

News No. 2

(Round 1, Quarter 2)

19 January 2013

JA-YE Europe
Banks in Action Challenge



EDITORIAL

Dear readers,

Have you already familiarized yourselves with all the decisions that you have to make? Have you already given nicknames to your competitors: “the aggressors”, “the laggards”, “the unpredictable”, “the skilled”, etc.? It still might be a bit too early, but you can track if the nicknames should be changing along the way. We see that already there might be quite a few teams deserving nickname “the skilled”.

At the moment it is extremely hard to say who could be the top teams in each of the groups. However, some say that “having good start is half the battle”. Let us now look who have managed to earn the biggest profit so far. The table below ranks teams based on their retained earnings. High earnings at the moment might indicate both the skill and outperformance compared to others or it might just be shortsightedness. It is up to you to decide which direction you would like to go – earn as much money as fast as you can, or invest and grow the business, expecting it to have higher future earnings and overtake the fast starters.

Team	Group	Country	BPI Q1	Retained Earnings
Fišek	17	Serbia	130	\$5 527
SoniaDenisa	13	Romania	124	\$5 264
Plavuse	22	Serbia	124	\$5 195
Adashite	4	Bulgaria	121	\$5 126
bankari sts	13	Serbia	120	\$5 001

ECONOMIC NEWS

Numerous brick and mortar businesses are being replicated in online world, with some of the prime examples such as Nile.com and Webflix.com offering to order books and rent movies online, respectively. Not only that more and more people start to sign up for such kind of services, but the idea of investing in the stocks of tech companies is becoming more prevailing as well. The MASDAX index of your country’s stock market has increased by 17.2% during the last business quarter. If such trend continues, such second income source can attract a wide array of new investors, including those of very limited financial knowledge. However, this concern, raised by few renowned finance scholars, is still rather mute in the array of positive articles of stock market success stories.

The economy is expected to grow further in the upcoming business quarters, as newly created business sector of internet companies is increasing demand for other industries such as network providers, network equipment producers, advertising agencies, and others. Increased economic activity also makes consumers more confident, as they feel having better job security, knowing that the companies they work are receiving increased number of orders, and also hiring new people just to keep up with the demand. Next month The Economic Board, and independent economic

BIAC SCHEDULE

Decision deadline for Quarter 2:
January 22 (Tuesday),
16:00 CET

Decision deadline for Quarter 3:
January 25 (Friday),
16:00 CET

Decision deadline for Quarter 4:
January 29 (Tuesday),
16:00 CET

Decision deadline for Quarter 5:
February 1 (Friday),
16:00 CET

Decision deadline for Quarter 6:
February 5 (Tuesday),
16:00 CET

Decision deadline for Quarter 7:
February 8 (Friday),
16:00 CET

Please visit our web-site to see all important dates.

REGULATIONS

Decision	Min	Max
Credit Rate	Previous +/- 1%*	
Loan	Previous +/- 1%*	
Savings	Previous +/- 1%*	
Certificate	Previous +/- 1%*	
Marketing	50	20.000
R & D	50	20.000

** you can change your previous decision by no more than 1 percentage point*

research institute, will release a new issue of Consumer Confidence Index and many analysts predict that it will increase at least by 3 percentage points.

Banks see continuously increasing number of business loan applications, the vast majority of them having names of their companies supplemented with "e-" prefix. As the stock market performance advocates for successful online business models, commercial banks become more lenient in their loan requirements. The recent decision by Central Bank should make banks feel even more at ease while giving away loans. Central Bank has made a survey of interest rate politics in fastest growing economies and came to a conclusion that the current reserve loan and deposit rate gap is too wide, making commercial banks operations costly and maintaining high loan rate for the general public. In response, Central Bank has reduced the gap by lowering Reserve Loan Rate to 11%.

Parameters	
Reserve (CB) Loan Rate	11%
Reserve (CB) Deposit Rate	3%
Tax Rate	25%
Deposit Reserve Ratio	10%
Capital Reserve Ratio	10%

** the changing parameters are marked in red*