

godišnji izvještaj/annual report **2003.**





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Izveštaj direktora

Cijenjeni dioničari i uvaženi klijenti,

U protekloj godini nastavljeni su pozitivni trendovi u bankarskom sektoru u Federaciji BiH koji karakterišu stabilnost i umjereni rast, odnosno realizacija planiranih ciljeva u svim segmentima poslovanja banaka. Nažalost, reforme u drugim sektorima ne prate ostvarenja u bankarskom sistemu. Opšti uslovi u kojima je Tuzlanska banka poslovala mogu se okarakterisati kao nepovoljni. Oživljavanje proizvodnje kod većih kompanija, koje svoje poslovanje obavljaju putem Banke, bilo je usporeno. To je rezultat prije svega nezavršenog ili neefikasno okonačanog procesa privatizacije. Ipak, tokom 2003. godine na području djelovanja Banke, u nekim većim kompanijama stvoreni su preduslovi za otpočinjanje proizvodnje. Osim toga, državni organi postepeno eliminišu fiktivne firme i uspostavljaju efikasniji carinski i poreski sistem, čime se znatno smanjio gotovinski promet, a novčana sredstva vratila u legalne finansijske tokove.

U takvim uslovima poslovanja Tuzlanska banka je i u 2003. godini, zadržala epitet najveće banke na području sjevero-istočne Bosne, odnosno Tuzlanskog kantona.

Generalno posmatrano, ostvareni su zavidni rezultati poslovanja. U odnosu na prošlu godinu neto bilansna suma je porasla za 19%, ukupni depoziti za 17%, kreditni portfolio za 38%, dobit za 62% i kapital za 7%. Takođe, poboljšani su kompozitni rang Banke, izvršen prijem u program osiguranja depozita u Bosni i Hercegovini, smanjena dospjela potraživanja i nekvalitetna aktiva, usklađena u potpunosti devizna pozicija i poboljšana ročna struktura izvora i plasmana, popravljen odnos fiksna aktiva/osnovni kapital i uspostavljena nova, efikasnija makro i mikro organizacija poslovnih funkcija Banke.

Na osnovu ovih rezultata 2003. godina, može biti ocijenjena kao najuspješnija u poslijeratnom periodu.

Prijemom u program osiguranja depozita u BiH poboljšana je tržišna pozicija Banke, jer je certifikat "OD" pokazatelj uspješnosti poslovanja i dokaz sigurnosti depozita.

U 2003. godini ostvaren je značajan promet dionicama Tuzlanske banke, a prema zvaničnim podacima sa Sarajevske berze, njihova tržišna vrijednost je u odnosu na prethodnu godinu porasla za više od 100%. Ovo je svakako rezultat uspješnog i stabilnog poslovanja i izraženog povjerenja u Tuzlansku banku.

Neto bilansna suma sa 31. 12. 2003. godine iznosi 220,9 mil KM i veća je za 34,6 mil KM u odnosu na prethodnu godinu. Povećanje bilansne sume rezultat je porasta depozita za 21,7 mil KM i sekundarnih izvora za 13,2 mil KM.

Kapital Banke na dan 31. 12. 2003. godine iznosi 26,1 mil KM, od čega se na dionički kapital odnosi 17,7 mil KM, na rezerve Banke 6,0 mil KM i ostvarenu dobit nakon oporizivanja tokom 2003. godine 2,4 mil KM. Sa stanovišta vlasničke strukture dionički kapital je u potpunosti privatni i posjeduje ga 735 dioničara koji su uglavnom pravna i fizička lica sa područja Tuzlanskog kantona i Federacije BiH.

Ukupni krediti sa 31. 12. 2003. godine iznose 136 mil KM i veći su za 37,4 mil KM ili 38% od stanja sa 31. 12. 2002. godine. U oblasti kreditiranja naročita pažnja je bila usmjerena na povećanje nivoa plasmana i kamatonosnih prihoda kao i na poboljšanje kvaliteta aktive. U tom smislu prioritet je dat malim i srednjim preduzećima sa profitabilnim projektima, kao i fizičkim licima, odnosno stanovništvu.



Report of the Director

To our highly appreciated shareholders and clients,

During the previous year, the banking sector in the Federation of Bosnia and Herzegovina continued to show positive results. An appropriate description is one of increased stability and balanced development, or to be even more precise, the all areas of banking in the Federation achieved their goals. Unfortunately, some other sectors were not as successful as the banking system. General conditions under which Tuzlanska Bank conducted its business activities last year were quite unfavorable. Manufacturing sector growth, which constitutes a significant portion of business for the bank, took a downturn. This was as a consequence of the unfinished, or rather, an improperly implemented privatization process. From the bank's perspective, in spite of the foregoing, some large companies did manage to expand during 2003. In addition, state entities gradually shut down non-performing companies and established more effective customs and excise systems, which, in the aggregate, significantly decreased cash only businesses while returning other business activities to the arena of legal payment systems.

Even though Tuzlanska Bank was in an unfavorable operating environment in 2003, it maintained its status as the largest bank in North-Eastern Bosnia in the Tuzla Canton.

Generally speaking, we achieved exceptional business results. Compared to the previous year, our net balance value was 19% greater, total deposits 17% greater, our credit portfolio 38% greater, profit 62% greater and equity 7% greater. In addition, we improved our composite Bank's placement by being approved for participation in the deposit insurance program for Bosnia and Herzegovina, decreased payables as well as low quality assets, completely balanced our hard currency position and improved our time deposits and investments, improved our fixed asset/equity ratio and established a new, more effective macro and micro Bank organization.

Based on the aforementioned results, 2003 can be described as the most successful year for our Bank in the entire post-war period.

The acceptance of the Bank into the Deposit Insurance Program of Bosnia and Herzegovina, has improved the Bank's market position due to the certification "OD" being perceived as a good indicator of success and proof of deposit security.

In 2003, the Bank realized a significant sale of shares and, according to the official data of the Sarajevo stock exchange, our market value increased more than 100% compared to the previous year. This was a result of successful and stabile business management and increased confidence in Tuzlanska Bank.

The net balance value at December 31, 2003 was KM 220.9 mil, which was KM 34.6 mil more than last year. The increase of the balance value was the result of a deposit increase of KM 21.7 mil, as well as secondary resources of KM 13.2 mil.

Bank equity at December 31, 2003 was KM 26.1 mil, out of which KM 17.7 mil was shareholders capital, and KM 6.0 mil Bank reserves while realized net profit, during 2003, was KM 2.4 mil. From the standpoint of ownership capital, the shareholders capital was completely private, with 735 shareholders who were mainly legal and physical entities from the Tuzla Canton and the Federation of Bosnia and Herzegovina.

Total credits at December 31, 2003 amounted KM 136 mil and were KM 37.4 mil, or 38% greater, than at December 31, 2002. In the lending field, a special effort was made to increase lending and interest periods, as well as to improve asset quality. In doing so, priority was given to small and medium enterprises that had more profitable business projects, as well as to physical entities, or, in other words, citizens.



Izvještaj direktora

Banka je tokom posmatranog perioda kontinuirano održavala potreban obim likvidnih sredstava, obezbjeđivala propisani nivo obavezne rezerve, te izvršavala sve dospjele obaveze u domaćoj i stranim valutama. U cilju kvalitetnog upravljanja i eliminisanja rizika likvidnosti, krajem izvještajne godine formiran je Odbor za upravljanje aktivom i pasivom (ALCO), koji predlaže sve potrebne aktivnosti i konkretne mjere u domenu upravljanja aktivom i pasivom.

Tuzlanska banka već tri godine uspješno obavlja poslove depozitne i budžetske banke Trezora Tuzlanskog kantona. Ovaj značajan posao Banka je dobila na javnom konkursu u konkurenciji najvećih banaka u Federaciji BiH.

U cilju usklađivanja kamatnih stopa i naknada za usluge, Banka se prilagođavala kretanjima u poslovnom okruženju, interesima njenih klijenata, nastojeći da zadrži postojeće i pridobije nove klijenate. U više navrata Banka je smanjivala visinu kamatnih stopa i naknada za usluge, tako su kamatne stope smanjene u prosjeku od 2 - 3%, dok su tarife za usluge smanjene u prosjeku od 20 - 30%.

U okviru kartičnog poslovanja Banka je nastavila sa promovisanjem i izdavanjem kreditnih i debitnih BamCard kartica, što je rezultiralo znatnim porastom broja izdatih kartica, kao i iznosa odobrenih kredita po osnovu kreditnih kartica. Pored domaćih BamCard kartica i internacionalne Diners kartice, Tuzlanska banka je u 2003. godini počela i sa aktivnostima na stvaranju uslova za izdavanje Visa kartice.

Banka je u 2003. godini zadržala postojeću mrežu filijala (16) u Tuzlanskom, Sarajevskom i Posavskom kantonu, te Distriktu Brčko i započela aktivnosti na proširenju poslovne mreže izvan Federacije BiH otvaranjem filijale u Republici Srpskoj.

Izuzetno visok nivo kadrovskog potencijala kao i razvijena podrška informacionom sistemu garancija su ažurnom i kvalitetnom obavljanju svih finansijskih transakcija. U cilju održavanja i poboljšanja kvaliteta poslova i usluga koje Banka pruža, permanentno je vršena obuka i educiranje zaposlenika Banke u zemlji i inostranstvu, što omogućava da se usluge klijentima pružaju u skladu sa međunarodnim standardima.

Ostvarujući planske ciljeve stručno i profesionalno, Banka je stekla visok ugled i povjerenje kod poslovnih partnera u zemlji i inostranstvu, čime je zadržala najveći tržišni udio na Tuzlanskom kantonu na kome su prisutne gotovo sve banke iz Federacije BiH.

Na kraju ne mogu, a da ne istaknem, da su osim menadžmenta, izuzetno značajan doprinos postignutim rezultatima dali Nadzorni odbor i Odbor za reviziju, kao i zaposlenici Banke.

Posebno se zahvaljujem našim cijenjenim klijentima koji su nam i u protekloj godini ukazali povjerenje i u pravom smislu afirmisali naš novi slogan "Moja banka - Tuzlanska banka".



DIREKTOR
Almir Šahinpašić

Report of the Director

During the aforementioned period, the Bank maintained a necessary volume of liquid funds, an appropriate amount of obligated reserves, and executed all due obligations in both domestic, as well as local currency. Aiming at a high quality management and elimination of liquidity risks, we appointed the Board for Asset and Liability Management ("ALCO"), which is responsible for recommending of all relevant activities and undertaking of concrete measures related to asset and liability management.

For three years now, Tuzlanska Bank has successfully acted as the Treasury Bank for Tuzla Canton by performing deposits and budget activities. However, to be able to perform this very important task, Tuzlanska Bank had to win the tender against the largest banks in the Federation of Bosnia and Herzegovina.

In order to adjust its interest rates and fees for services it offers, the Bank had to adapt itself to business trends inside its own business environment and care for the best interests of its clients, then maintain its current clients, while, at the same time, acquire new ones. In few instances, the Bank lowered its interest rates and fees. An average decrease was 2 - 3% in regard to interest rates and 20 - 30% in regard to bank fees.

As regards the card payments, the Bank has continued to promote and issue both credit and debit BamCards, which resulted in an increased number of issued cards and amount of loans approved to credit card holders. In addition to domestic BamCards and international Diners Cards, Tuzlanska Bank has started laying the foundations necessary to start issuing Visa Cards.

In 2003, the Bank maintained the existing branch office network (16 branch offices) in the Tuzla Canton, the Sarajevo Canton and the Sava Valley Canton, as well as in Brcko District. It has also started the activities of expanding its current network of branch offices outside the Federation of Bosnia and Herzegovina, into the Republic of Srpska.

An extremely high quality of our personnel and a well-developed support provided to us by the information system were an integral part and a pre-requisite of excellent and truly extraordinary results in all the financial transactions that the Bank made. Aiming at improving and maintaining a high quality Bank performance, we organized frequent and permanent education and professional development seminars for our staff in the country and abroad, which enabled the Bank personnel to provide their services to clients complying with high standards followed in the international banking sector.

Reaching its business goals by acting in a professional and highly experienced manner, the Bank has created an excellent reputation and earned trust of its business partners, domestically and abroad. These enabled our Bank to maintain the highest market participation in the Tuzla Canton, where, besides our Bank, there are almost all other banks from all over the Federation of Bosnia and Herzegovina.

At the end, I would like to say that, in addition to the Bank management boards, the Bank owes its huge gratitude for its excellent performance to its Supervisory and Auditing Boards, as well as to its employees, who made a tremendous contribution to the aforementioned facts.

I would like to extend my special and deepest gratitude also to our respectful clients, who expressed their trust in us during the previous year and helped us implement our parole "My Bank - Tuzlanska Bank".



DIRECTOR
Almir Sahinasic





Organi upravljanja

Skupština dioničara / Shareholders Assembly

Nadzorni odbor Banke / Bank Supervisory Board

Ibrahim Morankić,	Predsjednik / President
Ademir Mešetović,	Član / Member
Šemso Saković,	Član / Member
Sead Rešidbegović,	Član / Member
Nihad Jusufović,	Član / Member
Fuad Beganović,	Član / Member
Dr Sejfudin Zahirović,	Član / Member

Odbor za reviziju Banke / Bank Auditing Board

Šehzada Salihbašić,	Predsjednik / President
Dr Adil Kurtić,	Član / Member
Meliha Mustafić,	Član / Member
Nekir Suljagić,	Član / Member
Muhamed Šadić,	Član / Member

Glavni interni revizor / Internal Head Auditor

Rajka Topčić



Management Body

Uprava Banke / Management of the Bank

Almir Šahinpašić,	Direktor / Director
Edim Sarihodžić,	Izvršni direktor Direkcije plana, razvoja i kadrova Executive Manager of Planning, Development and Human Resource Division
Nađija Trešnjo, Division	Izvršni direktor Direkcije sredstava i platnog prometa Executive Manager of Funds and Payment Operations
Jusuf Džafić,	Izvršni direktor Direkcije plasmana Executive Manager of Loan Management Division
Dijana Olić,	Izvršni direktor Direkcije poslovne mreže Executive Manager of Branch Network Division
Boris Ferković,	Izvršni direktor Direkcije za podršku Executive Manager of Support Division

Sekretar Banke / Bank Secretary

Vesna Hogić





Bilansna suma

Balance Sheet

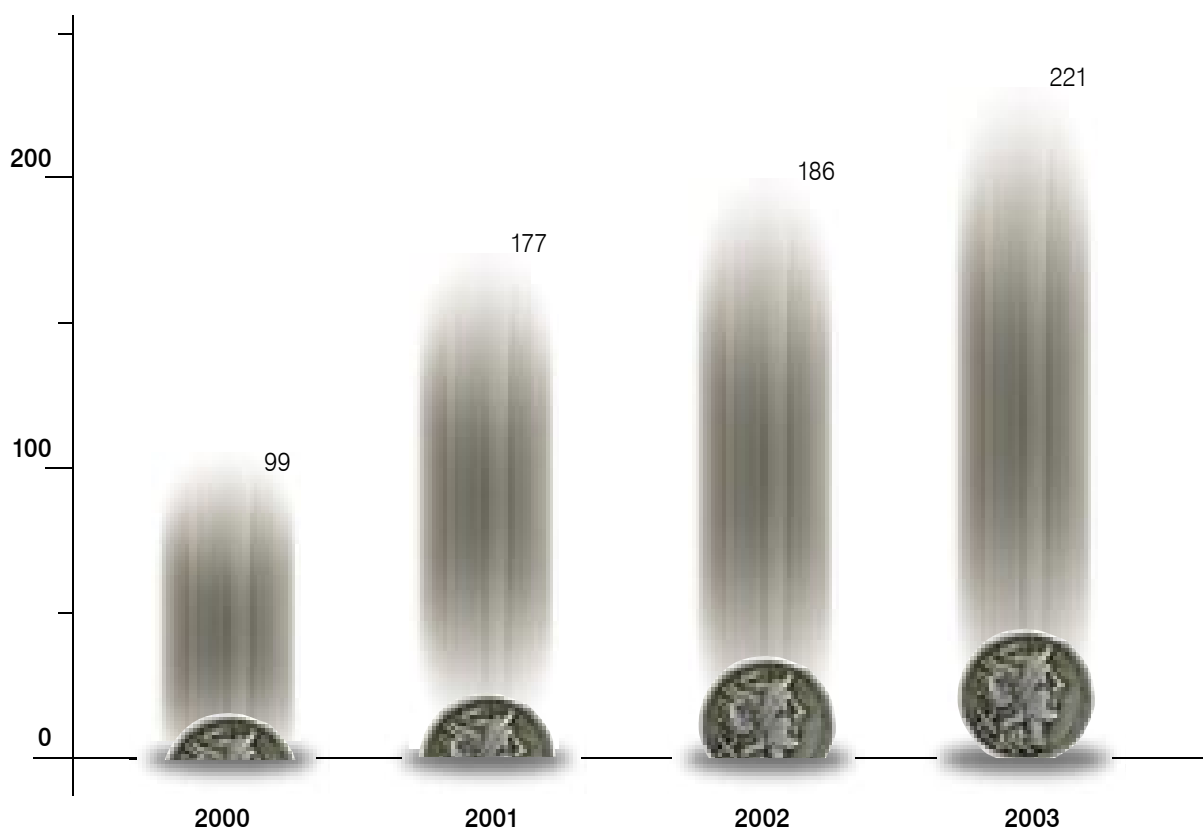
Neto bilansna suma sa 31. 12. 2003. godine iznosi 220,9 mil KM i veća je za 34,6 mil KM ili 19% u odnosu na prethodnu godinu. Povećanje bilansne sume rezultat je porasta depozita za 21,7 mil KM ili 17% i sekundarnih izvora u kreditnom odnosu za 13,2 mil KM ili 52%.

Uporedni pokazatelji o visini bilansne sume od 2000-2003. godine dati su na sljedećem grafikonu:

The net balance, at 31. 12. 2003, is KM 220 million, which is KM 34.6 million or 19% higher than the previous year. The steady growth in 2003 is a result of the increased deposits that grew by KM 21.7 million, or 17%, and secondary sources, as well, which is reflected by the lending level that grew by KM 13.2 million, or 52%, over the previous year.

The net balances in years 2000 through 2003 are presented in the following graph:

Kretanje bilansne sume 2000-2003 (u milionima KM) /
Net balance growth in 2000 through 2003 (million KM)



Banka u skladu sa Zakonom o bankama ispunjava propisani cenzus u pogledu visine dioničkog kapitala. Ukupan kapital Banke na dan 31. 12. 2003. godine iznosi 26,1 mil KM, a sastoji se od dioničkog kapitala u iznosu od 17,7 mil KM, neraspodijeljene dobiti, rezervi kapitala u iznosu od 6,0 mil KM i ostvarene dobiti nakon oporezivanja tokom 2003. godine od 2,4 mil KM.

Sa stanovišta vlasničke strukture, dionički kapital je u potpunosti privatni kapital u vlasništvu 735 dioničara.

In accordance with the Law on Banks, our Bank fulfilled the requirement for Bank share capital. The Bank's total shares at 31. December 2003 totaled KM 26.1 million, which consisted of KM 17.7 million in share capital, KM 6.0 mil of undistributed profit and capital reserves as well as profit after tax for 2003 in the amount of KM 2.4 million.

Regarding the structure of the ownership, 735 private companies own the shareholders capital.

Najveći dioničari Banke / Bank's Largest Shareholders

Naziv <i>Name</i>	% učešća u kapitalu <i>% of capital</i>
Jata d.o.o. Srebrenik	18,03
Highway Construction Company d.o.o. Sarajevo	7,60
Ecoinvest d.o.o. Tuzla	3,53
Humić Midhat	3,41
Sony Lux d.o.o. Tuzla	2,91
Polo d.o.o. Kalesija	2,80
Solana d.d. Tuzla	2,58
Studen & CO Arex d.o.o. Gradačac	2,12
Company d.o.o. Zagreb	2,03
Morankić Ibrahim	1,93
Ostali / <i>Other</i>	53,06



Depoziti

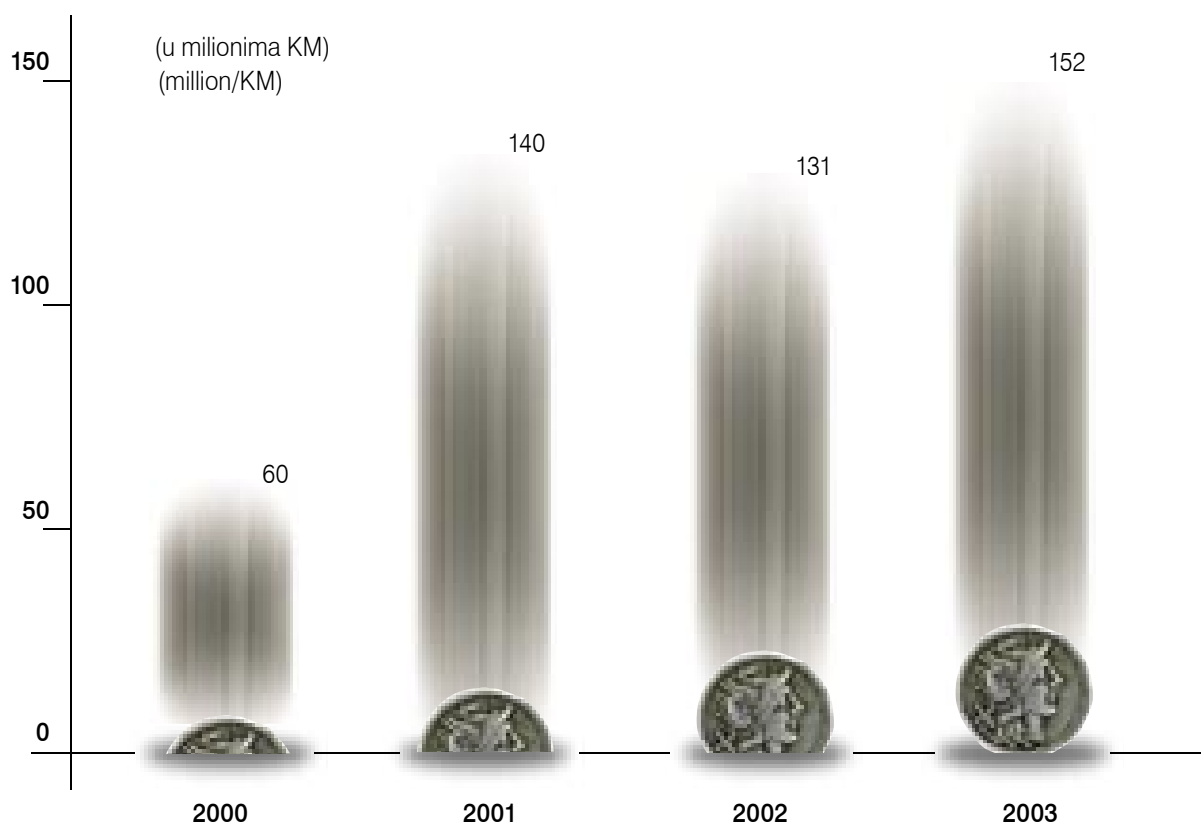
Deposits

Depoziti Banke na dan 31. 12. 2003. godine iznose 152,5 mil KM i povećani su za 17%, a sekundarni izvori iznose 53,4 mil KM i veći su za 52%.

Total Bank deposits at 31. December 2003 amount to KM 152.5 million, which is an increase of 17%, while secondary funds are KM 53.4 million, which is 52% higher than in the previous year.

Kretanje depozita pravnih i fizičkih lica od 2000.-2003. godine prikazano je na slijedećem grafikonu:

The changes of the amounts of legal and physical entity deposits in 2000 through 2003 are shown on the following graph:



Depoziti pravnih lica iznose 90 mil KM, što predstavlja rast od 10,8 mil KM ili 14%, a depoziti fizičkih lica iznose 62,5 mil KM, i veći su za 10,9 mil KM ili 21%.

Total deposits of legal entities are KM 90 million, which is an increase of KM 10.8 million or 14%, and total deposits of physical entities were KM 62.5 million, which is a KM 10.9 million increase or 21% growth.

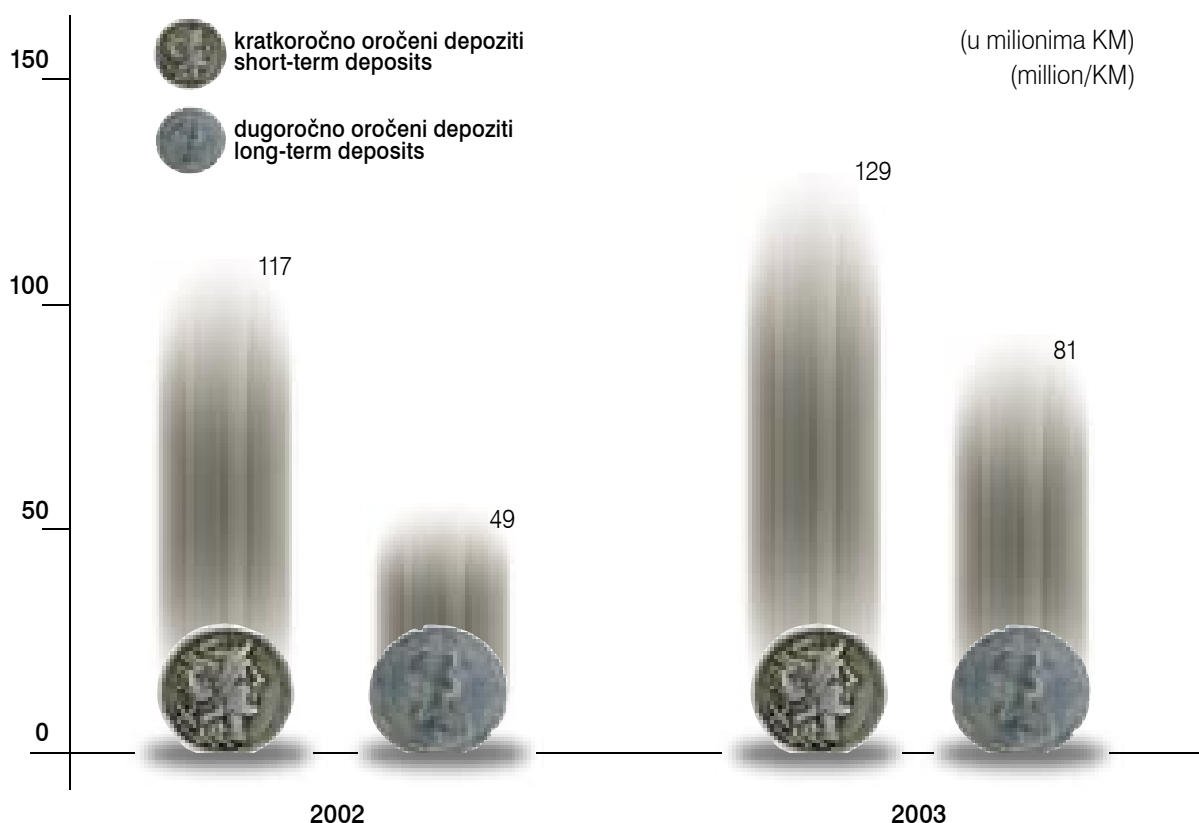


Naročito je značajno istaći da je u toku 2003. godine došlo do pozitivnih kretanja u ročnoj strukturi depozita, i to u korist značajnog povećanja učešća oročenih depozita u ukupnim depozitima. Naime, oročeni depoziti pravnih lica su povećani za 25%, a oročeni depoziti fizičkih lica su povećani za 33,6%.

Ročna struktura depozita prikazana je na sljedećem grafikonu:

It is especially important to point out that overall deposit maturities, in 2003, changed for better, in that that during the subject year the percentage of time deposits, within the structure of total deposits, significantly increased. As a matter of fact, time deposits of legal entities increased by 25% and time deposits of physical entities increased by 33.6%.

Thus, the maturation of deposits is as follows:



U okviru poslova sa fizičkim licima, posebna pažnja je posvećena jačanju kartičnog poslovanja. Prihodi po ovim poslovima bilježe stalan rast po mjesecima. Intenzivnijim promoviranjem i masovnijim korištenjem domaćih i međunarodnih kartica ostvariće se pozitivni efekti kartičnog poslovanja.

As regards banking relations with physical entities, a special effort was made to improve various card operations. Profit made from these transactions increased on a monthly basis. With more intensive dissemination and mass use of domestic and international cards, our Bank will continue to increase its business in this banking area.



Kreditna politika Banke se odvijala u skladu sa usvojenim Godišnjim planom za 2003. godinu, Programom za dugoročno poboljšanje finansijske situacije, odlukama organa Banke, zakonskim i drugim propisima, te politikama i procedurama koje je usvojio Nadzorni odbor Banke.

Osnovni ciljevi kreditne politike bili su poboljšanje kvaliteta aktive, povećanje nivoa kredita, kamatonosne aktive i kamatne marže, oživljavanje i podsticanje proizvodnje, obezbjeđenje sredstava za investicione programe iz kojih bi se finansirali razvojni projekti, povećanje disperzije rizika odobravanjem kredita malim i srednjim preduzećima i stanovništvu, te ostvarivanje planirane dobiti.

Kratkoročni i dugoročni plasmani pravnim i fizičkim licima i plasmani bankama u 2003. godini dostigli su nivo od 196 mil KM, što predstavlja porast od 38,2 mil KM ili 24%. Najveće učešće u ukupnim plasmanima imaju kreditni plasmani, koji iznose 136 mil KM ili 70% ukupnih plasmana. Ujednačen rast od 48% su imali kratkoročni i dugoročni plasmani, a najveći apsolutni rast od 16,9 mil KM ili 96% su imali dugoročni plasmani fizičkim licima.

In 2003, the Bank conducted its lending in accordance with a previously adopted Annual Plan for 2003, its Long-Term Financial Improvement Program, decisions made by the Bank management body, various legal and other regulations, and, finally, various policies and procedures approved by the Bank Supervisory Board.

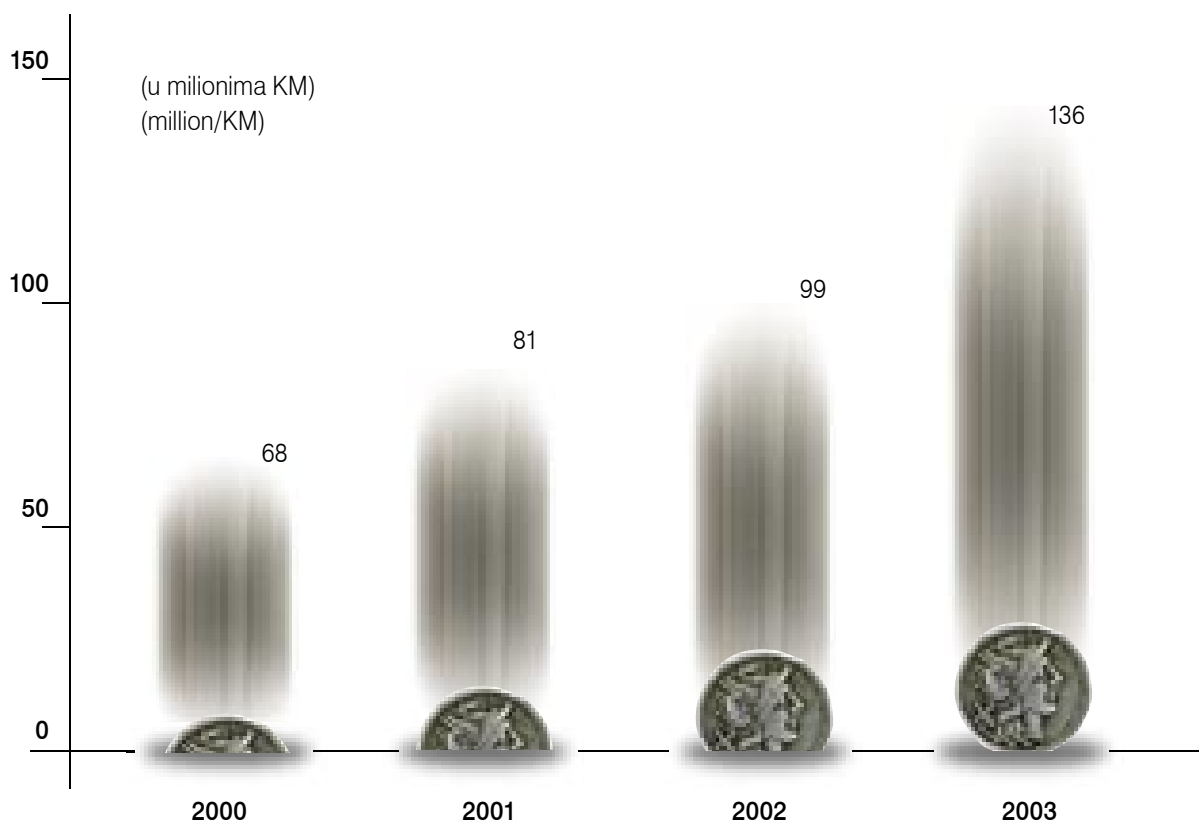
The basic goal of the Bank's lending policies was to improve the quality of assets, increase the number of loans, interest-based assets and interest-based margins, and to help stimulate the development of companies by providing investments for development projects, and increasing its risk margin by approving loans to medium and small enterprises and physical entities, as well as to realize planned profit.

Short-term and long-term credits of legal and physical entities and credits to the banks in 2003 was KM 196 million, which represents an increase of KM 38.2 million or 24%. The largest participation in total loans have a credit lendings which amount to KM 136 million or 70% of total loans. Short and long-term loans had a steady increase of 48%, while the highest absolute increase of KM 16.9 million or 96% was reached through extending the loans to physical entities.



Kretanje kreditnih plasmana pravnim i fizičkim lici-
ma od 2000-2003. godine prikazano je na sljede-
ćem grafikonu:

The increase of loans of legal and physical entities
from 2000 through 2003 is shown on the graph
below:



Kratkoročni plasmani iznose 56 mil KM i ostvarili su
rast za 18 mil KM ili 48%, dok dugoročni plasmani
iznose 53,9 mil KM i veći su za 17,6 mil KM ili 48%
u odnosu na 2002. godinu. Na ostale plasmane
odnosi se 86,1 milion KM.

U cilju finansiranja razvojnih projekata pravnih i fi-
zičkih lica obezbijedeno je nekoliko kreditnih linija
iz sredstava Investicijske banke Federacije i Kan-
tonalne agencije za privatizaciju, Nove Ljubljanske
banke, LHB banke i Društva za razvoj.

Short-term loans amount to KM 56 million which
was an increase of KM 18 million or 48%, while
long-term loans totalled KM 53.9 million, which
was an increase of KM 17.6 million, or 48%, as
compared to 2002. while other loans amount to KM
86.1 million.

For the purpose of financing development projects
of legal and physical entities, the Bank secured
several credit lines from the Investment Bank of the
Federation and the Cantonal Agency for Privatisa-
tion, Nova Ljubljanska banka d.d. Ljubljana, LHB
Internationale Handelsbank and Society for devel-
opment.



Poslovni rezultat

Business Results

U 2003. godini ostvareni su ukupni prihodi u iznosu od 29,8 mil KM i ukupni rashodi u iznosu od 27,3 mil KM. Na taj način je ostvaren pozitivan bruto finansijski rezultat u visini od 2,5 mil KM. U poređenju sa prethodnom godinom, dobit je povećana za 62%.

Kretanje prihoda i rashoda tokom 2002-2003. godine prikazano je na sljedećoj tabeli:

Total income in 2003 was KM 29.8 million and total expenses were KM 27.3 million. Gross profit was KM 2.5 million. The gross profit performance was 62% higher than the previous year.

The income and expenses results for 2002 and 2003 are shown in the following table:

	'000 KM	
	2002.	2003.
Ukupni prihodi / Total Income	25.448	29.757
Ukupni rashodi / Total Expenses	23.901	27.254
Dobit prije oporezivanja / Gross Profit	1.547	2.503
Porez / Income Tax	0	112
Dobit poslije oporezivanja / Net Profit	1.547	2.391

U strukturi ukupnih prihoda najveću stavku čine aktivne kamate sa učešćem od 38%. Prihodi ostvareni po osnovu aktivnih kamata iznose 11,3 mil KM, što predstavlja porast od 3 mil KM ili 37%. Naknade za bankarske usluge čine 22% ukupnih prihoda, a naplata rezervisanih potraživanja iz ranijih godina učestvuje sa 21% u ukupnim prihodima.

U okviru rashoda najveću stavku predstavljaju operativni rashodi u ukupnom iznosu od 14,7 mil KM, dok u okviru poslovnih i direktnih rashoda najveću stavku čine rashodi po osnovu pojedinačnih rezervisanja u iznosu od 5,9 mil KM.

The biggest contributors to our income were earnings from interest receivable, which participated with 38% of the total income. The earnings from interest receivable amounted to KM 11.3 million, which was an increase of KM 3 million, or 37%, over the previous year. Bank fees contributed 22% of total income. The collection of reserved receivables from prior years contributed another 21% of total income.

As regards total expenses, the largest component was operational which amounted to KM 14.7 million, while the largest component in business and direct expenses were individual reserves that amounted to KM 5.9 million.



Osnovna karakteristika razvoja integralnog informacionog sistema Banke u proteklom periodu je rad na relacionoj bazi podataka. Prednosti rada na relacionoj bazi se ogledaju, prije svega, u on-line načinu rada na svim radnim mjestima, čime se postiže trenutna ažurnost podataka. Osim ovoga, postojeća aplikativna rješenja se stalno razvijaju i prilagođavaju poslovnom i zakonodavnom okruženju u kojem Banka radi. Sve ovo je kvalitetna pretpostavka za uvođenje novih oblika poslovanja u narednom periodu, kao što je elektronsko, odnosno internet bankarstvo.

Tokom 2003. godine nastavljen je razvoj informacionog sistema Banke, prevashodno u razvoju i dograđivanju bankarskog software-a.

Takođe su izvršene pripreme i puštanje u aktivni rad sistema SWIFT.net.

Banka se uključila u klirinški sistem zemalja Evropske unije, tzv. "TARGET" sistem. To je decentralizirani sistem 15 nacionalnih RTGS sistema.

Instaliran je i pušten u rad novi primarni server za rad relacione baze.

Sve ovo će stvoriti pretpostavke za brže i kvalitetnije obavljanje svakodnevnih bankarskih poslova u narednom periodu.

The highlight of the implementation of the Integral Management Information System in 2003 was the work on the relationship database. The advantages to the Bank of the relationship database is, for example, the on-line work at all bank locations which results in the instantaneous update of the database. Besides, the existing application, solutions are constantly being improved and adjusted in accordance with business and legal requirements followed by the Bank. Given the foregoing the relationship database provides the foundation for future forms of business operations, such as electronic, or more precisely, internet-based banking.

During 2003, the Bank continued to work on the development of its information system, primarily on its improvement and upgrading.

The Bank successfully implemented the SWIFT transfer mechanism.

In addition, the Bank has joined the soft-currency area of the European Union, described as the "TARGET" system. It is a decentralized system consisting of 15 national RTGS systems.

Also, a new primary system for relation-based networking has been installed and is operational.

All these systems contribute to the increased speed and quality of our banking operations.



Kadrovi

Personnel

Banka sa 31. 12. 2003. godine ima ukupno 368 zaposlenika. To je smanjenje za sedam zaposlenika u odnosu na 2002. godinu, uz istovremeno poboljšanje kvalifikacione i starosne strukture Banke zbog prijema mladih i visokoškoloovanih zaposlenika u 2003. godini.

Prenosom poslova na filijale stvoreni su uslovi za uspostavljanje profitnih centara u Banci.

Stručnom osposobljavanju zaposlenika u Banci se posvećuje značajna pažnja, tako da su tokom izvještajnog perioda zaposlenici bili prisutni na brojnim eksternim i internim seminarima iz oblasti bankarstva, računovodstva, pravne regulative, informatike i ostalih oblasti bankarskog poslovanja, u cilju postizanja najvećeg stepena efikasnosti poslovanja u datim uslovima.

At 31 December 2003, the Bank had 368 employees. This is a decrease of seven employees compared to 2002, but the average age of our professionals decreased because we employed younger and more highly educated individuals.

Delegation of operational activities to the branches improved the performance of the Bank's profit centers.

The Bank pays careful attention to personnel training and, in the course of this report period, employees attended numerous external and internal seminars in the field of banking, accounting, legal issues, information systems and other areas of banking operations in order to reach the highest degree of business efficiency.

Likvidnost



Liquidity

Banka je tokom posmatranog perioda kontinuirano održavala potreban obim likvidnih sredstava, obezbjeđivala propisani nivo obavezne rezerve, te izvršavala sve dospjele obaveze u domaćoj i stranim valutama.

Banka je svakodnevno provodila aktivnosti u cilju održavanja likvidnosti, i to praćenjem stanja na računima deponenata i stanja na računima rezervi kod Centralne banke, kao i usmjeravanjem priliva i odliva sredstava i kupoprodaje deviza radi stvaranja uslova za održavanje odgovarajuće likvidnosti.

During the subject period, the Bank maintained the appropriate level of liquidity, the obligatory level of required reserves, and executed all due obligations.

The Bank performed daily activities necessary to maintain its liquidity by monitoring the status of deposit accounts, balances on reserve accounts with the Central Bank, managed the inflow and outflow of funds, foreign exchange purchases and sales, with the end purpose of managing the liquidity level.

Lista korespondenata

Correspondent Banks

Zemlja / Country	Korespondent / Correspondent	SWIFT	Račun / Account	Valuta Currency
AUSTRIJA AUSTRIA	BANK AUSTRIA CREDITANSTALT, WIEN	BKAUATWW	0101-66031/00	EUR
	BAWAG BANK, WIEN	BAWAATWW	0118800630	EUR
	ZVEZA BANK, KLAGENFURT	VSGKAT2K	40.600	EUR
BELGIJA BELGIUM	ING BELGIUM SA/NA BRUSSELS	BBRUBEBB	3010102451-03-978	EUR
HRVATSKA CROATIA	ZAGREBAČKA BANKA DD, ZAGREB	ZABHR2X	2690000198-oznaka valute	
			1690000136-191	HRK
	SPLITSKA BANKA DD, SPLIT	BACXHR22	10000051002	HRK
			10000051000	USD
			10000511001	EUR
	PRIVREDNA BANKA DD, ZAGREB	PBZGHR2X	709200840-0921484	USD
			709200978-0921484	EUR
NJEMAČKA GERMANY	LHB INTERNATIONALE HANDELSBANK	LHBIDFF	9791302	USD
			9791013	EUR
	DEUTSCHE BANK AG, FRANKFURT/M	DEUTDEFF	936272405	USD
			936272410	EUR
	POSTBANK, FRANKFURT/M	PBNKDEFF	624912609	EUR
	JP MORGAN CHASE BANK AG FRANKFURT	CHASDEFX	6231605467	EUR
ITALIJA ITALY	BANCA ANTONIANA POPOLARE VENET	ANTBIT2P	00400-01-027401578	EUR
	BANCA AGRICOLA MANTOVANA S.C.A.	BAMNIT22	0081024	EUR
SLOVENIJA SLOVENIA	NOVA LJUBLJANSKA BANKA DD LJUBLJANA	LJBASI2X	900-8010-705-4010/64	SIT
			900-7010-oznaka valute-4010/64	
	A BANKA VIPA DD LJUBLJANA	ABANSI2X	051001010004325	USD
			051001010004325	EUR
	BANKA CELJE DD CELJE	SBCESI2X	701097845003/93	EUR
	NOVA KREDITNA BANKA MARIBOR	KBMASI2X	701006389/4-978	EUR
ŠVEDSKA SWEDEN	SVENSKA HANDELSBANKEN STOCKHOLM	HANDSESS	40388409	SEK





Finansijski izvještaji i izvještaj neovisnog revizora
za godine koje su završile 31. decembra 2003. i 2002.

Financial Statements and Independent Auditors' Report
for the Years Ended 31 December 2003 and 2002

Odgovornost za finansijske izvještaje

U skladu sa Zakonom o računovodstvu FBiH ("Službene novine" 2/95 i 12/98), Uprava je dužna pobri-
nuti se da za svaku finansijsku godinu budu sastavljeni finansijski izvještaji u skladu s Međunarodnim
standardima finansijskog izvještavanja (MSFI) koje je objavio Odbor za međunarodne računovodstvene
standarde, koji pružaju istinit i fer pregled stanja u Banci, kao i njegove rezultate poslovanja za navedeno
razdoblje.

Nakon provedbe odgovarajućeg istraživanja, Uprava opravdano očekuje da će Banka u dogledno vrijeme
raspolagati odgovarajućim resursima, te stoga i dalje usvaja načelo vremenske neograničenosti poslova-
nja pri sastavljanju finansijskih izvještaja.

Odgovornosti Uprave pri izradi finansijskih izvještaja obuhvataju sljedeće:

- odabir i dosljednu primjenu odgovarajućih računovodstvenih politika
- davanje opravdanih i razboritih prosudbi i procjena
- postupanje u skladu s važećim računovodstvenim standardima, uz objavu i obrazloženje svih
materijalno značajnih odstupanja u finansijskim izvještajima i
- sastavljanje finansijskih izvještaja pod pretpostavkom vremenske neograničenosti poslovanja,
osim ako pretpostavka da će Banka nastaviti poslovanje nije primjerena.

Uprava je odgovorna za vođenje odgovarajućih računovodstvenih evidencija, koje u svakom trenutku
s opravdanom tačnošću prikazuju finansijski položaj Banke. Također, Uprava je dužna pobrinuti se da
finansijski izvještaji budu u skladu sa Zakonom o računovodstvu FBiH. Pored toga, Uprava je odgovorna
za čuvanje imovine Banke, te za poduzimanje opravdanih koraka za sprječavanje i otkrivanje prijevare i
drugih nepravilnosti.

Za i u ime Uprave



Almir Šahinpašić, direktor

Tuzlanska Banka, d.d.
Ulica Maršala Tita 34
75000 Tuzla
Bosna i Hercegovina

17. februara 2004. godine

Responsibility for the Financial Statements

Pursuant to the local Accounting Law ("Official Gazette" 2/95 and 12/98), the Management Board is responsible for ensuring that financial statements are prepared for each financial year in accordance with International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB) which give a true and fair view of the state of affairs and results of the company for that period.

After making enquiries, the Board has a reasonable expectation that the bank has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Board continues to adopt the going concern basis in preparing the financial statements.

In preparing those financial statements, the responsibilities of the Board include ensuring that:

- suitable accounting policies are selected and then applied consistently;
- judgements and estimates are reasonable and prudent;
- applicable accounting standards are followed, subject to any material departures disclosed and explained in the financial statements; and
- the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the bank will continue in business.

The Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the bank and must also ensure that the financial statements comply with the Accounting Law of Federation of Bosnia and Herzegovina ("Official Gazette" 2/95 and 12/98). The Board is also responsible for safeguarding the assets of the bank and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the Board



Almir Šahinpašić, director

Tuzlanska Banka, d.d.
Ulica Maršala Tita 34
75000 Tuzla
Bosnia and Herzegovina

17 February 2004

Deloitte

Izveštaj neovisnog revizora

Deloitte d.o.o.

Jadranska bb/III
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Bosnia & Herzegovina

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www.deloitte.com

Dioničarima Tuzlanske Banke d.d. Tuzla:

Obavili smo reviziju bilansa stanja Tuzlanske Banke d.d. Tuzla (u daljnjem tekstu: "Banka") sa stanjem na dan 31. decembra 2003. i povezanih bilansa uspjeha, izvještaja o toku novca i izvještaja o promjenama na vlasničkoj glavnici za godinu koja je tada završila. Odgovornost za ove finansijske izvještaje snosi Uprava Banke. Naša je odgovornost izraziti neovisno mišljenje o tim finansijskim izvještajima na temelju naše revizije.

Reviziju smo obavili u skladu sa Međunarodnim revizijskim standardima. Navedeni standardi zahtijevaju da reviziju planiramo i obavimo na način da prikupimo sve informacije i sva obrazloženja koja smatramo nužnim da bismo prikupili dovoljno dokaza koji nam u razumnoj mjeri pružaju jamstvo da finansijski izvještaji ne sadrže materijalno značajne pogreške. Revizija uključuje provjeru dokaza pomoću testiranja, koji potkrepljuju iznose i druge informacije objavljene u finansijskim izvještajima. Revizija također uključuje i procjenu primijenjenih računovodstvenih načela te ocjenu značajnih procjena Uprave, kao i ocjenu ukupnog prikaza finansijskih izvještaja. Vjerujemo da nam naša revizija daje razumnu osnovu za naše mišljenje.

Po našem mišljenju, finansijski izvještaji prikazuju istinito i fer, u svim materijalno značajnim stavkama, finansijski položaj Banke na 31. decembra 2003. godine i 2002. godine, kao i rezultate njezinog poslovanja, promjene u toku novca i promjene u vlasničkoj glavnici, za godinu koja je tada završila i sastavljeni su u skladu s Međunarodnim standardima finansijskog izvještavanja.



Deloitte d.o.o.

Sarajevo, 17. februara 2004. godine

Deloitte

Independent Auditors' Report

Deloitte d.o.o.

Jadranska bb/III
71 000 Sarajevo
Bosnia & Herzegovina

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Fax: +387 (0)33 277 561

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To the Shareholders of Tuzlanska Banka d.d., Tuzla:

We have audited the accompanying balance sheets of Tuzlanska Banka d.d. Tuzla (the "Bank") as at 31 December 2003 and 2002 and the related statements of income, cash flows and changes in shareholders' equity for the years then ended. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the unconsolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the unconsolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Bank, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2003 and 2002 and the results of its operations, its cash flows and changes in shareholders' equity for the years then ended, in accordance with International Financial Reporting Standards.

Deloitte d.o.o.

Sarajevo, 17 February 2004

Bilansi uspjeha

za godine koje su završile 31. decembra 2003. i 2002.

Income Statements

For the years ended 31 December 2003 and 2002

		'000 KM	
	Napomena Notes	2003.	2002.
Prihodi od kamata / Interest income	3	11.309	8.260
Rashodi od kamata / Interest expense	4	(2.872)	(2.420)
Neto prihod od kamata / Net Interest Income		8.437	5.840
Prihodi od naknada i provizija / Fee and commission income	5	7.735	8.268
Rashodi od naknada i provizija / Fee and commission expense	6	(687)	(635)
Neto prihod od naknada i provizija / Net Fee and Commission Income		7.048	7.633
Prihodi od finansijskih operacija / Net income from financial operations	7	1.813	1.864
Prihodi od naplaćenih otpisanih potraživanja / Income from collection of written-off receivables	8	1.660	1.503
Ostali poslovni prihodi / Other operating income	9	641	229
Prihod iz redovnog poslovanja / Operating Income		19.599	17.069
Troškovi zaposlenih / Salaries and employment benefits	10	(7.195)	(6.978)
Amortizacija materijalne i nematerijalne imovine / Depreciation and amortisation expense	22	(1.347)	(1.330)
Ostali administrativni troškovi / Other administrative expenses	11	(5.457)	(4.875)
Rashodi iz redovnog poslovanja / Operating Expense	12	(13.999)	(13.183)
DOBIT PRIJE REZERVISANJA ZA GUBITKE I POREZA NA DOBIT PROFIT BEFORE IMPAIRMENT LOSSES, PROVISIONS AND INCOME TAXES		5.600	3.886
Troškovi rezervisanja za moguće gubitke / Impairment losses and provisions		(3.097)	(2.339)
DOBIT PRIJE POREZA NA DOBIT / PROFIT BEFORE INCOME TAXES		2.503	1.547
Porez na dobit / Income tax	13	(112)	-
NETO DOBIT ZA GODINU / NET PROFIT FOR THE YEAR		2.391	1.547
		KM	KM
OSNOVNA ZARADA PO DIONICI / BASIC EARNINGS PER SHARE	35	16,91	11,58

Bilansi stanja

31. decembra 2003. i 2002.

Balance Sheets

31 December 2003 and 2002

		'000 KM	
	Napomena Notes	2003.	2002.
SREDSTVA / ASSETS			
Gotovina i računi kod banaka / Cash and cash equivalents	14	33.444	75.315
Obavezna rezerva kod Centralne banke / Obligatory reserves with the Central Bank	15	9.377	440
Plasmani kod drugih banaka / Placements with other banks	16	41.829	5.849
Kreditni klijentima / Loans to customers	17	112.441	79.215
Potraživanja za obračunatu kamatu / Interest receivable	18	551	415
Ostala imovina / Other assets	19	1.265	995
Ulaganja / Investments	20	1.318	1.487
Vrijednosni papiri koji se drže do dospeljeća / Securities held to maturity	21	255	-
Dugotrajna materijalna i nematerijalna imovina / Net tangible and intangible fixed assets	22	20.406	22.584
Ukupna sredstva / Total Assets		220.886	186.300
OBAVEZE / LIABILITIES			
Obaveze prema bankama / Due to banks	23	38.478	25.538
Obaveze prema klijentima / Due to customers	24	152.450	130.519
Rezervisanja za potencijalne obaveze / Provisions for contingent liabilities and commitments	27	757	889
Ostale obaveze / Other liabilities	25	3.149	4.993
Ukupne obaveze / Total liabilities		194.834	161.939
VLASNIČKA GLAVNICA / SHAREHOLDERS' EQUITY			
Dionički kapital / Share capital	26	17.675	18.375
Rezerve i zadržana dobit / Reserves and retained earnings		8.377	5.986
Ukupna dionička glavnica / Total Shareholders' Equity		26.052	24.361
UKUPNE OBAVEZE I DIONIČKA GLAVNICA / TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		220.886	186.300

Potpisao za i u ime Tuzlanske Banke d.d. Tuzla dana 17. februara 2004. godine.

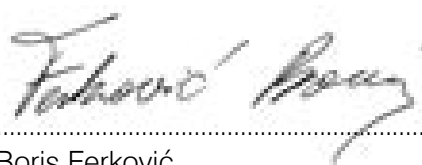
Signed on behalf of Tuzlanska Banka d.d. Tuzla on 17 February 2004:



Almir Šahinpašić

Direktor

Director



Boris Ferković

Izvršni Direktor Direkcije za podršku

Executive Manager of Support Division

Računovodstvene politike i napomene u nastavku čine sastavni dio ovih finansijskih izvještaja.

The accompanying accounting policies and notes are an integral part of these financial statements.

Izvjestaji o novčanom toku

za godine koje su završile 31. decembra 2003. i 2002.

Cash Flow Statements

For the years ended 31 December 2003 and 2002

	'000 KM	
	2003.	2002.
Neto dobit / Net profit	2.391	1.547
<i>Usklađenje na neto novčana sredstva ostvarena poslovnim aktivnostima /</i> <i>Adjustments to reconcile net income to net cash from operating activities:</i>		
Amortizacija / Depreciation and amortisation	1.347	1.330
Rezervisanja za moguće gubitke / Impairment losses and provisions	3.097	2.406
<i>Promjene u sredstvima i izvorima / Changes in assets and liabilities:</i>		
Otpis potencijalnih obaveza / Write-offs of commitments and contingent liabilities	(427)	-
(Povećanje) / Smanjenje obavezne rezerve kod Centralne Banke (Increase) / Decrease of obligatory reserves with Central Bank	(8.937)	629
(Povećanje) / Smanjenje plasmana bankama, prije rezervisanja (Increase) / Decrease in placements with other banks, before provisions	(36.161)	979
Neto povećanje kredita klijentima, prije rezervisanja Increase in loans to customers, before provisions, net	(34.763)	(18.714)
Neto povećanje potraživanja za obračunatu kamatu, prije rezervisanja Increase in interest receivable, before provisions, net	(226)	(114)
(Povećanje) / Smanjenje ostale aktive, prije rezervisanja (Increase) / Decrease in other assets, before provisions	(469)	69
(Smanjenje) / Povećanje obaveza prema bankama (Decrease) / Increase in due to banks	(1.294)	4.188
Povećanje / (Smanjenje) obaveza prema komitentima Increase / (Decrease) in due to customers	22.968	(7.095)
(Povećanje) / Smanjenje ostale pasive (Increase) / Decrease in other liabilities	(1.844)	2.648
NETO NOVAC KORIŠTEN U POSLOVNIM AKTIVNOSTIMA NET CASH USED IN OPERATING ACTIVITIES	(54.318)	(12.127)
Ulagačke aktivnosti / Investing Activities		
Kupovina vrijednosnih papira koji se drže do dospeljeka / Purchase of securities held to maturity	(255)	-
Prodaja ulaganja, prije rezervisanja / Sale of investments, before provisions	73	82
Prodaja / (Kupovina) dugotrajne materijalne i nematerijalne imovine Sale / (Purchase) of tangible and intangible assets	132	(364)
NETO NOVAC OSTVAREN/(KORIŠTEN) U ULAGAČKIM AKTIVNOSTIMA NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES	(50)	(282)
Finansijske aktivnosti / Financing Activities		
Primici po obavezama po kreditima / Proceeds from borrowed funds	13.197	9.577
Treća zatvorena emisija dionica / Third closed shares issue	-	3.352
Smanjenje kapitala prema Odluci Federalne Bankarske Agencije / Decrease in equity according to the Federal Banking Agency Decision	(700)	-
NETO NOVAC OSTVAREN U FINANSIJSKIM AKTIVNOSTIMA NET CASH PROVIDED BY FINANCING ACTIVITIES	12.497	12.929
NETO (SMANJENJE) / POVEĆANJE NOVCA I NOVČANIH EKVIVALENATA NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(41.871)	520
NOVAC I NOVČANI EKVIVALENTI 1. JANUARA CASH AND CASH EQUIVALENTS AT 1 JANUARY	75.315	74.795
NOVAC I NOVČANI EKVIVALENTI 31. DECEMBRA CASH AND CASH EQUIVALENTS AT 31 DECEMBER	33.444	75.315

Računovodstvene politike i napomene u nastavku čine sastavni dio finansijskih izvještaja.

The accompanying accounting policies and notes are an integral part of these financial statements.

Izveštaji o promjenama u dioničkoj glavnici

za godine koje su završile 31. decembra 2003. i 2002.

Statement of Changes in Shareholders' Equity

For the years ended 31 December 2003 and 2002

	'000 KM			
	Dioničarski kapital Share capital	Zadržana dobit Retained earnings	Revalorizacijske rezerve Revaluation reserves	Ukupno Total
Stanje 31. decembra 2001. Balance as at 31 December 2001	12.018	7.444	5.047	24.509
Povećanje nominalne vrijednosti dionica Increase in shares nominal value	3.005	(3.005)	-	-
Treća zatvorena emisija dionica Third closed share issue	3.352	-	-	3.352
Revalorizacija dugotrajne materijalne i nematerijalne imovine Revaluation of fixed and intangible assets	-	-	(5.047)	(5.047)
Dobit za 2002. / Profit for 2002	-	1.547	-	1.547
Stanje 31. decembra 2002. Balance as at 31 December 2002	18.375	5.986	-	24.361
Smanjenje kapitala prema Odluci Federalne Bankarske Agencije (vidi Napomenu 26) Decrease of equity according to the Federal Banking Agency Decision (see Note 26)	(700)	-	-	(700)
Dobit za 2003. / Profit for 2003	-	2.391	-	2.391
Stanje 31. decembra 2003. Balance as at 31 December 2003	17.675	8.377	-	26.052

Računovodstvene politike i napomene u nastavku čine sastavni dio finansijskih izvještaja.
The accompanying notes are an integral part of these financial statements.

Napomene uz finansijske izvještaje

za godine koje su završile 31. decembra 2003. i 2002.

Notes to the Financial Statements

For the years ended 31 December 2003 and 2002

1. OPĆI PODACI / GENERAL

Tuzlanska Banka d.d. Tuzla, Bosna i Hercegovina, Maršala Tita 34 ("Banka") konstantno posluje više od stotinu godina. Poslije mnogih vlasničkih transformacija Banka je postala odvojeno pravno lice tokom 1990. godine, kada se Privredna Banka Sarajevo – predhodna banka, razdvojila na 9 različitih banaka. Tokom 1998. godine, većina vlasništva u Banci je privatizirana (vidi Napomenu 26).

Počev od 1. septembra 2003. godine, Banka je članica programa osiguranja depozita i posjeduje Certifikat o članstvu izdat od strane Agencije za osiguranje depozita Bosne i Hercegovine.

Nadzorni Odbor Banke je 27. novembra 2002. godine imenovao gospodina Almira Šahinpašića novim Direktorom Banke.

Tuzlanska Banka d.d. Tuzla, Maršala Tita 34, Tuzla, Bosnia and Herzegovina (the "Bank") has been in continuous business for more than one hundred years. After many ownership transformations the Bank has become a separate legal entity in 1990, when Privredna Banka Sarajevo, the predecessor bank, split into 9 different banks. During 1998, the majority holding in the Bank was privatised (see Note 26).

The Bank took participation in deposit insurance program as at 1 September 2003 and has Membership Certificat issued from Deposit Insurance Agency in Bosnia and Herzegovina.

Mr. Almir Šahinpašić has been named a new General Director by the Supervisory Board on 27 November 2002.

Osnovna djelatnost Banke

Osnovne djelatnosti Banke su prikazane kako slijedi:

1. primanje i plasiranje depozita,
2. primanje depozita po viđenju i oročenih depozita
3. davanje i uzimanje kredita
4. kupovina i prodaja strane valute
5. novčane transakcije na međubankarskom tržištu
6. platni promet u zemlji i inozemstvu
7. kartičarsko poslovanje.

Banka ima Centralni Ured u Tuzli i filijale u Banovićima, Brčkom, Čeliću, Doboj Istoku, Gračanici, Gradačcu, Kalesiji, Kladnju, Lukavcu, Orašju, Sapni, Sarajevu, Srebreniku, Teočaku, Tuzli i Živinicama.

Activities and operations

Bank's main at operations are as follows:

1. Receiving and placing of deposits
2. Receiving of term and demand deposits
3. Making and purchasing of loans
4. Buying and selling foreign currencies
5. Cash transactions in interbank market
6. Cash payment and transfer, both national and abroad
7. Debit/credit card operations

The Bank has Head Office in Tuzla and branch offices in Banovići, Brčko, Čelić, Doboj Istok, Gračnica, Gradačac, Kalesija, Kladanj, Lukavac, Orašje, Sapna, Sarajevo, Srebrenik, Teočak, Tuzla, Živinice.

TIJELA BANKE / BANK'S MANAGEMENT:

Nadzorni odbor / Supervisory Board

Predsjednik / President

Ibrahim Morankić

Član / Member

Ademir Mešetović

Član / Member

Šemso Saković

Član / Member

Sead Rešidbegović

Član / Member

Nihad Jusufović

Član / Member

Fuad Beganović

Član / Member

Dr. Sejfudin Zahirović

Uprava / Management Board

*Direktor
Director*

Almir Šahinpašić

*Izvršni direktor Direkcije plana, razvoja i kadrova
Executive Manager of Planning, Development and Human Resource
Division*

Edim Sarihodžić

*Izvršni direktor Direkcije plasmana
Executive Manager of Loan Management Division*

Jusuf Džafić

*Izvršni direktor Direkcije poslovne mreže
Executive Manager of Branch Network Division*

Dijana Olić

*Izvršni direktor Direkcije sredstava i platnog prometa
Executive Manager of Funds and Payment Operations Division*

Nađija Trešnjo

*Izvršni direktor Direkcije za podršku
Executive Manager of Support Division*

Boris Ferković

*Sekretar Banke
Secretary of the Bank*

Vesna Hogić

Odbor za reviziju / Audit Board

Predsjednik / President

Šehzada Salihbašić

Član / Member

Dr. Adil Kurtić

Član / Member

Meliha Mustafić

Član / Member

Nekir Suljagić

Član / Member

Muhamed Šadić

*Glavni interni revizor
Internal Auditor*

Rajka Topčić

2. TEMELJ ZA PREZENTIRANJE I SAŽETAK RAČUNOVODSTVENIH POLITIKA

U nastavku su sažeto iznesene osnovne računovodstvene politike usvojene za izradu finansijskih izvještaja.

2.1 Temelj za prezentiranje

Finansijski izvještaji Banke pripremljeni su u skladu sa Međunarodnim Standardima Finansijskog Izvještavanja (MSFI) primjenom konvencije historijskog troška usklađenog za revalorizaciju određene finansijske imovine i finansijskih obaveza.

Finansijski izvještaji pripremljeni su na obračunskoj osnovi, što znači da se efekti transakcija i ostalih događaja evidentiraju kada se dogode, a prezentiraju se u finansijskim izvještajima za period u kojem su nastali i to pod pretpostavkom da će Banka biti sposobna podmirivati dospjele obaveze i neograničeno poslovati, te realizirati potraživanja i podmirivati obaveze u normalnom toku poslovanja.

Finansijski izvještaji iskazani su u službenoj valuti Bosne i Hercegovine, odnosno u Konvertibilnim markama ("KM"), čiji je kurs fiksno vezan uz euro (1 EUR = 1,95583 KM).

Sastavljanje finansijskih izvještaja u skladu s MSFI zahtijevaju od Uprave da daje procjene i pretpostavke koje utječu na iskazane iznose sredstava i obaveza te objavu potencijalne imovine i obaveza na datum finansijskih izvještaja, kao i iznose prihoda i rashoda za izvještajno razdoblje. Procjene se temelje na informacijama koje su dostupne na datum sastavljanja finansijskih izvještaja, dok se stvarni rezultati mogu razlikovati od procijenjenih.

Banka vodi svoje računovodstvene evidencije i priprema statutarne finansijske izvještaje u skladu sa bankarskim, privrednim i fiskalnim propisima važećim u Federaciji Bosne i Hercegovine, a gdje se ova regulativa razlikuje od MSFI za potrebe ovih finansijskih izvještaja napravljene su određene reklasifikacije i usklađenja sa MSFI.

2.2 Prihodi i rashodi od kamata

Prihodi i rashodi od kamata iskazuju se u bilansu uspjeha za sve kamatonosne instrumente po načelu obračunatih kamata primjenom metode stvarnog prinosa a na temelju stvarne kupovne cijene. Prihod od zateznih kamata evidentira se po naplati.

Kamate se obračunavaju u skladu sa važećim zakonskim propisima ili prema ugovoru zaključenom između vjerovnika i dužnika. Kamate se pripisuju glavnici ako je to ugovorom predviđeno. Kamata se suspendira kada se ustanovi da prihod od kamate nije izvjestan. Suspendirana kamata se iskazuje kao prihod od kamata kada se naplati.

2.3 Prihodi i rashodi od naknada i provizija

Naknade i provizije sastoje se uglavnom od naknada za plaćanja u zemlji i inozemstvu, naknade za kredite, garancije i akreditive.

Naknade za odobrenje kredita se amortiziraju do dospijeca kredita, koristeći metodu efektivne kamatne stope. Kada su nematerijalne, naknade za odobrenje kredita se priznaju kao prihod pri odobrenju kredita. Naknade za plaćanja u inozemstvo knjiže se kao prihod nakon što su naplaćene.

2.4 Naknade zaposlenima

U normalnom toku poslovanja Banka plaća u ime zaposlenih penziono i zdravstveno osiguranje i poreze na i iz plate koji se obračunavaju na bruto plaće, kao i topli obrok i regres za godišnji odmor prema propisima. Ovi troškovi terete bilans uspjeha u istom periodu na koji se odnose plaće.

Banka nema nikakvih drugih penzionih šema ili obaveza prema sadašnjim ili bivšim uposlenim.

2.5 Oporezivanje

Porezi se obračunavaju u skladu sa zakonima i propisima Federacije Bosne i Hercegovine, a na temelju dobiti i gubitka priznatog u bilansu uspjeha koji je sastavljen u skladu s računovodstvenim standardima. Porez na dobit obračunava se primjenom stope od 30% na oporezivu dobit za period izvještavanja.

2. BASIS OF PRESENTATION AND SUMMARY OF ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

2.1 Basis of presentation

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), under the historical cost convention, as modified by the revaluation of appropriate financial assets and liabilities.

The financial statements are prepared on an accrual basis of accounting whereby the effects of transactions and other events are recognized when they occur and they are reported in the financial statements of the period to which they relate, and on the going concern assumption.

The financial statements are stated in Bosnia and Herzegovina's official monetary unit Konvertibilna Marka (KM), which is pegged to the euro (EUR 1 = KM 1.95583).

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and their reported amounts of revenues and expenses during the reporting period. These estimates are based on the information available as at the date of the financial statements and actual results may differ from those estimates.

The Bank maintains its books of accounts and prepares financial statements for regulatory purposes in accordance with the commercial, banking and fiscal regulations prevailing in Bosnia and Herzegovina. The accompanying financial statements are based on the accounting records of the Bank, together with appropriate adjustments and reclassifications necessary for fair presentation in accordance with IFRS.

2.2 Interest income and expense

Interest income and expense are recognised in the income statement for all interest bearing instruments on an accrual basis using the effective yield method based on the actual purchase price. Penalty interest is accounted for on a cash basis.

Interest is calculated in accordance with the law or the contract between creditor and debtor. Interest is capitalized if stipulated in the contract. Interest is suspended if interest income is not certain. Suspended interest is recognised as interest income when actually collected.

2.3 Fee and commission income and expense

Fee and commission consist of fees related to foreign currency transactions, loans, guarantees and letters of credit.

Loan origination fees are amortized to income over the life of the loan using the effective interest rate method. When considered immaterial, loan origination fees are credited to income upon granting of the applicable loan. Commissions on foreign currency transactions are credited to income on receipt.

2.4 Employee benefits

During the normal operating activities the Bank pays payroll taxes and contributions on behalf of its employees, as well as meal and vacation allowances according to the local legislation. These expenses are recognised in income statement in the same period as the related salary costs.

The Bank does not have any other pension schemes or obligations related to present or former employees.

2.5 Taxation

Taxes are calculated in accordance with the provisions of the relevant legislation of Federation of Bosnia and Herzegovina on the basis of income statement prepared in accordance with accounting standards. Income tax is calculated as 30% of taxable income in the reporting period.

Eventualni odgođeni porezi priznaju se za privremene razlike koje nastaju između poreznih osnovica sredstava i obaveza i njihovih knjigovodstvenih iznosa za potrebe finansijskog izvještavanja primjenom metode bilansne obaveze i po trenutno važećim stopama. Rezervisanja se utvrđuju za cijeli iznos odgođenih poreznih obaveza. Odgođena porezna sredstva priznaju se u onoj mjeri u kojoj je vjerojatno da će biti raspoloživa za smanjivanje porezne obaveze u budućnosti.

2.6 Novac i novčani ekvivalenti

Za potrebe izvještavanja o toku novca, novac i novčani ekvivalenti obuhvataju sredstva kod Centralne banke i stanja na žiro računima kod drugih banaka, uključujući minimalnu obaveznu rezervu kod Centralne banke Bosne i Hercegovine.

2.7 Ulaganja raspoloživa za prodaju

Ulaganja raspoloživa za prodaju sastoje se od dionica i udjela u drugim pravnim licima, a koje nisu klasifikovane kao dionice namjenjene trgovanju. Finansijska imovina raspoloživa za prodaju se ponovo mjeri po fer vrijednosti na temelju kotiranih cijena ili iznosa koji su izvedeni iz modela novčanih tokova. Nerealizirani dobici i gubici koji proizilaze iz promjena fer vrijednosti ulaganja svrstanih u kategoriju za prodaju, priznaju se u glavicu do trenutka prodaje finansijske imovine, a nakon toga se ostvareni dobici ili gubici iskazuju u okviru neto dobiti, odnosno gubitka.

Ako nema aktivnog tržišta za bilo koji finansijski instrument, ako je nivo fer vrijednosti značajan i ako se ne mogu napraviti procjene na koje se može osloniti, onda se finansijski instrument mjeri kao trošak umanjen za rezervisanje, ako je potrebno.

2.8 Vrijednosni papiri držani do dospelja

Vrijednosni papiri držani do dospelja su finansijska sredstva sa fiksnim ili određenim uplatama tako da Banka ima pozitivnu namjeru i mogućnost da ih drži do dospelja. Ovaj portfolio se sastoji od vrijednosnih papira – mjenica. Sredstva držana do dospelja se priznaju po trošku i evidentiraju po amortizovanom trošku upotrebljavajući metodu efektivne kamatne stope, umanjena za rezervisanja za moguće gubitke.

2.9 Krediti kreirani od Banke i rezervisanja za umanjenje vrijednosti

Kredit koji je kreirala Banka osiguravajući novčana sredstva direktno zajmoprimcima, svrstani su kao izvorni krediti i iskazuju se po amortiziranom trošku. Troškovi trećih strana, kao što su naknade nastale prilikom osiguravanja kredita, tretiraju se kao dio troška transakcije. Svi krediti priznaju se u trenutku isplate novca zajmoprimcu.

Krediti klijentima i finansijskim institucijama iskazuju se umanjeni za rezervisanja utvrđena za umanjenje vrijednosti. Rezervisanje za umanjenje vrijednosti utvrđuje se ako postoji objektivni dokaz da Banka neće biti u mogućnosti naplatiti cijeli iznos o dospelju. Iznos rezervisanja predstavlja razliku između knjigovodstvenog i nadoknadivog iznosa, koji predstavlja sadašnju vrijednost očekivanih novčanih tokova, uključivši nadoknade iznose po garancijama i kolateralima, diskontiranih primjenom izvorne efektivne kamatne stope na kredit. Posebna rezervisanja procjenjuju se na temelju kreditne sposobnosti i redovitosti podmirenja zajmoprimca, uzimajući u obzir vrijednost instrumenta osiguranja ili jemstvo treće strane.

Nenaplativi krediti otpisuju se u iznosu povezanog rezervisanja za umanjenje vrijednosti; naknadni povrat knjži se u korist bilansa uspjeha u okviru "Prihodi od naplaćenih otpisanih potraživanja". Opće rezervisanje za umanjenje kredita utvrđuje se da bi se pokrili gubici za koje je Uprava procijenila da su prisutni u kreditnom portfelju na datum bilansa, ali koji nisu pripisani specifičnim ili pojedinim izloženostima.

Banka prestaje obračunavati kamatu na kredite po kojima ostvaruje gubitke uslijed stečaja klijenta ili kršenja ugovora o kreditu. Knjigovodstveni iznos kredita po kojima se više ne obračunava kamata predstavlja iznos potraživanja umanjen za rezervisanja za očekivane gubitke. Rezervisanja se uobičajeno utvrđuju u visini od 100% vrijednosti potraživanja, umanjene za iznos koji Banka očekuje povratiti u okviru stečajnog postupka. Banka zaračunava zateznu kamatnu zajmoprimateljima za kašnjenje u naplati potraživanja, koju iskazuje u okviru "Prihoda od kamata", a na bazi naplaćenih iznosa.

Deferred taxes, if any, are provided for temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes, using the liability method at currently enacted tax rates. Provisions are recognised in total amount for deferred tax liabilities. Deferred tax assets are recorded to the extent that it is probable that future taxable profit will be available against which the tax assets can be utilised.

2.6 Cash and cash equivalents

For the purpose of reporting cash flows, cash and cash equivalents comprise of cash on hand and current accounts with other banks, including obligatory reserve with Central Bank of Bosnia and Herzegovina.

2.7 Investments available-for-sale

Available-for-sale investments consist of shares and stakes in other legal entities that are not classified as trading. Subsequent to initial recognition, available-for-sale investments are re-measured at fair value based on quoted prices or amounts derived from cash flow models. Unrealised gains and losses arising from changes in the fair value of investments classified as available for sale are reported in equity until the asset is sold, at which time the realised gain or loss is reported in net profit or loss.

If there is no active market for an equity instrument and the range of reasonable fair values is significant and these estimates cannot be made reliably, the instrument is measured at cost less provision for impairment, if needed.

2.8 Securities held to maturity

Securities held to maturity are financial assets with fixed or determinable payments and fixed maturities and the Bank has the positive intent and ability to hold to maturity. This portfolio comprises bills of exchange securities. Held to maturity investments are carried at amortised cost using the effective yield method, less any provision for impairment.

2.9 Loans to customers and provision for loan impairment

Loans originated by the Bank by providing money directly to a borrower are categorised as loans originated by the Bank and are carried at amortised cost. Third party expenses, such as legal fees, incurred in securing a loan are treated as part of the cost of the transaction. All loans and advances are recognised when cash is advanced to borrowers.

Loans to customers and financial institutions are stated net of provisions for loan impairment. A provision for loan impairment is established if there is objective evidence that the Bank will not be able to collect all amounts due. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows, including amounts recoverable from guarantees and collateral, discounted at the original effective interest rate of loans. Specific provisions are assessed with reference to the credit standing and performance of the borrower and take into account the value of any collateral or third party guarantees. When a loan is uncollectible, it is written off against the related provision for impairment; subsequent recoveries are credited to the 'Income from collection of written-off receivables' line in the income statement. A general provision for loan impairment is established to cover losses that are judged by the management of the Bank to be present in the loan portfolio as at the balance sheet date, but which have not been allocated to specific or individual exposures.

The Bank stops accruing the interest on the loans that are classified as a loss due to the bankruptcy of the customer or due to default of the loan agreement. The carrying amount of non-accruing loans represents the amount of the receivable decreased by the provision for expected losses. The provision is determined usually as 100% of the receivable value decreased by the amount that the Bank expects to recover from recovery proceedings. The Bank charges penalty interest to borrowers when a portion of the loan falls overdue. Penalty interest is accounted for on a cash received basis in the caption 'Interest income'.

2.10 Dugotrajna materijalna i nematerijalna imovina

Dugotrajna materijalna i nematerijalna imovina iskazana je po historijskom trošku umanjenom za akumuliranu amortizaciju. Amortizacija se obračunava linearno kako bi se otpisao trošak sredstva do ostatka vrijednosti tokom procijenjenog vijeka upotrebe sredstva. Zemljišta i imovina u pripremi se ne amortiziraju.

Primjenjene stope za obračun amortizacije prikazane su kako slijedi:

	2003.	2002.
Građevinski objekti	3%	3%
Računari	33,30%	33,30%
Vozila	15,5%	15,5%
Namještaj i ostala uredska oprema	6% - 20%	6% - 20%
Nematerijalna imovina	20%	20%

Ulaganja na tuđoj imovini kapitaliziraju se i amortizuju pravolinijski ili tokom njihovog vijeka upotrebe, ili tokom razdoblja najma. Banka periodično provjerava da li je došlo do umanjenja vrijednosti njene dugotrajne imovine. Ako knjigovodstveni iznos sredstva premašuje njegovu procijenjenu nadoknadivu vrijednost, otpisuje se do iznosa nadoknadive vrijednosti. Kada je knjigovodstvena vrijednost imovine povećana kao rezultat revalorizacije, povećanje se direktno pripisuje revalorizacijskim rezervama kapitala. Povećanje sredstava nastalo revalorizacijom priznaje se kao prihod do iznosa prethodnog troška revalorizacije istog sredstva. Kada se knjigovodstvena vrijednost imovine smanji kao rezultat revalorizacije, to smanjenje se tretira kao trošak. Smanjenje vrijednosti nastalo revalorizacijom tereti račun revalorizacijskih rezervi kapitala do iznosa revalorizacijske rezerve priznate po prethodnoj procjeni istog sredstva. Troškovi popravka i održavanja terete bilans uspjeha kad su nastali.

2.11 Preračunavanje stranih valuta

Transakcije u stranim valutama preračunavaju se u konvertibilne marke po službenom kursu Centralne banke Bosne i Hercegovine na datum transakcije, koje su približno jednake trenutnim tržišnim stopama. Dobici i gubici proizašli iz promjena u valutnim kursovima uključuju se u bilans uspjeha kao dobit ili gubitak iz finansijskog poslovanja. Monetarna imovina i obaveze, uključivši neispunjene preuzete obaveze isporuke ili stjecanja stranih valuta temeljem valutnih spot transakcija, preračunavaju se po službenom kursu važećem na datum bilansa stanja. Kursevi Centralne banke Bosne i Hercegovine koji su korišteni pri izradi bilansa Banke na svaki od izvještajnih datuma su kako slijedi:

31. decembra 2003.	1 EUR = 1.95583 KM	1 USD = 1.565165 KM
31. decembra 2002.	1 EUR = 1.95583 KM	1 USD = 1.876636 KM

2.12 Fer vrijednost finansijske aktive i obaveza

Fer vrijednost finansijskih instrumenata je iznos po kojem se sredstvo može razmijeniti ili obaveza podmiriti između poznatih i spremnih strana u transakciji pred pogodbom. Fer vrijednost se temelji na kotiranim tržišnim cijenama ako su dostupne. Međutim, tržišne cijene za značajan dio finansijskih instrumenata Banke nisu dostupne. U tim okolnostima, fer vrijednost se procjenjuje primjenom modela diskontiranog novčanog toka ili drugih odgovarajućih tehnika za utvrđivanje cijena. Promjene u pretpostavkama na kojima se temelje procjene, uključujući diskontne stope i procijenjene buduće novčane tokove, značajno utječu na procjenu. Iz tog razloga, procijenjene fer tržišne vrijednosti ne mogu se ostvariti prodajom finansijskog instrumenta u ovome trenutku.

Prema mišljenju Uprave Banke, ukoliko se fer vrijednost finansijske imovine i finansijskih obaveza Banke značajno razlikuju od knjigovodstvenih iznosa, takve fer vrijednosti posebno su iskazane u napomenama uz finansijske izvještaje.

2.10 Fixed and intangible assets

Fixed and intangible assets are stated at historical cost less accumulated depreciation. Depreciation is calculated on a straight-line basis to write down the cost of such assets to their residual values over their estimated useful lives. Land and assets in the course of construction are not depreciated.

The depreciation rates are set out below:

	2003	2002
Buildings	3%	3%
Computers	33.30%	33.30%
Vehicles	15.5%	15.5%
Furniture and other office equipment	6% - 20%	6% - 20%
Intangible assets	20%	20%

Leasehold improvements are capitalised and depreciated over the lesser of their useful life and the remaining lease term on a straight-line basis.

The Bank periodically tests its fixed assets for impairment. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down to its recoverable amount. When an asset's carrying amount is increased as a result of a revaluation, the increase is credited directly to equity under the heading of revaluation surplus. A revaluation increase is recognized as income to the extent that it reverses a revaluation decrease of the same assets previously recognised as an expense. When an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised as an expense. A revaluation decrease is charged directly against any related revaluation surplus to the extent that the decrease does not exceed the amount held in the revaluation surplus in respect of that same asset.

Repairs and renewals are charged to the income statement when the expenditure is incurred.

2.11 Foreign currency translation

Transactions denominated in foreign currencies are translated into KM at the official exchange rate of Central Bank of Bosnia and Herzegovina on the date of the transaction, which approximates the prevailing market rates. Any gain or loss resulting from the change in rates of exchange subsequent to the date of transaction is included in the income statement as a gain or loss from financial activities. Monetary assets and liabilities, including outstanding commitments to deliver or acquire foreign currencies under spot exchange transactions, are translated at the official exchange rate valid at the balance sheet date.

The principal exchange rates set forth by the Central Bank of Bosnia and Herzegovina and used in the preparation of the Bank's balance sheet at the reporting dates were as follows:

31 December 2003	EUR 1= KM 1.95583	USD 1= KM 1.565165
31 December 2002	EUR 1= KM 1.95583	USD 1= KM 1.876636

2.12 Fair value of financial assets and liabilities

Fair value of financial instruments is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's-length transaction. Where available, fair value is based on quoted market prices. However, no readily available market prices exist for a significant portion of the Bank's financial instruments. In circumstances where the quoted market prices are not readily available, the fair value is estimated using discounted cash flow models or other pricing techniques as appropriate. Changes in underlying assumptions, including discount rates and estimated future cash flows, significantly affect the estimates. Therefore, the calculated fair market estimates cannot be realised in a current sale of the financial instrument.

Where, in the opinion of the management, the fair values of financial assets and liabilities differ materially from their carrying amounts, such fair values are separately disclosed in the notes to the financial statements.

U procjeni fer vrijednosti finansijskih instrumenata Banke korištene su slijedeće metode i pretpostavke:

(a) Novac i sredstva kod Centralne banke

Knjigovodstveni iznosi novca i sredstava kod Centralne banke su jednaki njihovim fer vrijednostima.

(b) Plasmani drugim bankama

Procjenjene fer vrijednosti plasmana drugim bankama čije je dospeljeće do 180 dana približno odgovara njihovom knjigovodstvenom iznosu. Fer vrijednost ostalih plasmana drugim bankama procjenjuje se analizom diskontiranih novčanih tokova primjenjujući kamatnu stopu koja se trenutno koristi za slična ulaganja (tržišna kamatna stopa usklađena za kreditni rizik). Fer vrijednost dospjelih nenaplaćenih plasmana drugim bankama se procjenjuje metodom analize diskontiranih novčanih tokova ili analizirajući procjenjene vrijednosti kolaterala. Prilikom izračunavanja fer vrijednosti, rezervisanja se ne uzimaju u obzir.

(c) Krediti

Fer vrijednost kredita s varijabilnim prinosom, a čija cijena se redovno preispituje i kod kojih nisu zapažene nikakve značajne promjene kreditnog rizika, uglavnom su približne njihovim knjigovodstvenim iznosima. Fer vrijednost kredita s fiksnom kamatnom stopom procjenjuje se na temelju analize diskontiranog novčanog toka primjenom trenutno važećih kamatnih stopa na kredite na koje se primjenjuju slični uvjeti ili koji imaju slična kreditna obilježja. Fer vrijednost kredita klijentima koji ne otplaćuju svoje obaveze procjenjuje se na temelju analize diskontiranog novčanog toka ili procijenjene vrijednosti instrumenta osiguranja za predmetni kredit. Krediti s fiksnom kamatnom stopom predstavljaju samo dio ukupnog knjigovodstvenog iznosa, te je stoga fer vrijednost ukupnih kredita klijentima približna knjigovodstvenim iznosima na datum bilansa stanja. Prilikom izračunavanja fer vrijednosti, rezervisanja se ne uzimaju u obzir.

(d) Obaveze prema drugim bankama i klijentima

Fer vrijednost oročenih depozita koji dospijevaju na poziv predstavlja knjigovodstveni iznos obaveze plative na datum bilansa stanja. Fer vrijednost oročenih depozita s promjenjivom kamatnom stopom približna je knjigovodstvenom iznosu na datum bilansa stanja. Fer vrijednost depozita s fiksnom kamatnom stopom procjenjuje se diskontiranjem budućih novčanih tokova primjenom kamatnih stopa koje se trenutno primjenjuju na depozite sa sličnim preostalim periodom do dospijeća.

2.13 Preuzete vanbilansne obaveze

U okviru redovnog poslovanja Banka sklapa aranžmane o obavezi za kreditiranjem, koje vodi u vanbilansnoj evidenciji, a koje prvenstveno obuhvataju garancije, akreditive i nepovučene odobrene kredite. Banka naveđene preuzete finansijske obaveze iskazuje u bilansu stanja ako i kad iste postanu plative.

Uprava Banke održava rezervisanja za moguće preuzete i potencijalne obaveze na razini za koju vjeruje da je primjerena da bi se apsorbirali vjerojatni budući gubitci. Uprava utvrđuje primjerenost rezervisanja na temelju pregleda pojedinih stavki, iskustva s gubicima u proteklm razdobljima, razmatrajući sadašnje privredne uslove, obilježja rizika raznih kategorija transakcija i druge relevantne faktore.

Banka priznaje rezervisanje ako ima sadašnju obavezu koja je nastala temeljem prošlih događaja, ako postoji vjerojatnoća da će za podmirenje obaveze biti potreban odliv resursa koji predstavljaju sredstva Banke, te ako je moguće pouzdano procijeniti iznos obaveze.

2.14 Poslovi u ime i za tuđi račun

Banka upravlja sredstvima stanovništva, preduzeća i ostalih organizacija, a za koje obračunava naknadu. Budući da ti iznosi ne predstavljaju aktivu, odnosno sredstva Banke, oni su isključeni iz Bilansa stanja koji je prezentiran ovim Izvještajem.

2.15 Reklasifikacija

Određeni iznosi iz finansijskih izvještaja za prethodnu godinu reklasificirani su da bi bili u skladu s ovogodišnjim prikazom.

In estimating the fair value of the Bank's financial instruments, the following methods and assumptions were used.

(a) Cash and balances with Central Bank

The carrying values of cash and balances with the central bank approximate their fair values.

(b) Due from banks

The estimated fair value of amounts due from banks that mature in 180 days or less approximates their carrying amounts. The fair value of other amounts due from banks is estimated based upon discounted cash flow analyses using interest rates currently offered for investments with similar terms (market rates adjusted to reflect credit risk). The fair value of non-performing amounts due from banks is estimated using a discounted cash flow analysis or the appraised value of the underlying collateral. Provisions are not taken into consideration when calculating fair values.

(c) Loans and advances to customers

The fair value of variable yield loans that regularly reprice, with no significant change in credit risk, generally approximates their carrying value. The fair value of loans at fixed interest rates is estimated using discounted cash flow analysis, based upon interest rates currently offered for loans with similar terms to borrowers of similar credit quality. The fair value of non-performing loans to customers is estimated using a discounted cash flow analysis or the appraised value of the underlying collateral, where available. Loans at fixed interest rates represent only a fraction of the total carrying value and hence the fair value of total loans and advances to customers approximates the carrying values as at the balance sheet date. Provisions are not taken into consideration when calculating fair values.

(d) Amounts due to banks and customers

The fair value of term deposits payable on demand represents the carrying value of amounts payable on demand as at the balance sheet date. The fair value of term deposits at variable interest rates approximates their carrying values as at the balance sheet date. The fair value of deposits at fixed interest rates is estimated by discounting their future cash flows using rates currently offered for deposits of similar remaining maturities.

2.13 Off-balance-sheet commitments

In the ordinary course of business, the Bank enters into credit related commitments, which are recorded in off-balance-sheet accounts and primarily include guarantees, letters of credit and unused parts of granted loans. Such financial commitments are recorded in the Bank's balance sheet if and when they become payable.

The provision for commitments and contingent liabilities is maintained at a level Bank's management believes is adequate to absorb probable future losses. Management Board determines the adequacy of the provision based upon reviews of individual items, recent loss experience, current economic conditions, the risk characteristics of the various categories of transactions and other pertinent factors.

The Bank recognises a provision when it has a present obligation as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate of the obligation can be made.

2.14 Managed funds – Agency business

The Bank manages assets on behalf and for the account of citizens, companies and other organizations for which a fee is charged. As such amounts do not represent assets of the Bank, they have been excluded from the accompanying balance sheet.

2.15 Reclassification

Certain amounts in the previous year financial statements have been reclassified to conform to the current year presentation.

3. PRIHODI OD KAMATA / INTEREST INCOME

Prihodi od kamata sastoje se od sljedećeg / Interest income can be summarised as follows:

	'000 KM	
	2003.	2002.
Kamate na kredite odobrene preduzećima / Interest on loans to companies	4.723	4.114
Kamate na kredite odobrene stanovništvu / Interest on loans to individuals	4.822	2.600
Kamate na plasirana sredstva kod banaka / Interest on loans to banks	1.388	1.374
Ostalo / Other	376	172
Ukupno / Total	11.309	8.260

4. RASHODI OD KAMATA / INTEREST EXPENSE

Rashodi od kamata sažeto su prikazani kako slijedi / Interest expense can be summarised as follows:

	'000 KM	
	2003.	2002.
Kamate na depozite preduzeća / Interest on companies' deposits	742	839
Kamate na depozite stanovništva / Interest on individuals' deposits	1.283	1.205
Kamate na depozite banaka / Interest on amounts due to other banks	580	161
Ostalo / Interest from other entities	267	215
Ukupno / Total	2.872	2.420

5. PRIHODI OD NAKNADA I PROVIZIJA / FEE AND COMMISSION INCOME

Prihodi od naknada i provizija obuhvataju / Fee and commission income comprises:

	'000 KM	
	2003.	2002.
Naknade od novčanih transakcija / Fees and commissions from money transfers	6.404	7.340
Naknade od kredita / Fees and commissions from loan issuing	967	596
Naknade od garancija / Fees and commissions from guarantees	364	332
Ukupno / Total	7.735	8.268

6. RASHODI OD NAKNADA I PROVIZIJA / FEE AND COMMISSION EXPENSE

Rashodi od naknada i provizija obuhvataju / Fee and commission expense comprises:

	'000 KM	
	2003.	2002.
Naknade iz operativnih aktivnosti / Fees and commission from operational activities	423	397
Ostale naknade / Other	264	238
Ukupno / Total	687	635

7. PRIHODI IZ FINANSIJSKOG POSLOVANJA, NETO / NET INCOME FROM FINANCIAL OPERATIONS

Neto dobit iz finansijskog poslovanja obuhvata / Net income from financial operations comprises:

	'000 KM	
	2003.	2002.
Dobici iz poslovnih aktivnosti u stranoj valuti / Foreign exchange gains from operating activities	1.841	2.186
Dobici iz poslova konverzije u stranoj valuti / Foreign exchange gains from foreign currency conversions	2.099	1.037
Gubitci iz poslovnih aktivnosti u stranoj valuti / Foreign exchange losses from operating activities	(36)	(52)
Gubitci iz poslova konverzije u stranoj valuti / Foreign exchange losses from foreign currency conversions	(2.091)	(1.307)
Ukupno / Total	1.813	1.864

8. PRIHODI OD NAPLAĆENIH OTPISANIH POTRAŽIVANJA / INCOME FROM COLLECTION OF WRITTEN-OFF RECEIVABLES

Prihodi od naplaćenih otpisanih potraživanja uključuju / Income from collection of written-off receivables includes:

	'000 KM	
	2003.	2002.
Prihodi od naplaćene otpisane glavnice / Income from collection of written-off loan principle	1.007	803
Prihodi od naplaćene suspendirane kamate / Income from collection of written-off interest receivables	104	90
Prihodi od naplaćenih ostalih potraživanja / Income from collection of written-off other receivables	549	610
Ukupno / Total	1.660	1.503

9. OSTALI POSLOVNI PRIHODI / OTHER OPERATING INCOME

Ostali poslovni prihodi uključuju / Other operating income includes:

	'000 KM	
	2003.	2002.
Prihodi od otpisanih obaveza / Income from written-off liabilities	223	42
Prihod od ulaganja / Investment income	-	10
Ostali prihodi / Other income	418	177
Ukupno / Total	641	229

10. TROŠKOVI ZAPOSLENIH / SALARIES AND EMPLOYMENT BENEFITS

Troškovi zaposlenih uključuju / Salaries and employment benefits comprise:

	'000 KM	
	2003.	2002.
Neto plate / Net salaries	5.342	5.305
Porezi i doprinosi / Taxes and contributions	797	791
Ostalo / Other	1.056	882
Ukupno / Total	7.195	6.978

Prosječan broj zaposlenih u Banci za godinu koja je završila 31. decembra 2003. odnosno 2002. bio je 362, odnosno 373.

The average number of personnel employed by the Bank during the years ended 31 December 2003 and 2002 was 362 and 373, respectively.

11. OSTALI ADMINISTRATIVNI TROŠKOVI / OTHER ADMINISTRATIVE EXPENSES

Administrativni troškovi obuhvataju / Other administrative expenses include:

	'000 KM	
	2003.	2002.
Troškovi materijala / Material expenses	427	349
Troškovi energije / Electricity	358	354
Zakupnina / Rent	170	99
Reklama / Advertising and marketing	519	365
Troškovi održavanja / Maintenance	678	792
PTT usluge / Telecommunication services	449	412
Premije osiguranja / Insurance premiums	347	395
Porez na promet usluga / Sales taxes	619	747
Ostale neproizvodne usluge / Other non-production services	641	473
Sitan inventar / Small inventory costs	53	247
Troškovi službenog puta / Business travel	39	36
Ostale jednokratne pomoći / Donations	154	43
Ostali administrativni troškovi / Other administrative expenses	1.003	563
Ukupno / Total	5.457	4.875

12. TROŠKOVI REZERVISANJA ZA MOGUĆE GUBITKE / IMPAIRMENT LOSSES AND PROVISIONS

	'000 KM	
	2003.	2002.
Troškovi rezervisanja za kredite / Impairment losses on loans	1.537	1.813
Troškovi rezervisanja za obračunatu kamatu / Impairment losses on interest	93	49
Troškovi rezervisanja za plasmane bankama / Impairment losses on placements	181	(119)
Troškovi rezervisanja za ulaganja / Impairment losses on investments in associates	96	4
Troškovi rezervisanja za ostala sredstva / Impairment losses on other assets	196	127
Troškovi rezervisanja za vanbilansne obaveze / Provision for potential liabilities	295	35
Revalorizacija dugotrajne materijalne i nematerijalne imovine / Revaluation of fixed assets	699	430
Ukupno / Total	3.097	2.339

13. POREZ NA DOBIT / TAXATION

Svođenje računovodstvene dobiti na dobit po poreskom bilansu uključuje slijedeće /
Corporate income tax expense comprises the following items:

	'000 KM	
	2003.	2002.
Računovodstvena dobit / Profit before income taxes	2.503	1.547
Poreski nepriznati troškovi / Tax non-deductible expenses	928	89
Podzbir / Subtotal	3.431	1.636
Prenos na rezerve / Tax-exempt transfer to reserves	(375)	232
Akumulirani gubitak iz prethodnih godina / Accumulated loss from previous periods	(1.557)	(2.961)
Poreska osnovica / Adjusted tax base	1.499	-
Porez na dobit u visini od 30% / Income tax at 30%	450	-
Poresko oslobođenje na ulaganja u dugotrajnu materijalnu i nematerijalnu imovinu / Tax relief on investments in fixed assets	338	-
Obaveza poreza na dobit / Income tax charge	112	-

Stopa poreza na dobit za godine koje su završile 31. decembra 2003., odnosno 2002. bila je 30%.

The corporate income tax rate for the years ended 31 December 2003 and 2002 was 30%.

14. NOVAC I RAČUNI KOD BANAKA / CASH AND CASH EQUIVALENTS

Novac i sredstva kod banaka obuhvataju sljedeće / Cash and cash equivalents comprise:

	'000 KM	
	31. decembar 2003. 31 December 2003	31. decembar 2002. 31 December 2002
Novac u blagajni u KM / Cash on hand in KM	5.700	8.373
Novac u blagajni u stranoj valuti / Cash on hand in foreign currencies	6.690	9.722
Podzbir / Subtotal – cash on hand	12.390	18.095
Sredstva na računima kod domaćih banaka u KM / Accounts with domestic banks	-	2.793
Sredstva na računima kod banaka u inozemstvu / Accounts with foreign banks	11.163	1.478
Tekući računi / Current account	9.862	52.869
Čekovi / Cheques	29	80
Ukupno / Total	33.444	75.315

15. POTRAŽIVANJE OD CENTRALNE BANKE BIH / OBLIGATORY RESERVE WITH THE CENTRAL BANK

	'000 KM	
	31. decembar 2003. 31 December 2003	31. decembar 2002. 31 December 2002
Sredstva kod Centralne banke BiH / Obligatory reserve with Central Bank of Bosnia and Herzegovina	9.377	440
Ukupno / Total	9.377	440

Na dan 31. decembra 2003. minimalna obavezna rezerva izračunata je kao 5% od prosječnog stanja ukupnih depozita i pozajmljenih sredstava u svim valutama tokom prethodnih 10 kalendarskih dana.

Na dan 31. decembra 2002. minimalna rezerva je obračunavana kao 10% od prosječnog iznosa ukupnih depozita po viđenju i pozajmljenih sredstava u KM tokom prethodnih 10 kalendarskih dana.

As at 31 December 2003 the minimum obligatory reserve is calculated as 5% of the average amount of deposits and borrowed funds in all currencies for each working day during 10 calendar days following the period of maintaining the reserves.

As at 31 December 2002, the minimum obligatory reserve was calculated as 10% of the average amount of demand deposits from non-banking customers in KM for each working day during 10 calendar days following the period of maintaining the reserves.

16. PLASMANI KOD DRUGIH BANAKA / PLACEMENTS WITH OTHER BANKS

Potraživanja od drugih banaka uključuju / Placements with other banks include:

	31. decembar 2003. 31 December 2003	31. decembar 2002. 31 December 2002
'000 KM		
Depozite po viđenju kod banaka u sljedećim zemljama: Term deposits with banks registered in:		
Zemlje OECD-a / OECD countries	13.082	5.867
Ostale zemlje / Other countries	28.946	-
Ukupan bruto iznos potraživanja od ostalih kreditnih institucija Total gross balances of placements with other credit institutions	42.028	5.867
Manje: rezervisanja za moguće gubitke po plasmanima Less: Provision for possible placement losses	(199)	(18)
Ukupno / Total	41.829	5.849

Kamatna stopa na plasmane u EUR tokom 2003. godine bila je 1,7-2,15%, a tokom 2002. godine 2,75%-3,28% godišnje.

Annual interest rates on EUR placements were between 1.7% to 2.15% and 2.75% to 3.28% during 2003 and 2002, respectively.

Promjene na rezervisanjima za umanjenja mogu se prikazati kako slijedi /
Changes in provisions can be presented as follows:

	2003.	2002.
'000 KM		
Stanje 1. januara / Balance as at 1 January	18	137
Troškovi rezervisanja / (Otpuštanje rezervisanja) Impairment losses / (release of provision)	181	(119)
Stanje 31. decembra / Balance as at 31 December	199	18

Oročeni depoziti u zemljama OECD-a uključuju iznos od 5.867 hiljada KM, što se odnosi na depozit kod Nove Ljubljanske Banke d.d. Ljubljana, Slovenija, u originalnom iznosu od 3.000 hiljada EUR. Kamatna stopa na ovaj depozit je šestomjesečni EURIBOR plus 0,25%. Depozit predstavlja instrument osiguranja za Bančina pozajmljena sredstva kod Nove Ljubljanske Banke d.d. Ljubljana, Slovenija (vidi Napomenu 22).

Term deposits with banks in OECD countries include the amount of KM 5,867 thousand, which is deposit with Nova Ljubljanska Banka d.d. Ljubljana, Slovenia, in the original amount of EUR 3,000 thousand. The interest rate on this deposit is 6 month EURIBOR plus 0.25%. The deposit represents the collateral against Bank's borrowings from Nova Ljubljanska Banka d.d. Ljubljana, Slovenia (See note 22).

17. KREDITI KOMITENTIMA / LOANS TO CUSTOMERS

Kreditni klijentima koji nisu bankarske institucije sastoje se od sljedećeg /
Loans to non-banking customers are comprised of the following:

	31. decembar 2003. 31 December 2003	31. decembar 2002. 31 December 2002
'000 KM		
Kratkoročni krediti (uključujući kratkoročna dospjeća) / Short-term loans (including current portion of long-term loans):		
- u KM / in KM	63.839	49.387
- u stranoj valuti / in foreign currencies	68	529
- tekuća dospjeća dugoročnih kredita / current portion of long-term loans	18.218	20.538
<i>Ukupno kratkoročni krediti / Subtotal short-term loans</i>	<i>82.125</i>	<i>70.454</i>
Dugoročni kredit (bez kratkoročnih dospjeća) / Long-term loans (excluding current portions of long-term loans):		
- u KM / in KM	54.613	35.533
- u stranoj valuti / in foreign currencies	2.126	5.462
- tekuća dospjeća dugoročnih kredita / current portion of long-term loans	(18.218)	(20.538)
<i>Ukupno dugoročni krediti / Subtotal long-term loans</i>	<i>38.521</i>	<i>20.457</i>
Ukupno krediti prije rezervisanja za umanjeње / Total loans before provision for impairment	120.646	90.911
Rezervisanja za moguće gubitke / Provision for loan impairment	(8.205)	(11.696)
Ukupno / Total	112.441	79.215

Kreditni klijentima odobreni su u Federaciji Bosne i Hercegovine. Kratkoročni krediti su odobreni na period do jedne godine i mogu biti produženi prema odluci Banke. Većina kratkoročnih kredita u KM odobrenih komitentima su za obrtni kapital. Krediti odobreni u stranim valutama, čine 9,2% ukupnog kreditnog portfelja Banke na dan 31. decembra 2003. godine, odnosno od 6% do 18% na dan 31. decembra 2002. godine kao krediti za obrtni kapital i finansiranje uvoza roba za prodaju u lokalnim prodavnicama. Kamatne stope za date kredite su se kretale od 8% do 12% godišnje tokom 2003. godine i od 10% do 15% godišnje tokom 2002. godine (Banka je smanjila kamatne stope prema komitentima koji ispunjavaju određene uslove). Kamatne stope za kredite date stanovništvu se kreću od 7,9% do 12,9% godišnje i od 7% do 13,9% godišnje tokom 2003. i 2002. godine.

Loans to customers are granted principally within Federation of Bosnia and Herzegovina. Short-term loans are granted for period of up to 1 year and can be rolled over, at the Bank's discretion. The majority of short-term loans in KM are granted to clients for working capital. Loans granted in foreign currency, which comprise approximately 9.2% of the Bank's loan portfolio as of 31 December 2003 and 6% to 18% as of 31 December 2002 respectively, are primarily comprised of loans granted to clients for working capital and import financing. Interest rates on loans to companies were ranged from 8 to 12% p.a. during 2003 and 10% to 15% p.a. during year 2002 (the Bank has decreased interest rates for the clients that fulfil certain conditions). Interest rates for loans to citizens ranged from 7.9% to 12.9% p.a. and 7% to 13.9% p.a., during 2003 and 2002, respectively.

Izveštaj neovisnog revizora / Independent Auditors' Report

Na dan 31. decembra 2003. godine dugoročni krediti, između ostalog, uključuju iznos od 14.358 hiljada KM, odnosno na dan 31. decembra 2002. godine iznos od 13.843 hiljade KM, koji predstavljaju kredite za investiranje kroz Agenciju za Privatizaciju Tuzlanskog Kantona, te kroz Investicijsku Banku Federacije BiH i projekte Društva za razvoj d.o.o. Tuzla, a sa varijabilnim kamatnim stopama.

As at 31 December 2003, long-term loans include the total amount of KM 14,358 thousand, while as at 31 December 2002, the total amount of KM 13,843 thousand, which represent loans through Privatization Agency of Tuzla county, through the Investment bank of Federation BiH and through the projects of Društvo za razvoj d.o.o., Tuzla, which bear variable interest rates.

Analiza promjena u rezervisanjima za moguće gubitke po kreditima /
Changes in provisions for loan impairment are as follows:

	'000 KM	
	2003.	2002.
Stanje 1. januara / Balance as at 1 January	11.696	12.196
Troškovi rezervisanja, neto / Impairment losses	1.537	1.813
Otpisi / Write-offs	(5.028)	(2.313)
Stanje 31. decembra / Balance as at 31 December	8.205	11.696

Analiza bruto kredita prije rezervisanja za umanjenja po privrednim granama /
An industry analysis of the gross portfolio of loans and advances before provision for impairment is as follows:

	'000 KM	
	31. decembar 2003.	31. decembar 2002.
Poljoprivreda i šumarstvo / Agriculture and forestry	1.495	1.080
Rudarstvo / Mining	4.776	4.939
Građevinarstvo / Construction	8.699	8.223
Trgovina / Trade	17.900	12.282
Saobraćaj i komunikacije / Transportation and communications	2.207	2.543
Energija / Energy	8	74
Administracija i druge javne institucije / Administration and other public institutions	3.733	4.336
Stanovništvo / Citizens	54.514	30.908
Turizam / Tourism	1.089	284
Ostalo / Other	26.225	26.242
Ukupno / Total	120.646	90.911

Ukupni krediti kategorija "C" i "D" na dan 31. decembra 2003. godine na koje se ne obračunava kamata iznosili su 11.032 hiljade KM (31. decembra 2002., 19.314 hiljada KM).

The total amount of non-performing loans on which interest was suspended as at 31 December 2003 and 31 December 2002 was KM 11,032 thousand and KM 19,314 thousand, respectively.

18. POTRAŽIVANJA ZA OBRAČUNATU KAMATU / INTEREST RECEIVABLE

Potraživanja za obračunatu kamatu sastoje se od sljedećeg / Interest receivable is as follows:

	31. decembar 2003. 31 December 2003	31. decembar 2002. 31 December 2002
Potraživanja za obračunatu kamatu u KM / Accrued interest receivables in KM	539	399
Potraživanja za obračunatu kamatu u stranoj valuti / Accrued interest receivables in foreign currency	31	17
Ukupna potraživanja za kamatu prije rezervisanja za umanjeње / Total accrued interest receivables before provision for impairment	570	416
Rezervisanja za moguće gubitke / Provision for interest receivables impairment	(19)	(1)
Ukupno / Total	551	415

Promjene na rezervisanjima mogu se prikazati kako slijedi / Changes in provision are as follows:

	2003.	2002.
Stanje 1. januara / Balance as at 1 January	1	-
Troškovi rezervisanja, neto / Impairment losses	93	49
Otpisi / Write-offs	(75)	(48)
Stanje 31. decembra / Balance as at 31 December	19	1

19. OSTALA IMOVINA / OTHER ASSETS

Ostala imovina obuhvata slijedeće / Other assets are comprised of the following:

	31. decembar 2003. 31 December 2003	31. decembar 2002. 31 December 2002
Provizije i naknade / Fees and commissions receivable	31	16
Pretplata poreza na dobit / Prepaid income tax	553	434
Pretplaćeni troškovi / Prepaid expenses	336	262
Sitan inventar / Small inventory	53	72
Ostalo / Other	327	280
Ukupna ostala imovina prije rezervisanja za umanjeње / Total other assets before provision	1.300	1.064
Rezervisanja za moguće gubitke / Provision for possible other asset losses	(35)	(69)
Ukupno / Total	1.265	995

Promjene na rezervisanjima mogu se prikazati kako slijedi / Changes in provisions are as follows:

	2003.	2002.
Stanje 1. januara / Balance as at 1 January	69	21
Troškovi rezervisanja, neto / Impairment losses	196	127
Otpisi / Write-offs	(230)	(79)
Stanje 31. decembra / Balance as at 31 December	35	69

20. ULAGANJA U OVISNA DRUŠTVA / INVESTMENTS

Ulaganja u ovisna društva obuhvataju slijedeće / Investments are as follows:

	31. decembar 2003. 31 December 2003	31. decembar 2002. 31 December 2002
'000 KM		
Investments available for sale:		
Sarajevo osiguranje d.d.	28	28
Privredna Banka Sarajevo d.d.	226	226
LHB banka, Frankfurt	960	960
Centar za poduzetnistvo d.o.o.	2	102
BAMCARD d.o.o. Sarajevo	113	205
Ostalo / Other	21	2
Podzbir / Subtotal	1.350	1.523
Rezervisanja za moguće gubitke / Provision for impairment	(32)	(36)
Ukupno / Total	1.318	1.487

Promjene na rezervisanjima mogu se prikazati kako slijedi / Changes in provisions are as follows:

	2003.	2002.
'000 KM		
Stanje 1. januara / Balance as at 1 January	36	32
Troškovi rezervisanja, neto / Impairment losses	96	4
Otpisi / Write-offs	(100)	-
Stanje 31. decembra / Balance as at 31 December	32	36

Struktura ulaganja data je kako slijedi / The investments structure can be presented as follows:

Preduzeće Company	Djelatnost Activity	% vlasništva % ownership	Zemlja poslovanja Country
Sarajevo osiguranje d.d.	Osiguranje / Insurance	0,06	Bosna i Hercegovina
Privredna Banka Sarajevo d.d.	Bankarstvo / Banking	2,20	Bosna i Hercegovina
LHB banka, Frankfurt	Bankarstvo / Banking	-	Njemačka / Germany
Centar za poduzetnistvo d.o.o.	Savjetodavne usluge / Consulting	1,09	Bosna i Hercegovina
BAMCARD d.o.o. Sarajevo	Kartičarsko poslovanje / Card operations	12,06	Bosna i Hercegovina

21. VRIJEDNOSNI PAPIRI DRŽANI DO DOSPIJEĆA / SECURITIES HELD TO MATURITY

Portfelj vrijednosnih papira držanih do dospeljeća uključuje slijedeće / Held-to-maturity portfolio:

	31. decembar 2003. 31 December 2003	31. decembar 2002. 31 December 2002
	'000 KM	
Vrijednosni papiri sa fiksnim prihodom / Fixed income debt securities	255	-
Ukupno / Total	255	-

Na dan 31. decembra 2003. godine, portfelj vrijednosnih papira koji se drže do dospeljeća sastoji se od mjenica izdatih od Direkcije za puteve Tuzla, Tuzlanski kanton. Kamatonosni prihod od ovih vrijednosnih papira je 13%, a dospeljevaju u maju 2004. godine.

As at 31 December 2003, the portfolio of securities held to maturity consisted of bills of exchange issued by Direkcija za puteve Tuzla, Tuzlanski Kanton. These securities bear 13% interest income and mature in May 2004.

22. NETO DUGOTRAJNA MATERIJALNA I NEMATERIJALNA IMOVINA / FIXED AND INTANGIBLE ASSETS

Slijedi sažeti prikaz promjena u dugotrajnoj materijalnoj i nematerijalnoj imovini tokom godine koja je završila 31. decembra 2003. /

The movements in fixed and intangible assets during the year ended 31 December 2003 are summarised as follows:

	'000 KM					
	Građevine i zemljište	Uredska oprema	Imovina u pripremi	Nematerijalna imovina	Imovina van upotrebe	Ukupno
	Buildings and land	Office equipment	Construction in progress	Intangible assets	Assets not used	Total
NABAVNA VRIJEDNOST / COST						
Na dan 31. decembra 2002.						
At 31 December 2002	30.614	8.704	157	460	-	39.935
Povećanja / Additions	-	-	218	-	-	218
Otuđenja / Disposals	(458)	(1.110)	-	-	-	(1.568)
Revalorizacija / Revaluation	(853)	-	-	-	-	(853)
Preknjiženje / Transfer	-	218	(375)	-	157	-
Na dan 31. decembra 2003.	29.303	7.812	-	460	157	37.732
At 31 December 2003						
ISPRAVKA VRIJEDNOSTI / ACCUMULATED DEPRECIATION						
Na dan 31. decembra 2002.						
At 31 December 2002	9.472	7.758	-	121	-	17.351
Trošak amortizacije za 2003.						
Depreciation for 2003	911	359	-	77	-	1.347
Eliminirano otuđenjem						
Eliminated on disposals	(108)	(1.110)	-	-	-	(1.218)
Revalorizacija / Revaluation	(154)	-	-	-	-	(154)
Na dan 31. decembra 2003.	10.121	7.007	-	198	-	17.326
At 31 December 2003						
NETO KNJIGOVODSTVENA VRIJEDNOST / CARRYING AMOUNT						
Na dan 31. decembra 2003.	19.182	805	-	262	157	20.406
At 31 December 2003						
Na dan 31. decembra 2002.	21.142	946	157	339	-	22.584
At 31 December 2002						

U toku 2003. godine Banka je izvršila procjenu svojih nekretnina. Rezultat procjene je bilo smanjenje vrijednosti nekretnina u iznosu od 699 hiljada KM. Ovo je prikazano kao smanjenje vrijednosti dugotrajne materijalne i nematerijalne imovine i kao povećanje troškova revalorizacije dugotrajne materijalne i nematerijalne imovine u Bilansu Uspjeha vezano za smanjenje vrijednosti sredstava.

Prema Odluci Federalne Bankarske Agencije Bosne i Hercegovine od 19. decembra 2001. godine, Banci je odobren august 2004. kao krajnji rok za realizaciju svog koeficijenta – odnos ulaganja u dugotrajnu materijalnu i nematerijalnu imovinu i kapital, kao što je definisano Zakonom o Bankama.

During the year 2003, the Bank performed a valuation of its real estate. The result of the valuation was a decrease in the amount of KM 699 thousand. This is recorded as a decrease in fixed and intangible assets value and charge as an other expenses impairment loss in the Income Statement related to impairment of assets.

According to the Decision of Federation of Bosnia and Herzegovina Banking Agency dated 19 December 2001, the Bank has August 2004 as a deadline to realize its fixed asset investments to main capital ratio, as defined by the Law on Banks.

23. OBAVEZE PREMA BANKAMA / DUE TO BANKS

Slijedi sažeti prikaz obaveza prema bankarskim institucijama na dan 31. decembra /
Due to banks as at 31 December is summarised as follows:

	'000 KM	
	31. decembar 2003.	31. decembar 2002.
Depoziti / Term deposits:		
U KM / In KM	-	21
U stranoj valuti / In foreign currency	-	116
Depoziti po viđenju / Demand deposits:		
U KM / In KM	-	-
U stranoj valuti / In foreign currency	18	138
Ostala pozajmljena sredstva / Other borrowings:		
Vlada Tuzlanskog kantona – Agencija za privatizaciju Government of Tuzla Canton – Privatization Agency	10.715	14.447
LHB Internationale Handelsbank AG, Frankfurt	9.779	-
Nova Ljubljanska banka d.d. Ljubljana	11.735	5.867
Federalna Investicijska Banka Bosne i Hercegovine Federal Investment Bank of Bosnia and Herzegovina	6.231	4.949
Ukupno / Total	38.478	25.538

Dugoročna pozajmljena sredstva u iznosu od 10.715 hiljada KM i 14.447 hiljada KM na dan 31. decembra 2003. odnosno 2002. godine se odnose na obaveze prema Agenciji za Privatizaciju Tuzlanskog kantona. Ova sredstva se koriste kao krediti komitentima za stimulaciju lokalne ekonomije, čija su dospijeća 6 godina. Banka je svjesna rizika za odobrena sredstva. Kamatna stopa je bila 1% tokom 2003. i 2002. godine.

Pozajmljena sredstva od LHB Internationale Handelsbank AG u iznosu od 9.779 hiljada KM trebaju biti vraćena do 18. marta 2010. godine uz kamatnu stopu EURIBOR + 1%.

Obaveze prema Federalnoj Investicijskoj Banci Bosne i Hercegovine iznose 6.231 hiljadu KM, odnosno 4.949 hiljada KM na dan 31. decembra 2003. i 2002. godine. Banka je svjesna rizika vezano za plasirane kredite, te isti imaju fiksnu kamatnu maržu. Kamatna stopa za korištenje tih sredstava je 4% fiksno i EURIBOR + 1% za 2003. i 2002. godinu.

Pozajmljena sredstva od Nove Ljubljanske Banke d.d. Ljubljana na dan 31. decembra 2003. i 2002. godine su u iznosima od 11.735 hiljada KM i 5.867 hiljada KM, sa dospijećem na dan 28. juna 2008. godine i kamatnom stopom EURIBOR + 1,25% i EURIBOR + 1% godišnje.

Long-term borrowings in the amount of KM 10,715 thousand and KM 14,447 thousand as at 31 December 2003 and 2002, respectively, refer to liabilities toward Privatisation Agency of Tuzla County. These funds can be used for loans to customers with purpose of stimulating the local economy, with 6 years maturity. The Bank assumes the risk in respect of the loans granted. Interest rate was 1% during year 2003 and 2002.

Borrowing from LHB Internationale Handelsbank AG in the amount of KM 9,779 thousand at EURIBOR + 1% interest is to be repaid by 18 March 2010.

Liabilities toward the Federal Investment Bank of Bosnia and Herzegovina are amounted to KM 6,231 thousand and KM 4,949 thousand as at 31 December 2003 and 2002. The Bank assumes the risk in respect of the loans granted and the loans have a fixed interest margin. Interest rate for the usage of those sources was 4% and EURIBOR + 1% for the year 2003 and 2002.

Borrowing from Nova Ljubljanska banka d.d. Ljubljana as at 31 December 2003 and 2002 is amounted to KM 11,735 thousand and KM 5,867 thousand, with the maturity as at 28 June 2008 and an interest rates of EURIBOR + 1.25% and EURIBOR + 1% annually.

24. OBAVEZE PREMA KLIJENTIMA / DUE TO CUSTOMERS

Obaveze prema klijentima, analizirane po vrsti depozita, obuhvataju sljedeće /
Amounts owed to customers, by type of deposit, comprise:

	'000 KM	
	31. decembar 2003.	31. decembar 2002.
Depoziti po viđenju / Demand deposits:		
Fizičke osobe / Individuals:		
U KM / In KM	17.353	14.148
U stranoj valuti / In foreign currencies	9.834	10.858
<i>Podzbir / Subtotal</i>	27.187	25.006
Pravne osobe / Companies:		
U KM / In KM	47.468	48.889
U stranoj valuti / In foreign currencies	6.507	6.014
<i>Podzbir / Subtotal</i>	53.975	54.903
Ostali / Others:		
U KM / In KM	320	455
<i>Podzbir / Subtotal</i>	320	455
Vladine i nevladine organizacije / Governmental and non-governmental organisations:		
U KM / In KM	19.183	10.572
<i>Podzbir / Subtotal</i>	19.183	10.572
Ukupno depoziti po viđenju / Total demand deposits	100.665	90.936
Oročeni depoziti / Term deposits:		
Fizičke osobe / Individuals:		
U KM / In KM	7.735	4.395
U stranoj valuti / In foreign currencies	27.432	21.967
<i>Podzbir / Subtotal</i>	35.167	26.362
Pravne osobe / Companies:		
U KM / In KM	8.635	2.718
U stranoj valuti / In foreign currencies	3.477	2.597
<i>Podzbir / Subtotal</i>	12.112	5.315
Ostale vladine i nevladine organizacije / Other governmental and non-governmental organisations:		
U KM / In KM	4.400	7.800
U stranoj valuti / In foreign currencies	106	106
<i>Podzbir / Subtotal</i>	4.506	7.906
Ukupno oročeni depoziti / Total term deposits	51.785	39.583
Ukupno / Total	152.450	130.519

Kamatna stopa na depozite po viđenju u KM u 2003. i 2002. godini iznosila je 0,7%. Za oročene depozite kamatne stope su bile od 1% - 8% godišnje.

Annual interest rates on demand deposits in KM ranged from 0.7% during 2003 and from 0.7% to 1% during 2002. For term deposits interest rate ranged from 1% to 8% annually.

25. OSTALE OBAVEZE / OTHER LIABILITIES

Ostale obaveze sažeto su prikazane kako slijedi / Other liabilities consist of:

	'000 KM	
	31. decembar 2003. 31 December 2003	31. decembar 2002. 31 December 2002
Dospjele obaveze iz osnova kamata / Interest payable	483	324
Obaveze za plate / Employee liabilities	207	665
Obaveze prema dobavljačima / Supplier liabilities	190	133
Obaveze iz komisionih poslova / Managed funds liability (see Note 29)	302	2.549
Obaveza za porez na dobit / Income tax	112	
Obaveze za ostale poreze / Liabilities for other taxes	176	133
Neraspoređeni prilivi / Undistributed inflow	212	152
Obaveze prema članovima Nadzornog odbora / Liabilities to Supervisory Board members	325	77
Ostalo / Other	1.142	960
Ukupno / Total	3.149	4.993

26. TEMELJNI KAPITAL / SHARE CAPITAL

Na dan 31. decembra 2003. godine temeljni kapital Banke iznosi 17.675 hiljada KM (u 2002. 18.375 hiljada KM) i sastoji se od 141.217 običnih dionica i 182 preferencijalne dionice nominalne vrijednosti od 125 KM (2002. 146.817 običnih dionica i 182 preferencijalne dionice nominalne vrijednosti od 125 KM). Prioritetne dionice nemaju zagarantovano pravo na dividendu. Međutim u slučaju isplaćivanja dividende, isti imaju prioritet u odnosu na one dioničare koji posjeduju obične dionice. Prioritetni dioničari također imaju preferencijalna prava na povrat kapitala pri likvidaciji.

Po nalogu Federalne Bankarske Agencije, Banka je suspendovala 5.600 dionica koje su kupili Polo d.o.o. Kalesija, Maočanka komerc d.o.o. Maoča, Menprom Tuzla, Plamingo d.o.o. Gračanica, Murex d.o.o. Srebrenik, Zejčirović d.o.o. Čelić i Tuzla farm d.o.o. Tuzla zbog toga što su bili finansirani kroz kredite koje je Banka odobrila.

As at 31 December 2003 the Bank's share capital is KM 17,675 thousand (2002: KM 18,375 thousand) and consisted of 141,217 ordinary shares and 182 preferred shares with a nominal value of KM 125 each (2002: 146,817 ordinary shares and 182 preferred shares with the nominal value of KM 125). Preferred shares have preferential rights to dividends and return of capital on liquidation. Preferred shares have no guaranteed dividend rights. However, in case the dividend is declared, they have priority in actual receipt of dividend payments over ordinary shareholders. Preferred shareholders also have preferential rights to return capital in case of liquidation.

Based on a decree of Federal Banking Agency, the Bank suspended 5,600 shares purchased by Polo d.o.o. Kalesija, Maočanka komerc d.o.o. Maoča, Menprom Tuzla, Plamingo d.o.o. Gračanica, Murex d.o.o. Srebrenik, Zejčirović d.o.o. Čelić and Tuzla farm d.o.o. Tuzla because they were financed from loans granted by the Bank. The Bank returned the funds to the respective investors and cancelled related loans.

Dioničari Banke koji imaju više od 2% Bančinog kapitala na dan 31. decembra 2003. i 2002. su kako slijedi: Shareholders holding more than 2% of the Bank's capital as at 31 December 2003 and 2002 are as follows:

	31. decembar 2003 31 December 2003.		31. decembar 2002 31 December 2002.	
	Kapital Owner's capital	vlasništva share	Kapital Owner's capital	vlasništva share
	'000 KM	%	'000 KM	%
Jata d.o.o., Srebrenik	3.186	18,03	3.186	17,34
Highway Construction, Sarajevo	1.343	7,60	700	3,81
Ecoinvest d.o.o., Brčko	624	3,53	624	3,40
Humić Midhat	603	3,41	603	3,28
Soni Lux d.o.o., Tuzla	514	2,91	514	2,80
Polo d.o.o., Kalesija	496	2,80	741	4,03
Solana d.d., Tuzla	456	2,58	456	2,48
Studen & CO Arex d.o.o., Gradačac	376	2,12	376	2,05
Tehno Biro d.o.o. Tuzla	-	-	624	3,40
Ostali / Other	10.077	57,02	10.551	57,41
Ukupno / Total	17.675	100,00	18.375	100,00

27. PREUZETE I POTENCIJALNE FINANSIJSKE OBAVEZE / FINANCIAL COMMITMENTS AND CONTINGENCIES LIABILITIES

Preuzete obaveze za kreditiranjem / Undertaken commitments for crediting

U sljedećoj tabeli navedeni su ugovoreni iznosi vanbilansnih finansijskih instrumenata po kojima je Banka preuzela obavezu kreditiranja komitenata.

The following table indicates the contractual amounts of the Bank's off-balance sheet financial instruments that commit to extend credit to customers.

	'000 KM	
	31. decembar 2003. 31 December 2003	31. decembar 2002. 31 December 2002
Plative garancije / Payment guarantees	5.631	10.013
Činidbene garancije / Performance guarantees	9.654	6.436
Akreditivi / Letters of credit	699	-
Preuzete obaveze kreditiranjem / Contracted loans	11.904	6.170
Rezervisanje za moguće gubitke / Provision for commitments	(757)	(889)
Ukupno / Total	27.131	21.730

Promjene na rezervisanjima za preuzete i potencijalne finansijske obaveze su kako slijedi:
Changes in the provision for commitments and contingent liabilities are as follows:

	'000 KM	
	2003.	2002.
Stanje 1. januara / Balance as at 1 January	889	1.332
Trošak rezervisanja, neto / Provision charge	295	35
Otpisi / Write-offs	(427)	(478)
Stanje 31. decembra / Balance as at 31 December	757	889

28. TRANSAKCIJE S POVEZANIM STRANAMA / RELATED-PARTY TRANSACTIONS

Stanja koja proizlaze iz transakcija s povezanim stranama obuhvataju sljedeće:

Balances originated from related-party transactions are as follows:

'000 KM

	31. decembar 2003. 31 December 2003		31. decembar 2002. 31 December 2002	
	Plasmani, prije rezerviranja Balance sheet exposure	Obaveze Off balance sheet exposure	Plasmani, prije rezerviranja Balance sheet exposure	Obaveze Off balance sheet exposure
Shareholder				
Jata d.o.o., Srebrenik	231	62	755	231
Polo d.o.o., Kalesija	926	1	507	218
Ecoinvest d.o.o., Brčko	-	22	112	-
Solana d.d., Tuzla	1.016	70	1.000	50
Studen & CO Arex d.o.o., Gradačac	1.209	400	980	-
Ostali / Other	16.106	7.079	14.453	8.222
Total	19.488	7.634	17.807	8.721

Kreditni odobreni zaposlenicima su u iznosu od 1.453 hiljada KM i 692 hiljade KM na dan 31. decembra 2003. i 2002. godine. Sve navedene transakcije obavljene su po tržišnim bankarskim uvjetima.

Loans granted to employees are amounted to KM 1,453 thousand and KM 692 thousand as at 31 December 2003 and 2002, respectively. All the transactions stated above have been made under commercial banking conditions.

29. POSLOVI U IME I ZA TUĐI RAČUN / MANAGED FUNDS – AGENCY BUSINESS

Prema MSFI, sredstva kojima Banka upravlja kao povjerenik za i u ime pojedinaca, zaklada i drugih institucija ne predstavljaju sredstva povjerenika, te stoga nisu uključena u njegov bilans.

Niže u tabeli analizirana su sredstva kojima Banka upravlja za i u ime svojih klijenata:

Under IFRS, funds managed by the Bank on behalf of individuals, trusts and other institutions are not regarded as assets of the trustee and, therefore, are not included in its balance sheet.

The table below provides analysis of the funds managed on behalf of customers by investment type:

	'000 KM	
	31. decembar 2003. 31 December 2003	31. decembar 2002. 31 December 2002
Privreda / Legal entities	14.475	7.271
Stanovništvo / Individuals	149	120
Ukupno plasmani / Total assets	14.624	7.391
Kantonalna Agencija za privatizaciju / Canton's Privatization Agency	12.409	6.821
Federalna Investicijska Banka Bosne i Hercegovine / Federal Investment Bank of Bosnia and Herzegovina	1.861	2.605
Ostale organizacije / Other organizations	656	514
Ukupno izvori / Total sources	14.926	9.940
Razlika / Difference	302	2.549

Banka upravlja značajnim sredstvima u ime i za tuđi račun, plasirana uglavnom u vidu dugoročnih kredita pravnim licima i stanovništvu. Banka ne snosi rizik po ovim plasmanima, a za svoje usluge ostvaruje naknadu.

The Bank manages certain amount of assets on behalf of third entities through long-term loans granted to companies and individuals. The Bank does not bear the risk for these placements and charges a fee for its services.

30. VALUTNI RIZIK / FOREIGN CURRENCY RISK

Banka je izložena učincima promjena u valutnim kursovima na svoj finansijski položaj i novčane tokove.

Niže u tabeli analizirane su osnovne valute po kojima je Banka izložena riziku. Ostale valute obuhvaćene su u okviru stavke "Ostale valute". Banka prati svoj valutni položaj u odnosu na udovoljavanje regulatornim zahtjevima koje je Centralna banka BiH definirala kao limite otvorenih pozicija. Banka nastoji sučeliti svoju imovinu i obaveze u stranim valutama kako bi izbjegla izloženost valutnom riziku.

The Bank takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows.

The table below provides an analysis of the Bank's main currency exposures. The remaining currencies are shown within 'Other currencies.' The Bank monitors its foreign exchange position for compliance with the regulatory requirements of the Bosnia and Herzegovina Central Bank established in respect of limits on open positions. The Bank seeks to match assets and liabilities denominated in foreign currencies to avoid foreign currency exposures.

	'000 KM					
	KM	EUR	USD	Ostale valute Other currencies	Rezervisanja Provision	Ukupno Total
SREDSTVA / ASSETS						
Gotovina i računi kod banaka / Cash and balances with banks	15.562	11.501	812	5.569	-	33.444
Potraživanja od Centralne banke / Obligatory reserves at Central Bank BiH	9.377	-	-	-	-	9.377
Plasmani kod drugih banaka / Placement with other banks	-	40.681	27	1.320	(199)	41.829
Neto krediti klijentima / Loans to customers	118.452	2.194	-	-	(8.205)	112.441
Potraživanja za obračunatu kamatu / Accrued Interest receivables	539	31	-	-	(19)	551
Ulaganja / Investments	259	1.091	-	-	(32)	1.318
Sredstva držana do dospeljeća / Assets held to maturity	255	-	-	-	-	255
Neto dugotrajna materijalna i nematerijalna imovina / Fixed and intangible assets	20.406	-	-	-	-	20.406
Ostala sredstva / Other assets	1.300	-	-	-	(35)	1.265
Ukupna sredstva (1) / Total Assets (1)	166.150	55.498	839	6.889	(8.490)	220.886
OBAVEZE / LIABILITIES						
Obaveze prema bankama / Due to banks	16.595	21.883	-	-	-	38.478
Obaveze prema komitentima / Due to customers	105.096	43.130	2.560	1.664	-	152.450
Rezervisanja za potencijalne obaveze / Provisions for commitment and contingent liabilities	-	-	-	-	757	757
Ostale obaveze / Other liabilities	2.874	258	14	3	-	3.149
Ukupne obaveze (2) / Total Liabilities (2)	124.565	65.271	2.574	1.667	757	194.834
Neto bilans na dan 31. decembra 2003. (1)-(2) / Net Balance Position at 31 December 2003 (1)-(2)	41.585	(9.773)	(1.735)	5.222	(9.247)	26.052
Ukupna sredstva na dan 31. decembra 2002. / Total assets at 31 December 2002	171.351	20.432	1.332	5.005	(11.820)	186.300
Ukupne obaveze na dan 31. decembra 2002. / Total liabilities at 31 December 2002	112.446	46.189	1.106	1.309	889	161.939
Neto bilans na dan 31. decembra 2002. / Net balance position at 31 December 2002	58.905	(25.757)	226	3.696	(12.709)	24.361

31. KAMATNI RIZIK / INTEREST RATE RISK

Kamatni rizik je rizik promjene vrijednosti finansijskog instrumenta uslijed promjena kamatnih stopa na tržištu. Stoga razdoblje u kojem je kamatna stopa za finansijski instrument nepromjenjiva ukazuje na izloženost kamatnom riziku. U idućoj tabeli nalaze se podaci o izloženosti Banke kamatnom riziku, koja je analizirana ili na temelju ugovornog dospelja finansijskog instrumenta, ili, kod instrumenata čija kamatna stopa se mijenja prije dospelja, u razdoblju do idućeg datuma promjene kamatne stope. Politika Banke je da svojom izloženošću promjenama u neto prihodima od kamata koji proizlaze iz promjena kamatnih stopa upravlja kontroliranim neusklađivanjem datuma promjene cijena u bilansu. Imovina i obaveze za koje ne postoji ugovoreni datum dospelja ili na koje se ne obračunava kamata svrstani su u okviru kategorije "Nedefinirano dospelje".

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The length of time for which the rate of interest is fixed on a financial instrument, therefore, indicates to what extent it is exposed to interest rate risk. The table below provides information on the extent of the Bank's interest rate exposure based either on the contractual maturity date of its financial instruments or, in the case of instruments that reprice to a market rate of interest before maturity, the next repricing date. It is the policy of the Bank to manage the exposure to fluctuations in net interest income arising from changes in interest rates by the degree of repricing mismatch in the balance sheet. Those assets and liabilities that do not have contractual maturity date or are not interest bearing are grouped in 'maturity undefined' category.

	Do 1 mjeseca	1-6 mjeseca	6-12 mjeseci	Iznad 1 godine	Nedefinirano dospelje	Rezervisanje	Ukupno
	Up to 1 month	1-6 months	6-12 months	Over 1 year	Maturity undefined	Provision	Total
'000 KM							
SREDSTVA / ASSETS							
Gotovina i računi kod banaka Cash and balances with banks	33.444	-	-	-	-	-	33.444
Potraživanja od Centralne banke BiH Obligatory reserves with the Central Bank	9.377	-	-	-	-	-	9.377
Plasmani kod drugih banaka Placements with other banks	20.514	11.735	9.779	-	-	(199)	41.829
Neto krediti klijentima / Loans to customers	7.927	14.948	41.138	56.633	-	(8.205)	112.441
Potraživanja za obračunatu kamatu / Accrued Interest receivables	570	-	-	-	-	(19)	551
Ostala imovina / Other assets	1.300	-	-	-	-	(35)	1.265
Ulaganja / Investments	-	-	-	-	1.350	(32)	1.318
Sredstva držana do dospelja / Assets held to maturity	-	255	-	-	-	-	255
Neto dugotrajna imovina / Fixed and intangible assets	-	-	-	20.406	-	-	20.406
Ukupna sredstva (1) / Total Assets (1)	73.132	26.938	50.917	77.039	1.350	(8.490)	220.886

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	'000 KM						
	Do 1 mjeseca	1-6 mjeseca	6-12 mjeseci	Iznad 1 godine	Nedefinirano dospijeće	Rezervisanje	Ukupno
	Up to 1 month	1-6 months	6-12 months	Over 1 year	Maturity undefined	Provision	Total
OBAVEZE / LIABILITIES							
Obaveze prema bankama / Due to banks	18	-	-	38.460	-	-	38.478
Obaveze prema klijentima / Due to customers	104.508	17.803	7.010	23.129	-	-	152.450
Rezervisanja za potencijalne obaveze / Provisions for commitment and contingent liabilities	-	-	-	-	-	757	757
Ostale obaveze / Other liabilities	3.149	-	-	-	-	-	3.149
Ukupne obaveze (2) / Total Liabilities (2)	107.675	17.803	7.010	61.589	-	757	194.834
Bilansna neusklađenost na dan 31. decembra 2003. (1)-(2) / On-balance-sheet interest rate sensi- tivity gap at 31 December 2003 (1)-(2)							
	(34.543)	9.135	43.907	15.450	1.350	(9.247)	26.052
Ukupna sredstva na dan 31. decembra 2002. / Total assets at 31 December 2002							
	95.291	2.487	46.111	30.111	24.120	(11.820)	186.300
Ukupne obaveze na dan 31. decembra 2002. / Total liabilities at 31 December 2002							
	89.351	18.668	3.110	34.310	15.611	889	161.939
Bilansna neusklađenost na dan 31. decembra 2002. / On-balance-sheet interest rate sensitivity gap at 31 December 2002							
	5.940	(16.181)	43.001	(4.199)	8.509	(12.709)	24.361

32. PROSJEČNE KAMATNE STOPE NA DAN 31. DECEMBRA 2003. GODINE / AVERAGE INTEREST RATES AS AT 31 DECEMBER 2003

Prosječne kamatne stope za decembar 2003. godine, izračunate su kao ponderirani prosjek za svaku kategoriju imovine i obaveza:

The average interest rates for 2003 calculated as a weighted average for each asset and liability category.

	'000 KM	
	KM	Strana valuta Foreign currencies
Sredstva / Assets		
Plasmani kod drugih banaka / Placements with other banks	-	1,925%
Kreditni klijentima / Originated loans to customers, net	9,175%	9,175%
Obaveze / Liabilities		
Obaveze prema bankama i nebankarskim institucijama / Due to banking and non banking institutions	2,35%	3,5%
Obaveze prema klijentima / Amounts due to customers	2,61%	2,61%

33. RIZIK LIKVIDNOSTI / LIQUIDITY RISK

Rizik likvidnosti predstavlja moguću izloženost Banke vezano uz pribavu sredstava koja su potrebna Banci da bi podmirila svoje preuzete obaveze po finansijskim instrumentima. Banka održava likvidnost u skladu s propisima koje je utvrdila Centralna banka BiH. Tabela u nastavku sadrži analizu sredstava, obaveza i vlasničke glavnice prema preostalim razdobljima od datuma bilansa do ugovornog dospelja, pri čemu su rokovi dospelja utvrđeni uzevši u obzir moguće ranije rokove otplate za opcije ili temeljem plana otplate. Sredstva i obaveze za koje ne postoji ugovorno dospelje svrstana su u okviru kategorije "Nedefinirano dospelje".

Banka je izložena svakodnevnom isplatom iznosa na poziv koje podmiruje raspoloživim novčanim izvorima koji se sastoje od prekonoćnih depozita, sredstava na tekućim računima, depozitima koji dopijevaju, povlačenja sredstava kredita, jamstava i ostalih derivata koji se podmiruju iz marži i ostalih iznosa na poziv za gotovinske derivate. Banka ne održava novčane izvore da bi pokrila sve navedene potrebe jer je iz iskustva moguće s velikom pouzdanosti predvidjeti minimalne iznose ponovnog ulaganja dopijelih sredstava. Banka utvrđuje limite za najniže iznose sredstava koja dopijevaju a koja su raspoloživa za podmirivanje iznosa plativih na poziv, kao i najniže iznose međubankarskih i ostalih kredita za pokriće neočekivanih iznosa sredstava koja se povlače na zahtjev.

Liquidity risk is a measure of the extent to which the Bank may be required to raise funds to meet its commitments associated with financial instruments. The Bank maintains its liquidity profiles in accordance with regulations laid down by Central Bank of Bosnia and Herzegovina. The table below provides an analysis of assets, liabilities into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. It is presented under the most prudent consideration of maturity dates where options or repayment schedules allow for early repayment possibilities. Those assets and liabilities that do not have a contractual maturity date are grouped together under 'maturity undefined' category.

The Bank is exposed to daily calls on its available cash resources from overnight deposits, current accounts, maturing deposits, loan draw downs, guarantees and from margin and other calls on cash-settled derivatives. The Bank does not maintain cash resources to meet all of these needs as experience shows that a minimum level of reinvestment of maturing funds can be predicted with a high level of certainty. The Bank sets limits on the minimum proportion of maturing funds available to meet such calls and on the minimum level of inter-bank and other borrowing facilities that should be in place to cover withdrawals at unexpected levels of demand.

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'000 KM

	Na poziv On demand	Do 6 mjeseci Up to 6 months	6-12 mjeseci 6-12 months	Iznad 1 godine Over 1 year	Nedefinisano dospijeće Maturity undefined	Rezervisanje Provision	Ukupno Total
SREDSTVA / ASSETS							
Gotovina / Cash and balances with banks	33.444	-	-	-	-	-	33.444
Potraživanja od Centralne banke BiH / Obligatory reserves at Central Bank BiH	9.377	-	-	-	-	-	9.377
Plasmani bankama / Placements with other banks	20.514	11.735	9.779	-	-	(199)	41.829
Neto krediti klijentima / Loans to customers	12.035	52.934	23.722	31.955	-	(8.205)	112.441
Potraživanja za kamatu / Interest receivables	570	-	-	-	-	(19)	551
Ostala imovina / Other assets	1.300	-	-	-	-	(35)	1.265
Ulaganja / Minority interest investments	-	-	-	-	1.350	(32)	1.318
Sredstva držana do dospelja / Assets held to maturity	-	255	-	-	-	-	255
Neto dugotrajna imovina / Tangible and intangible fixed assets, net	-	-	-	20.406	-	-	20.406
Ukupna sredstva (1) / Total Assets (1)	77.240	64.924	33.501	52.361	1.350	(8.490)	220.886
OBAVEZE / LIABILITIES							
Obaveze prema bankama i nebankarskim institucijama / Due to banking and non banking financial institutions	122	3.041	3.322	31.993	-	-	38.478
Obaveze prema klijentima / Amounts due to customers	101.076	28.512	15.015	7.847	-	-	152.450
Rezervisanja za potencijalne obaveze / Provisions for commitment and contingent liabilities	-	-	-	-	-	757	757
Ostale obaveze / Other liabilities	3.149	-	-	-	-	-	3.149
Ukupne obaveze (2) / Total Liabilities (2)	104.347	31.553	18.337	39.840	-	757	194.834
Neusklađenost na dan 31. decembra 2003. (1) - (2) / On-balance sheet liquidity gap at 31 December 2003 (1) - (2)							
	(27.107)	33.371	15.164	12.521	1.350	(9.247)	26.052
Ukupna sredstva na dan 31. decembra 2002. / Total assets at 31 December 2002	95.291	2.487	46.111	30.111	24.120	(11.820)	186.300
Ukupne obaveze na dan 31. decembra 2002. / Total liabilities at 31 December 2002	89.351	18.668	3.110	34.310	15.611	889	161.939
Neusklađenost na dan 31. decembra 2002. / On-balance-sheet liquidity gap at 31 December 2002							
	5.940	(16.181)	43.001	(4.199)	8.509	(12.709)	24.361

34. KREDITNI RIZIK / CREDIT RISK

Banka je izložena kreditnom riziku, koji predstavlja rizik nemogućnosti druge strane da podmiri iznose obaveza u cijelosti po dospelju. Banka razvrstava kreditni rizik utvrđujući limite za iznos prihvaćenog rizika koje očekuje da će nastati u vezi s jednim zajmoprimcem ili skupinom zajmoprimaca te u pojedinim privrednim granama. Banka redovno prati navedene rizike i preispituje ih jednom godišnje ili češće.

Banka upravlja kreditnim rizikom redovnom analizom sposobnosti postojećih i potencijalnih zajmoprimatelja da otplate svoje obaveze po glavnici i kamatama i promjenom kreditnih limita po potrebi. Pored toga, svojom izloženošću kreditnom riziku djelomično upravlja i pribavljanjem kolaterala, te korporativnih i osobnih jamstava.

Preuzete obaveze na temelju izdatih akreditiva

Dokumentirani akreditivi, koji predstavljaju pisane neopozive obaveze koje je Banka preuzela u ime klijenta (ovlastitelj) a po kojima je treća strana (korisnik) ovlaštena povlačiti sredstva kod Banke do utvrđenog iznosa pod utvrđenim uvjetima, osigurani su instrumentima osiguranja u obliku isporuka dobara za koje su izdati, pa time predstavljaju i značajno manji rizik. Potrebna novčana sredstva za otvorene akreditive značajno su manja od preuzetih obaveza po izdatim garancijama ili standby akreditivima. Međutim, Banka knjiži rezervisanja za navedene instrumente po istoj osnovi kao i za kredite.

Obaveze za kreditiranjem, po nepovučenim kreditnim sredstvima, neiskorištenim prekoračenjima i odobrenim prekoračenjima

Osnovna svrha obaveza za kreditiranjem je osigurati raspoloživost sredstava na zahtjev klijenta. Obaveze za kreditiranjem predstavljaju neiskorišteni dio odobrenih kredita, garancija ili standby akreditiva. Obaveze Banke za kreditiranjem predstavljaju preuzete obaveze po kreditima ili jamstvima, neiskorištena i odobrena prekoračenja. Obaveze

The Bank takes on exposure to credit risk which is the risk upon credit approval and when counterparty will be unable to pay amounts in full when due. The Bank structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to industry segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review.

Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate. Exposure to credit risk is also managed in part by obtaining collateral and corporate and personal guarantees.

Commitments arising from the issuance of letters of credit

Documentary letters of credit, which are written irrevocable undertakings by the Bank on behalf of a customer (mandatory) authorising a third party (beneficiary) to draw drafts on the Bank up to a stipulated amount under specific terms and conditions, are collateralised by the underlying shipments of goods to which they relate and therefore have significantly less risk. Cash requirements under open letters of credit are considerably less than the commitments under issued guarantees or stand-by letters of credit. However, the Bank records provisions against these instruments on the same basis as is applicable to loans.

Commitments to extend credit, unused loan commitments, unutilised overdrafts and approved overdraft loans

The primary purpose of commitments to extend credit is to ensure that funds are available to a customer as required. Commitments to extend credit represent unused portions of authorisations to extend credits in the form of loans, guarantees or stand-by letters of credit. Commitments to extend credit issued by the Bank represent issued loan commitments or guarantees, unused portions of

za kreditiranjem ili jamstava koje je izdala Banka a koje su vezane uz određene kriterije kreditiranja kojima klijenti trebaju udovoljavati (uključivši uvjet da ne dođe do pogoršanja solventnosti klijenta) predstavljaju opozive obaveze. Neopozive obaveze postoje po osnovi odobrenih prekoračenja jer su one proizašle na temelju uvjeta koji su utvrđeni ugovorima o kreditu.

and approved overdrafts loans. Commitments to extend credit or guarantees issued by the Bank, that are contingent upon customers maintaining specific credit standards (including the condition that a customer's solvency does not deteriorate) are revocable commitments. Irrevocable commitments represent unused portions of authorised loans and approved overdraft facilities because they result from contractual terms and conditions in the credit agreements.

35. OSNOVNA ZARADA PO DIONICI / BASIC EARNINGS PER SHARE

Osnovna zarada po dionici izračunata je dijeljenjem dobiti koja je na raspolaganju dioničarima sa prosječnim brojem običnih dionica tokom godine, isključujući prosječan broj običnih dionica kupljenih od strane Banke i držanih kao trezorske dionice. U svrhu izračunavanja osnovne zarade po dionici, preferencijalnim dionicama se smatraju obične dionice s obzirom da ne nose nikakva preferencijalna prava na iznos dividende, kao što je opisano u Napomeni 26.

Basic earnings per share is calculated by dividing the net profit attributable to ordinary shareholders by weighted average number of ordinary shares in issue during the year, excluding the average number of ordinary shares purchased by the Bank and held as treasury shares. For the purpose of calculating basic earnings per share, preferred shares are considered as ordinary shares as they do not bear any preferential right, as described in Note 26.

	31. decembar 2003. 31 December 2003	31. decembar 2002. 31 December 2002
Dobit na raspolaganju dioničarima (000' KM) Income attributable to ordinary shareholders (KM '000)	2.391	1.547
Prosječan broj običnih dionica tokom godine Weighted average number of regular shares outstanding	141.399	133.591
Osnovna zarada po dionici (KM) Basic earnings per share (KM)	16,91	11,58

Smanjena zarada po dionici nije izračunata jer Banka nije izdala finansijske instrumente koji bi smanjivali osnovnu zaradu po dionici.

Diluted earnings per share are not presented, as the Bank has not issued dilutive or antidilutive equity instruments.





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FILIJALA BRČKO	049/214-603
EKSPOZITURA RAHIĆ	049/512-052
FILIJALA ČELIĆ	035/660-311
FILIJALA DOBOJ ISTOK	035/720-595
FILIJALA GRAČANICA	035/703-095
FILIJALA GRADAČAC	035/817-117
FILIJALA KALESIJA	035/631-605
FILIJALA KLADANJ	035/621-590
FILIJALA LUKAVAC	035/566-746
FILIJALA ORAŠJE	031/713-992
EKSPOZITURA ODŽAK	031/762-824
FILIJALA SAPNA	035/597-253
FILIJALA SARAJEVO	033/657-859
FILIJALA SREBRENİK	035/640-238
FILIJALA TEOČAK	035/756-252
FILIJALA TUZLA	035/259-407
FILIJALA ŽIVINICE	035/773-196





Izdavač

Tuzlanska banka d.d. Tuzla

Prijelom

Davor Vladić

Dizajn

Gordan Zovko

Ilustracije

Stari kovani novac iz Muzeja istočne Bosne Tuzla

Priprema i tisak

Hercegtisak Široki Brijeg

Tiraž

500 primjeraka