segment of the market with higher interest rates that are nevertheless in many cases reasonable, considering investment risks and the absence of regulation. Interest rates currently range from 5 to 10 per cent, depending on the period, collateral, borrower, etc. The value of the collateral is at least double the amount loan amount. Available maturities are generally less than 12 months, with the most frequent period being from 1 to 3 months. Individuals engaging in informal lending were present in each town visited by the author (a total of four towns were visited). These persons are known as informal lenders, and usually have criminal histories or have even served time in prison. As it was not possible to verify these comments because borrowers are usually reluctant to talk about this, work focused on other aspects of support services.

It was almost obvious that the supply of loans and opportunities for financing should be improved for the SME sector, especially for riskier projects. The lack of venture or start-up investment and private equity funds could be compensated for by the presence of more aggressive lenders. Financial institutions or private companies able to lend will be of the utmost importance for the further development of the SME sector. Highly regulated traditional banking proved unable to satisfy this market segment, so, at the moment, only unregulated informal lending is available – the most expensive source of financing. Adequate changes to domestic regulation are needed so lending will not depend only on banks.

17. CONCLUSIONS AND SUMMARIZED SUGGESTIONS

There is obvious potential for improving support services, but it can be concluded that much of the work has already been done. On the other hand, it was observed that a huge disproportion existed between the demand for funds and their current supply, which is the crucial reason limiting the increase in lending and the full use of lending potentials. There are multiple reasons for this, namely:

- Current economic environment and the pressing issue of the debt bubble;
- Supply of funds that does not cover whole spectrum of demand (the supply side is currently too conservative in its lending criteria, while the economy is in rising risk mode), and
- Insufficient borrower knowledge creates unfounded expectations as to lending criteria and the likelihood of getting a loan.

Improving loan supply by introducing more flexible lending criteria and educating borrowers will substantially improve the lending environment and enable the more efficient use of already well-developed support services.

Not directly related to the scope of report, but still very interesting, is the conclusion that the Author came to by interviewing an extensive base of respondents. Many respondents were not familiar with some of the most popular services provided by public institutions. This could be explained by several factors:

- Lack of continuous professional training (not education);
- Low level of skills needed to efficiently use online resources, and
- Very counterintuitive and overly conservative design of web pages of institutions means those web sites are not focused on the services offered.

In some cases, potential users have no knowledge of a service. In other instances they know that a service is there but do not know how to “find” it. Online access to the mortgage registry, data on enforced collection and bill of exchange registry kept by the NBS, data on court cases, financial reports and registries offered by the APR – these are only some examples of easily available and very useful data that the average SME owner or employee does not use in spite of showing a need for them. Most businesses cited the need for solvency data, as the creditworthiness of counterparties is very important in the current business environment.

Institutions could provide a better and more user-friendly experience by redesigning their web sites to be user-friendly and focusing on services instead of organizational structure. Another solution could be to put together on-line tutorials for using these services. A good example of this type of education is the retail segment service available at www.tvojinovac.nbs.rs and ambitiously presented in the NBS education strategy for the 2012 – 2015 period.

Given the comments made regarding possible improvements to support services, the next step could be communicating directly with service providers and presenting this report. The aim of this effort would be to discuss the validity of suggested improvements and to push for changes that could be easily implemented. More demanding changes should be analyzed in more details after any conclusion are made.

Following is the list of suggestions:

- Regulating appraiser operations should be developed and implemented;
- Improving the profession of appraiser (education and higher ethical standards);
- Improving knowledge of real estate regulation for employees at public institutions dealing with real estate administration and regulation;
- Developing professional liability insurance;
- Improving the speed of some services provided by cadaster offices, especially in the larger cities. From the point of view of lending, the most important service is instituting or removing liens; however, improving the speed of other services that have to do with operations with construction land will enable easier financing;
- Improving ability of local cadaster services to record payment of fees on the day of payment;
- Make the practice of all cadaster offices consistent (for instance, liens on unfinished portions of a building or individual housing units can be instituted only at only some cadaster offices);
- Making the business registry searchable by personal identification number so all rights of an individual person can easily be found; search by address should also be introduced. Enforced collection at the NBS should offer more transparency (structure of frozen accounts by amount and entities who initiated the freezing) and changing priority of collection to reflect creditor agreement;
- Detailed NS statistics on the distribution of loans to small, medium-sized and large enterprises;
- Adopting specific regulation to govern how debt collection agencies work;
- Enable selling non-performing loans to non-financial institutions;
- More data from the Chamber of Commerce, professional associations and producer associations should be available regarding available capacities, quantity of production/services and similar issues are needed for creditors to better evaluate business strengths and be more able to repay loans;
- Tax Administration should endeavor to issue confirmation of tax liabilities more quickly;
- Valuation of real estate by the Tax Administration should be more realistic, especially for real estate where the market is not easily observable;
- SME employees and owners need education as to lending criteria, financing and indebtedness. A guide that addresses this issue could help;
- Banks could take less time to decide whether to approve a loan;
- Banks are too conservative and unwilling to bear risk adequate to that assumed by business owners, and
- Small companies should pay more attention to financial reporting and improve it.

APPENDIX 1 CONTACTED PERSONS

Directly contacted is 83 persons of which 62 are bankers employed in 21 domestic bank representing more than 90% of banking sector asset in Serbia. Main methods were e-mail or phone interview. Meeting showed as very time consuming and inefficient regarding information obtained relative to time spent. Meetings were conducted only when respondents suggest it. In the very beginning of interview process it was observed where usable answers could be obtained: bankers, financial directors of medium or large enterprises, operation officers, and administrative staff of medium or large enterprises offer useful information. Bankers were the most used sources due to direct role in lending process and largest experience. Interview with entrepreneurs/owners of small enterprises did not provide too much usable and precise information. They showed direction to possible issues in supporting services but overall impression was that small enterprises are not reliable and adequate information source. On other side in medium companies work persons whose responsibility is to provide necessary documentation, including documents needed to obtain financing. Those persons were important sources of information.

Most interviewees point to possible improvements but suggestion how it could be improved need to be discussed directly with service providers. It was done only with valuers regarding collateral valuation process.

It was observed that lawyers, consultants, solvency rating agencies, tax administration and auditors play minor role in the lending process and focus was shifted to more important services. Audited financial reports are considered as affirmative when company applies for loan but audit service is rarely used by small companies and there was no suggestions regarding auditors work.

Several obstacles arise during analysis. Holiday season (Easter and May holiday offered excellent opportunity for connecting it with weekends) so many were absent. Understaffing in domestic banks and companies were also very common excuse. Contact with PR representatives of banks showed modest results so it was abandoned in the very beginning. On other side many supporting services were substantially improved compared to environment of 2000 and focus is moved from them.

List of directly interviewed persons is presented below.

#	Name of Employer	Name of respondent	Position
1	Banca Intesa	Marko Kozelj	Senior collection officer
2	Banca Intesa	Predrag Djuric	Small business advisor
3	Banca Intesa	Slobodan Mitic	Workout officer
4	Banca Intesa	Sanja Strbac	Senior workout officer
5	Banca Intesa	Mirjana Arsenijevic	Director for corporate clients, Nis branch
6	Societe General bank	Milan Vicentic	Executive director for corporate clients
7	Societe General bank	Verica Radovanovic	Director for small business, retail division
8	Societe General bank	Nina Pjevcevic	Key account manager
9	Societe General bank	Svetalana Pajevic	Head of department for large clients
10	Societe General bank	Aleksandar Radic	Key account manager- workout officer

11	Societe General bank	Milijancevic Tatjana	PR
12	Societe General bank	Branka Petrovic	Head of Collection department
13	Societe General bank	Nedeljka Pantelic	Senior collection specialist
14	Piraeus bank	Predrag Stojanovic	Head of treasury
15	Piraeus bank	Svetlana Ristanovic	Credit risk director
16	Erste bank	Petar Tomic	Deputy head of risk department
17	Erste bank	Milan Zenovic	Director of SME and large domestic clients
18	Findomestic bank	Ivan Dolamic	Director of Kraljevo branch
19	Vojvodjanska bank	Velimir Babic	Head of mid corporate
20	KBC bank	Natasa Djuricic	Risk department officer
21	Raiffeisen bank	Tijana Pejovic	Assistant Relationship Manager
22	Raiffeisenbank	Katarina Gaborovic	PR
23	Credi Agricole	Vladan Markovic	Director for corporate clients
24	Credi Agricole	Milos Trifunovic	Corporate account officer
25	Credi Agricole	Nenad Ivkovic	Director of Terazije branch
26	Unicredit bank	Slobodan Simic	Account manager
27	Unicredit bank	Svetlana Simic	Regional head of mid-market
28	Unicredit bank	Branko Belic	Mid-market relationship manager
29	Unicredit bank	Vladimir Anokic	Relationship manager corporate clients
30	Unicredit bank	Goran Mancic	Relationship manager mid-market unit
31	Unicredit bank	Milivoje Jovanovic	Relationship manager mid-market unit
32	Unicredit bank	Sanja Ilic vidic	Head of restructuring
33	Unicredit bank	Dejan Radovanovic	Restructuring officer
34	Unicredit bank	Vladimir Anokic	Relationship Manager of mid-market
35	Univerzal banka	Dusan Tatic	Director of Nis branch
36	Univerzal banka	Mladen Skenderija	PR
37	EFG Eurobank	Ivan Damjanovic	SME Account manager
38	EFG Eurobank	Milic Cavic	Deputy head of SME department
39	EFG Eurobank	Milos Biorac	Deputy head of corporate clients
40	Komercijalna banka	Milojko Tomonjic	Director of Uzice branch
41	Komercijalna banka	Bogdan Simatovic	Treasury department, director assistant
42	Alpha bank	Sonja Skocajic	Company Client (SME) Services Officer
43	Alpha bank	Bojana Milojevic	Company Client (SME) Services Officer
44	Alpha bank	Petar Radulovic	Relationship officer, corporate division
45	Procredit Bank	Ivana Jović	Officer for SME clients
46	Procredit Bank	Snežana Aleksandric	PR department
47	AIK Banka	Vladan Djordjevic	Belgrade region director
48	Cacanska Banka	Jelena Trivanovic	Director of Stara Pazova branch
49	Cacanska Banka	Aleksandar Calovic	Eexecutive board, corporate clients
50	Cacanska Banka	Nikola Ranitovic	Head of SME and micro clients
51	Cacanska Banka	Predrag Radovic	Deputy head of SME
52	Cacanska Banka	Maja Simic	Director of Belgrade branch
53	Agrobanka	Tijana Stajic	Assistant of Belgrade branch director, workout
54	Agrobanka	Julije Miladinovic	Bank administrator
55	OTP bank	Milos Milic	Senior Advisor for Operational and other risks
56	OTP bank	Neven Radulovic	Advisor in special loan department
57	Universal banka	Zivojin Zivkovic	Director
58	Universal banka	Milan Vitic	Director

59	Universal banka	Zorica Veljic	Workout officer
60	Universal banka	Dušan Tatić	Director
61	Volks bank	Zoran Pavlovic	Deputy head of SME department
62	Hypo alpe adria bank	Mirosla Acimovic	Restructuring department
63	Grant Thornton	Predraga Djordjevic	Auditor
64	Grant Thornton	Natasa Milojevic	Auditor
65	Intesa leasing	Slavko Dukic	Head of finance and operation
66	NKOSK	Aleksandar Jovic	Former Director of NKOSK
67	National association of	Danijela Ilic	Association director
68	Jugo mont Novi Sad	Zoran Ovuka	Finacial director
69	Ladago Bujanovac	Nemanja Lazarevic	Finacial director
70	BD Agro Belgrade	Mladena Lepasovic	Finacial director
71	Kosanica Nis	Milan Matovic	Finacial director at Kosanica
72	Kosanica Nis	Slavisa Andrijasevic	Director and owner
73	Senza Paura cattering	Srdjan Zobenica	Owner
74	BD Agro Belgrade	Nebojsa Jovanovic	Operation officer
75	BD Agro Belgrade	Boban Golubovic	Legal departmetn
76	Car parts, Belgrade	Cvjetin Nikic	Owner and director
77	Srce Kragujevac	Vladislav Avramovic	Owner and director
78	Gat Novi Sad	Vladimir Radulovic	Financial director
79	Bomex Belgrade	Nebojsa Kujovic	Financial director
80	Metalac gornji Malanovac	Gordana Bajkic	Company secretary
81	Galenika Fitofarmacija,	Petkovic Slavica	Financial director
82	Alpine Belgrade	Tanja Radic	Finacial department
83	Greco international,	Predrag Tomic	Insurance broker