



## PRESS RELEASE

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Press office: +389 (0) 310-2314

Cell phone: +389 (0)70 367 547

Email: [bvelickovska@usaid.gov](mailto:bvelickovska@usaid.gov)

Contact at the project

Mobile #: [+389 70 343337](tel:+38970343337)

E-mail: [ezgonjanin@fulm.com.mk](mailto:ezgonjanin@fulm.com.mk)

### **USAID-established FULM Savings House Hosts Forum on Non-banking Financial Institutions**

Today, in Skopje, over 100 participants attended the Forum on Non-Banking Financial Institutions Accepting Public Deposits hosted by Savings House FULM, a USAID legacy organization. The Forum is one of several events this week celebrating FULM's 15<sup>th</sup> Anniversary.

In his keynote address, USAID Mission Director James Stein stressed, "Having a diversified financial market is critical to economic growth. It is critical to have a financial system that includes both traditional banks and non-bank financial institutions that offer a broad choice of affordable financial services tailored to the needs of a range of customers." He added, "A diversified financial market creates healthy competition for clients. Competition for both open and term-depositors helps keep the returns high, while competition for borrowers helps keep the cost of credit low." The Governor of the National Bank of the Republic of Macedonia, Dimitar Bogov also made opening remarks.

Forum discussions focused in part on the latest amendments to the banking law that call for consolidations within the banking sector and encourage savings houses to merge with larger, traditional banks or transform into financial companies. As Macedonia moves closer to EU accession, savings houses are further concerned with the EU's Capital Requirement Directive-IV (CRD-IV) which would make it more difficult for them to function unless an exemption is granted. A panel of credit union representatives from Poland, the United Kingdom, Ireland, Estonia, Albania, Serbia, and Moldova shared experiences in successfully managing the CRD-IV exemption process and recommended that Macedonia also seek this exemption.

FULM NGO, which founded the savings house, was established in 1995 by USAID through an eight-year \$4.1 million project, implemented by the World Council of Credit Unions WOCCU. In 1999, Michael Einik, the U.S. Ambassador at the time, opened the first branch for farmers in Murtino, a village near Strumica. Since then, it has established a network of locations across the country. In 2003, USAID provided an additional \$770,000 to help develop student loan services. Over the past 15 years, FULM has issued microloans totaling over one billion denars to more than 16,000 students, farmers, pensioners, and microenterprises. Today, it has over 8,000 depositing members with an average savings of \$350.

In 2009, through its Development Credit Authority, USAID provided FULM a ten-year revolving loan guarantee facility in the amount of \$5 million. The guarantee facilitates increased lending to microenterprises by providing a 50 percent guarantee on FULM's net losses (principal only). FULM is a member of WOCCU and the founder of the European Network of Credit Unions based in Brussels. Savings House FULM is a partner with the League of Credit Unions of Michigan and the Association of Credit Unions of Poland.

#### **NOTE TO EDITORS:**

The American people, through USAID, have invested more than \$500 million in Macedonia since 1993. USAID works with the people of Macedonia to create jobs, strengthen democratic institutions and practices, enhance integrated education, and prepare students for the workforce. These initiatives improve the quality of life and support Macedonia's transition to a stable and prosperous democracy. USAID provides economic and humanitarian assistance in more than 100 countries. For more information please visit [USAID Macedonia Website](#) and the [USAID Macedonia Facebook](#) page.