

moja banka

20
05

godišnji izvještaj / annual report



tuzlanska banka d.d. tuzla



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godišnji izvještaj
annual report

20
05



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tuzlanska banka d.d. tuzla



Izveštaj direktora

Cijenjeni dioničari i poslovni partneri,

zadovoljstvo mi je prezentirati Vam rezultate još jedne uspješne poslovne godine Tuzlanske banke. Godišnji izvještaj za 2005. godinu sadrži i finansijske izvještaje sa neovisnim revizorskim mišljenjem revizorske kuće PricewaterhouseCoopers doo Sarajevo.

Tuzlanska banka je banka univerzalnog tipa i pruža kompletan servis finansijskih usluga pravnim i fizičkim licima. Ima razgranatu poslovnu mrežu na području Tuzlanskog, Sarajevskog i Posavskog kantona, Brčko distrikta i Republike Srpske. Po iznosu aktive spada u srednje velike banke Federacije BiH.

U fokusu svih naših aktivnosti su klijenti i njihove potrebe za finansijskim uslugama. Zbog toga kontinuirano vršimo unapređenje kvaliteta i asortimana usluga, što je rezultiralo povjerenjem velikog broja klijenata. Poslove unutrašnjeg i vanjskog platnog prometa obavljamo za preko 10.000 pravnih lica i vodimo preko 123.000 računa građana.

Poslujući u izuzetno oštroj konkurenciji banka sa stranim kapitalom, Tuzlanska banka je uspjela na Tuzlanskom kantonu zadržati najveće tržišno učešće i nastaviti trend rasta dobiti i u 2005. godini. Ostvarena bruto dobit iznosi 5 miliona KM, što je najveća iskazana dobit Banke u zadnjih 10 godina.

Banka je realizirala sve planom utvrđene veličine, tako da i ostali pokazatelji uspješnosti poslovanja imaju rast u odnosu na prethodnu godinu. Posebno bih istakao rast bilansne sume za 24%, na što je najviše uticao rast depozita. Depoziti pravnih lica su porasli za

31%, a štednja građana za 23%, dok su krediti porasli za 15%.

U septembru 2005. godine promijenila se struktura vlasništva. Kupovinom većinskog paketa dionica od strane Nove Ljubljanske banke d.d., Ljubljana, Tuzlanska banka je postala članica NLB Grupe, koja sada na bankarskom tržištu BiH po veličini zauzima četvrto mjesto.

Trenutno se vrše aktivnosti na pripajanju CBS Bank dd Sarajevo Tuzlanskoj banci, čime će Banka kapitalno ojačati, ali i proširiti poslovnu mrežu sa poslovnica u Sarajevu, Mostaru, Zenici, Goraždu, Vitezu, Travniku i Čapljini.

Kao članica NLB Grupe Banka će još više proširiti mrežu, ali i asortiman ponude proizvodima i uslugama koje već postoje kod članica grupacije, obezbijediće dugoročne izvore sredstava i primijeniti nove savremenije tehnologije bankarskog poslovanja. Komitenti i njihovi interesi će i dalje biti u prvom planu tako da mogu očekivati kvalitetnije, asortimanom bogatije i efikasnije usluge.

Planovi Banke za naredni period su povećanje tržišnog udjela u Federaciji BiH na 10%, te dalje znatno povećanje bilansne sume, dobiti i kapitala i održavanje koeficijenta ROE na nivou iznad 20%.

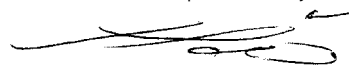
Izmjena strukture vlasništva uslovia je i promjene u sastavu Nadzornog odbora Banke. Ovom prilikom se zahvaljujem članovima bivšeg Nadzornog odbora na saradnji i zalaganju u realizaciji ciljeva poslovne politike Banke.

Postignutim rezultatima su nesumnjiv doprinos dali menadžment i zaposlenici Banke kojima se zahvaljujem na nesebičnom zalaganju i profesionalno obavljenim radnim zadacima. Uvjeran sam da će Nadzorni odbor i Uprava nove Banke uz snagu i sinergiju NLB Grupe još uspješnije voditi Banku ka ostvarenju usvojenih ambicioznih planova.

Našim cijenjenim klijentima poručujemo da ćemo i u narednom periodu nastojati da

njihove zahtjeve za finansijskim uslugama obavimo stručno i efikasno uz njegovanje atmosfere uzajamnog povjerenja.

S poštovanjem,



Almir Šahinpašić
Direktor Banke





Report of the Director

Esteemed shareholders and business partners,

I am pleased to present You the results of one more successful year of Tuzlanska banka.

Annual report for 2005 contains also the financial reports with independent audit opinion of auditing house PricewaterhouseCoopers doo Sarajevo.

Tuzlanska banka is a bank of universal type providing complete range of financial services to legal and physical entities. It has a network of branches in area of Tuzla, Sarajevo and Posavina Cantons, Brčko District and Republic of Srpska. According to the amount of the assets it is ranked among the medium big banks of Federation BiH.

The clients and the financial services they need are in focus of all our activities.

Therefore we continuously improve the quality and range of the services, the result of which is the confidence of our numerous clients. We make internal and external transfers of money for more than 10.000 legal entities and keep over 123.000 accounts of citizens. Operating in extremely severe competition of banks with foreign capital, Tuzlanska banka managed to keep the greatest market participation in Tuzla Canton and continue the trend of profit growth in 2005. Realized gross profit is 5 mil. KM being the biggest profit reported of Bank in the last 10 years.

Bank has realized all the amounts determined by plan and all other indicators of successful business show the rise in comparison to the previous year. I would especially underline the rise of nett balance by 24% that was mostly influenced by deposit increase.

Deposits of legal entities were increased by 31% and savings of citizens by 23% and credits by 15%.

In September 2005 the structure of ownership was changed. Nova Ljubljanska Bank bought the majority block of shares and Tuzlanska banka became a member of NLB group that now takes the fourth place in banking market of BiH.

The activity of merging CBS Bank Sarajevo with Tuzlanska banka is just in process that will make the Bank capital stronger but also enlarge the business network with branch offices in Sarajevo, Mostar, Zenica, Goražde, Vitez, Travnik and Čapljina.

As a member of the NLB Group, Bank will more enlarge the network and range of offering the products and services that already exist with members the of Group, provide longterm sources of funds and apply new advanced technologies of banking business. Customers and their interests will always be in the first place expecting more qualitative and effective services of wide range.

Plans of Bank for next period are to increase the market share in Federation BiH by 10%, further considerable increase of balance sum, profit and capital and maintaining the ROE coefficient on the level above 20%.

Changing the ownership structure caused the composition of Supervision Board of Bank. I hereby thank to the members of the previous Supervision Board for cooperation and

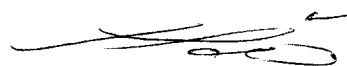
efforts made in realization of the objectives of Bank business policy.

No doubt that the achieved results were contributed by management and employees of Bank and I hereby thank them for generous efforts and professionally completed working tasks.

I am convinced that Supervision Board and Management of new Bank with power and synergy of the NLB Group will manage the Bank to realize the adopted ambitious plans with even more success.

Our esteemed clients may be assured in the future period that we will do our best to provide the financial services required by them in a professional and effective way promoting the atmosphere of mutual trust.

Sincerely,



Almir Šahinpašić
Director of Bank





Organi upravljanja

Skupština dioničara / Shareholder's Assembly

Nadzorni odbor Banke / Bank Supervisory Board do 01.09.2005. / till 01.09.2005.

Ibrahim Morankić,	Predsjednik / President
Ademir Mešetović,	Član / Member
Sead Rešidbegović,	Član / Member
Nihad Jusufović,	Član / Member
Fuad Beganović,	Član / Member

Nadzorni odbor Banke / Bank Supervisory Board od 01.09.2005. / from 01.09.2005.

Matej Narat	Predsjednik / President
Ibrahim Morankić,	Član / Member
Suzana Žmavc,	Član / Member
Andrej Flis,	Član / Member
Milan Marinič	Član / Member

Odbor za reviziju Banke / Bank Auditing Board do 25.10.2005. / till 25.10.2005.

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

Odbor za reviziju Banke / Bank Auditing Board od 25.10.2005. / from 25.10.2005.

Metka Turk,	Predsjednik / President
Vanja Jurjevič,	Član / Member
Majeta Zver Cankar,	Član / Member
Mirjam Štebe,	Član / Member
Ivan Pirc,	Član / Member

Glavni interni revizor / Internal Head Auditor

Himzija Talović



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 Unit
Nadija Trešnjo,	Izvršni direktor Direkcije sredstava i platnog prometa Executive Manager of Funds and Payment Operations Unit
Jusuf Džafić,	Izvršni direktor Direkcije plasmana Executive Manager of Loan Management Unit
Dijana Olić,	Izvršni direktor Direkcije poslovne mreže Executive Manager of Branch Network Unit
Boris Ferković,	Izvršni direktor Direkcije za podršku Executive Manager of Support Unit
Vesna Hogić	Sekretar Banke / Bank Secretary





Bilansna suma / Balance sheet

Bilansna suma na dan 31.12.2005. godine iznosi 345,3 mil. KM i u odnosu na kraj 2004. godine veća je za 24%. Povećanje bilansne sume najvećim dijelom je rezultat rasta depozita.

The nett balance on the day of 31. December 2005 is 345,3 mil. KM that is by 24% higher compared to the end of 2004. Increase of the nett balance is mostly the result of deposit increase.

Značajniji porast pojedinih segmenata bilansa stanja ostvaren je kod:

The more significant increase of particular segments of balance sheet was realized with:

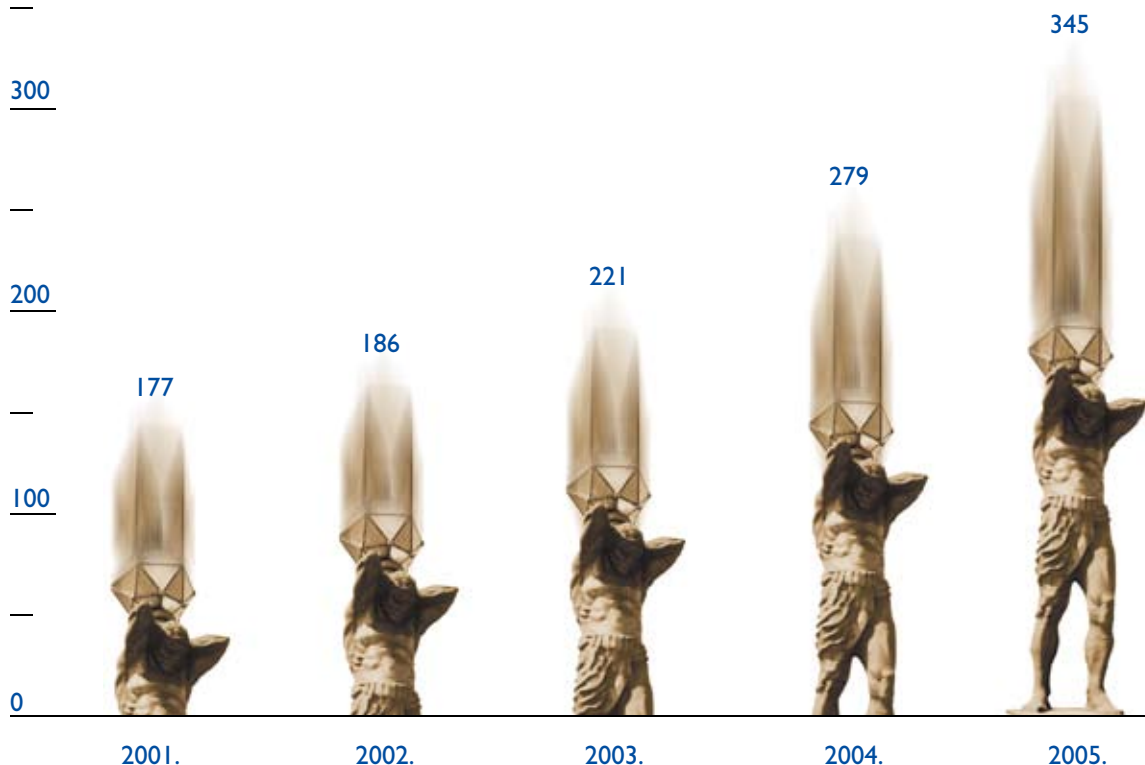
- nebankarskih depozita za 27%,
- novčanih sredstava za 36% i
- neto kredita klijentima za 16%.

- non-banking deposits by 27%
- cash assets by 36% and
- nett client credits by 16%.

U posljednjih pet godina bilansna suma ima stalni trend rasta.

In the last five years the balance sheet amount has had constant growing trend.

u mil. KM/milion KM



Kapital / Capital

Na dan 31.12.2005. godine Banka ima ukupan kapital u iznosu od 32,6 mil. KM, od čega se na dionički odnosi 20,5 mil. KM, rezerve 7,5 mil. KM i neto dobit ostvarenu u 2005. godini 4,6 mil. KM.

U septembru 2005. godine Nova Ljubljanska banka d.d., Ljubljana postala je većinski vlasnik Banke sa učešćem u dioničkom kapitalu od 84%.

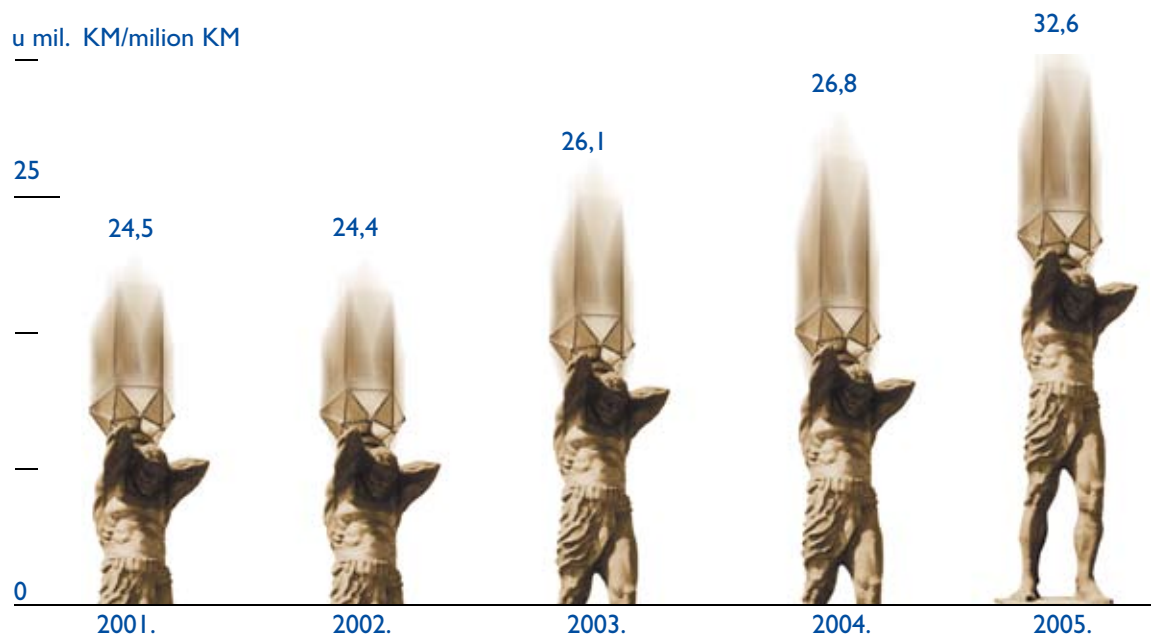
Ukupan kapital Banke:

On the day of 31. December 2005 Bank has the total capital in amount of 32,6 mil. KM from which the sharecapital is 20,5 mil. KM, reserves 7,5 mil. KM and nett profit realized in 2005. is 4,6 mil. KM.

In September 2005 Nova Ljubljanska Bank d.d., Ljubljana became the majority owner of the Bank with the share in shareholder equity of 84%.

Total capital of Bank is given in the following Table:

u mil. KM/milion KM



Pet najvećih dioničara Banke su: / Five greatest shareholders of Bank are:

% udjela
% share

Nova Ljubljanska banka d.d., Ljubljana	83,6
Mustafa Ibrić	7,8
Mubarek d.o.o. Lukavac	1,6
Almir Ibrić	1,6
Inter Impex d.o.o. Tuzla	1,2



Depoziti / Deposits

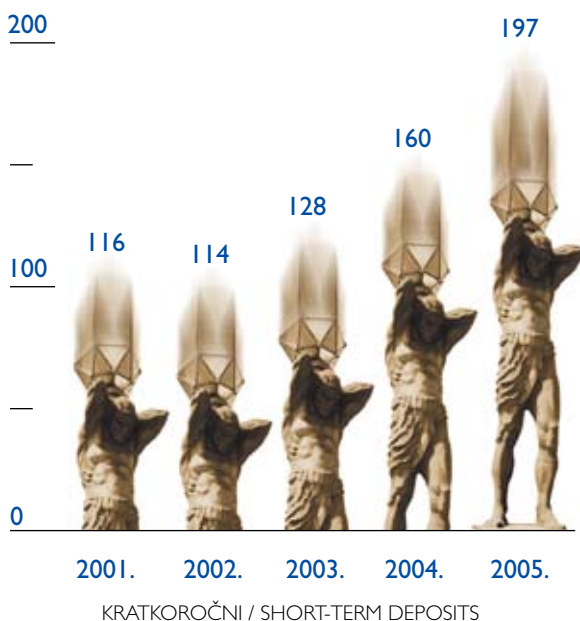
Da bi obezbijedila kvalitetne izvore, Banka je vodila intenzivne aktivnosti na animiranju novih depozitara, što je rezultiralo povećanjem nivoa depozita. Ukupni depoziti na dan 31.12.2005. godine iznose 268,5 mil. KM i u odnosu na kraj prethodne godine povećani su za 58,1 mil. KM. U posljednje četiri godine ovi izvori imaju stalni trend rasta.

U toku 2005. godine nastavila su se pozitivna kretanja u ročnoj strukturi depozita u korist dugoročnih. Na taj način učešće oročenih depozita preko godinu dana u ukupnim depozitima povećano je na 27%. Depozite Banke čine sredstva pravnih i fizičkih lica u omjeru 63:37.

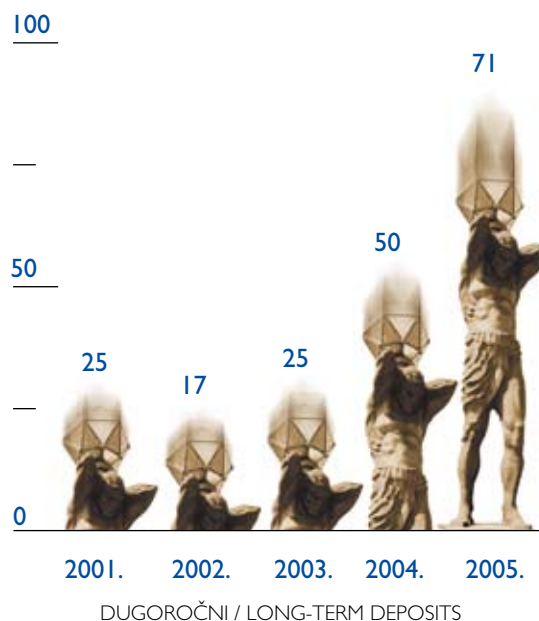
In order to provide the qualitative sources, Bank was carrying out the intensive activities in attracting new depositors that resulted in increasing the level of deposits. Total deposits on the day of 31. December 2005 are 268,5 mil. KM and compared to the end of last year they are increased by 58,1 mil. KM. For the last four years these sources have had constant growing trend.

During 2005. the positive trend continued in term structure of deposits in favour of long-term ones. In that way the participation of fixed-term deposits over one year was increased by 27% in total deposits. The Bank deposits consist of assets of legal and physical entities in ratio of 63:37.

u mil. KM/milion KM



u mil. KM/milion KM



u mil. KM/milion KM

Godine / Years	2001.	2002.	2003.	2004.	2005.
Ukupni depoziti / Total deposits	141	131	153	210	268

Plasmani / Lending

Ukupni plasmani na dan 31.12.2005. godine dostigli su nivo od 336,7 mil. KM što predstavlja porast od 63,1 mil. KM ili 23%. Najveće učešće u ukupnim plasmanima imaju kreditni plasmani.

U oblasti kreditiranja posebna pažnja je bila usmjerena na povećanje nivoa kredita i poboljšanje kvaliteta aktive. Pri odobravanju kredita prioritet je dat fizičkim licima, te malim i srednjim profitabilnim firmama. Na taj način je povećana disperzija rizika i poboljšana naplata potraživanja.

Sredstva su usmjeravana bonitetnim korisnicima i to pravnim i fizičkim licima. Banka je pravnim licima plasirala kredite za obrtna sredstva, povećanje izvoza i razvoj novih profitabilnih programa.

U cilju finansiranja razvojnih projekata pravnih i fizičkih lica obezbijedeno je i nekoliko kreditnih linija iz sredstava Nove Ljubljanske banke, LHB banke, Investicijske banke Federacije BiH i Kantonalne agencije za privatizaciju.

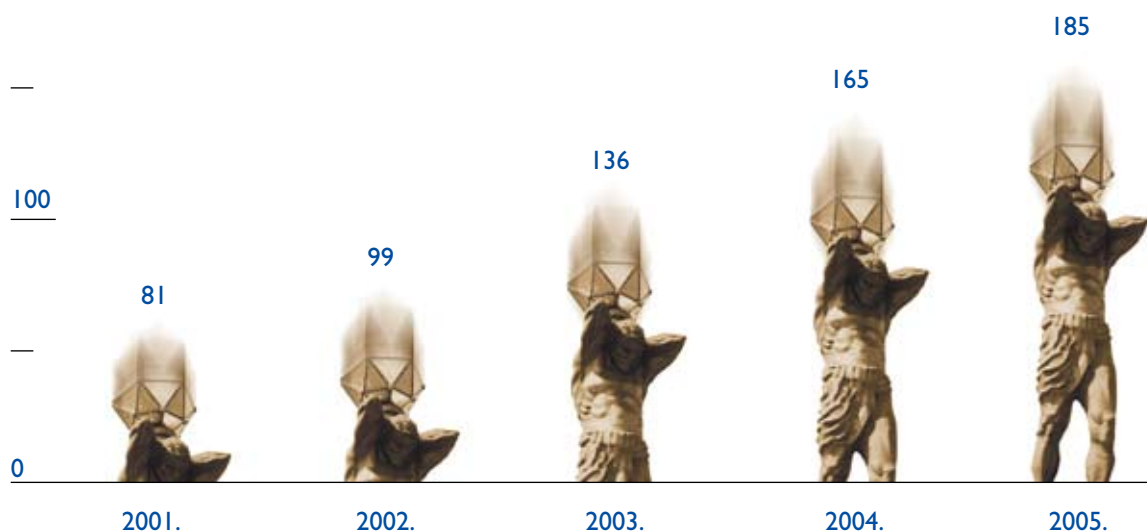
Total lending on the day of 31. December 2005. reached the level of 336,7 mil. KM being the increase by 63,1 mil. KM or 23%. Credits have the greatest participation in total lending.

As for the crediting, special attention was given to increase of credit level and improving the quality of assets. Physical entities, small and average profitable companies had priority in credit granting. In that way the risk spread was increased and collecting of receivables was improved.

The funds were given to the solvent beneficiaries, both to legal and physical entities. Bank granted the credits to legal entities for working assets, increase of export and development of new profitable programmes.

For the purpose of financing developing projects of legal and physical entities, some credit lines were provided from the funds of Nova Ljubljanska Bank, LHB bank, Investment bank of Federation BiH and Cantonal agency for privatization.

200 Krediti / Credits u mil. KM/milion KM



Poslovni rezultat / Bussines results

Banka je tokom 2005. godine ostvarila bruto dobit u visini od 5 mil. KM.

Kamatni prihodi predstavljaju najveći izvor prihoda za Banku. U posmatranom periodu ostvareni su u iznosu od 15,4 mil. KM, što je za 12% više u odnosu na isti period prošle godine. Najveći prihod od kamata ostvaren je po osnovu kredita datih pravnim i fizičkim licima.

Kamatni rashodi ostvareni su u iznosu od 5,9 mil. KM i povećani su za 44% u odnosu na 2004. godinu. U okviru ove stavke rashoda, 79% se odnosi na kamate koje Banka obračunava na primarne izvore, odnosno depozite pravnih i fizičkih lica.

Kamatna marža iznosi 9,5 mil. KM i na istom je nivou kao prethodne godine.

Prihodi od naknada ostvareni su u iznosu od 10,4 mil. KM i najveći dio odnosi se na naknade od poslova platnog prometa i poslova sa stanovništvom (8,2 mil. KM).

Rashodi po naknadama iznose 1 mil. KM. Najveći dio ovih rashoda odnosi se na plaćanje bankarskih usluga, te usluga bankarskim institucijama (CB BiH, FBA, SWIFT, BamCard i sl).

Ostali neto prihodi ostvareni su iz poslovanja sa devizama i naplate potraživanja.

Operativni troškovi iznose 14,5 mil. KM i sastoje se iz: troškova zaposlenih u iznosu od 7,5 mil. KM, opštih i administrativnih troškova u iznosu od 6,4 mil. KM i amortizacije u iznosu od 0,6 mil. KM.

Banka je u posljednjih pet godina ostvarivala pozitivan bruto finansijski rezultat.

During 2005 Bank realized gross profit in amount of 5 mil. KM.

Interest income is the greatest source of income for the Bank. In observed period they were realized in amount of 15,4 mil. KM being by 12% higher than in the same period of last year. The greatest receipts from interest were realized on base of credits given to legal and physical entities.

Expenses from interest were realized in amount of 5,9 mil. KM being by 44% higher than in 2004. Within these expenses 79% refer to the interest calculated by Bank on primary sources respectively deposits of legal and physical entities.

The interest margin is 9,5 mil. KM being on the same level as in previous year.

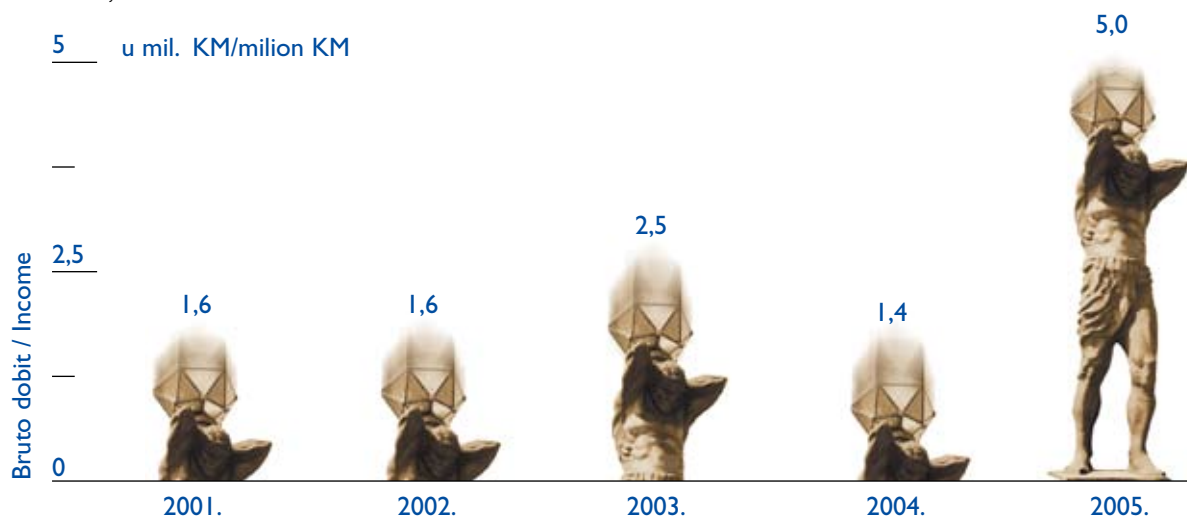
The fee earnings were realized in amount of 10,4 mil. KM and the greatest part refers to the fees in money transfers and population operations (8,2 mil. KM).

The fee expenses are 1,0 mil. KM. The greatest part of these expenses refers to payment of bank services and services to bank institutions (CB BiH, FBA, SWIFT, BamCard etc.).

Other nett earnings were realized from operations with foreign currencies and by collection of receivables.

Operating costs are 14,5 mil. KM consisting of: costs of the employees in amount of 7,5 mil. KM, general and administrative costs in amount of 6,4 mil. KM and depreciation in amount of 0,6 mil. KM.

Bank has realized positive gross financial result in last five years.



Informacioni sistemi / Information system

Tokom 2005. godine obavljani su poslovi na dogradnji i razvoju informaciono-komunikacione podrške poslovanju Banke. Neke od značajnijih aktivnosti koje su završene u posmatranom periodu su sljedeće:

- proširena je mreža bankomata i POS uređaja (nabavljeno je 5 novih ATM uređaja koji su postavljeni u Tuzli (2), Lukavcu, Kalesiji i Banovićima. Na ovaj način u sistemu BamCard mreže se nalazi 13 bankomata Banke,
- izvršena je nabavka IBM DataStorage DS4300 i dva servera (aplikativni i DataBase), koji omogućavaju brz i neometan rad velikog broja korisnika prijavljenih na bazu,
- izvršena je nabavka, instalacija i distribucija 50 IBM PC-a, koji će omogućiti nesmetan rad na novoj softverskoj platformi ABACUS, kao i backup serveri za SWIFT i RTGS. Osim ovoga, nabavljen je i server za Pilot projekt testiranja ABACUS aplikacije,
- unaprijeđen je sistem neprekidnog napajanja povezivanjem postojećih UPS-ova,
- pušten je u rad modul za procesiranje deviznih platnih naloga u okviru elektronskog bankarstva za pravna lica,
- u okviru telefonskog bankarstva, koje već duže vrijeme pruža usluge za pravna lica, omogućeno je pružanje usluga i za fizička lica, koja na ovaj način imaju uvid u stanje i promete računa, kursne liste, te kroz pristup operateru mogu realizovati platne naloge.

During 2005 the works of extensibility and development of information-communication support to Bank operations were made. Some of the more important activities completed in observed period are as follows:

- enlarged network of automatic teller machines and POS (5 new ATM were purchased and installed in Tuzla(2), Lukavac, Kalesija and Banovići. Thus there are 13 automatic teller machines of Bank in BamCard system,
- IBM DataStorage DS4300 and two servers (applicative and DataBase) were purchased allowing fast and undisturbed work of great number of users registered to the base,
- purchase, installation and distribution of 50 IBM PC were made allowing undisturbed work on new software platform ABACUS and backup servers for SWIFT and RTGS. In addition, a server for Pilot project of testing ABACUS application was purchased,
- system of constant supply was improved by connecting the existing UPS-s,
- module for processing the foreign currency orders was put into operation within the electronic banking for legal entities,
- within telephone banking which has been providing services to legal entities for longer period of time, the services can also be provided to physical entities who in this way may see the statement and trade of accounts, exchange rate lists and by access to operator may realize payment orders.



Kadrovi / Personnel

Banka na dan 31.12.2005. godine ima 332 zaposlenika od čega 126 radi u direkcijama, a 206 u filijalama.

U cilju održavanja i poboljšanja razine kvaliteta usluga koje Banka pruža svojim klijentima kontinuirano se vrši eksterna i interna obuka i educiranje zaposlenika Banke na svim nivoima. Najveći broj internih seminara obavljen je u oblasti unapređenja prodaje usluga Banke sa posebnim naglaskom na kartično poslovanje i oblast koja reguliše načine sprečavanja pranja novca.

Zaposlenici Banke su prisustvovali svim simpozijima, seminarima i savjetovanjima koji su organizovani od strane stručnih institucija.

On the day of 31. December 2005 there are 332 employees at Bank, 126 working in head offices and 206 in the branch offices.

In order to maintain and improve the quality level of services provided by Bank to the clients, external and internal training and education of the Bank employees on all levels are continuously made. The greatest number of internal seminars was held in sale improvement of Bank services with special emphasis on card operations and how to regulate the ways in preventing the money laundering.

Bank employees were present at all symposiums, seminars and counselling organized by professional institutions.



Lista korespondenata / Correspondent Banks

Zemlja/Country	Korespondent / Correspondent Banks	SWIFT	Račun / Account	Valuta / Currency
AUSTRIJA / AUSTRIA				
	Bank Austria Creditanstalt Wien	BKAUATWW	0101-66031/00	EUR
	Raiffeisen Zentralbank Osterreich AG	RZBAATWW	55.032.544	EUR
	Adria bank AG Wien	ABAGATWW	02 000020867 180	EUR
BELGIJA / BELGIUM				
	ING Belgium SA/NA Bruxelles	BBRUBEBB	3010102451-03-978	EUR
	KBC Bank Bruxelles	KREDBEBB	488-5917219-59	EUR
BUGARSKA / BULGARIA				
	West East Bank AD Sofia	WEBKBGSF	1903053605	EUR
HRVATSKA / CROATIA				
	Zagrebačka banka DD Zagreb	ZABAH2X	1690000136-191 2690000198-currency	HRK
ITALIJA / ITALY				
	Nova Ljubljanska banka d.d., Trieste	LJBAIT2T	2742055/98	EUR
MAKEDONIJA / MACEDONIA				
	Tutunska banka AD Skopje	TUTNMK22	0710-6000070-978	EUR
NJEMAČKA / GERMANY				
	Deutsche Bank AG Frankfurt/M	DEUTDEFF	936272405 936272410	USD EUR
	LHB Internationale Handelsbank	LHBIDEFF	9791302 9791013	USD EUR
SLOVENIJA / SLOVENIA				
	Nova Ljubljanska banka d.d., Ljubljana	LJBASI2X	900-81801-705-4010/64 900-7011-currency-4010/64	SIT
	Nova Kreditna banka Maribor	KBMASI2X	7010-06389/4-978 7010-06389/4-840 81800-06389/4-705	EUR USD SIT
	Banka Celje d.d., Celje	SBCESI2X	4500393-978	EUR
SRBIJA I CRNA GORA SERBIA AND MONTENEGRO				
	Continental banka AD Novi Sad	CONACS22	54300-0073100000676	EUR
	NLB Montenegro banka AD Podgorica	MNBACS22	230900-0053100050575	EUR

**Finansijski izvještaji pripremljeni u skladu sa Računovodstvenim
standardima Federacije Bosne i Hercegovine**

Za godinu završenu 31. decembra 2005.



**Financial Statements prepared in accordance with
Accounting standards of Federation of Bosnia and Herzegovina**

For the year ended 31 December 2005



Izveštaj revizora

Dioničarima i Nadzornom odboru

Izvršili smo reviziju bilansa stanja Tuzlanske banke d.d. Tuzla na dan 31. decembra 2005. i povezanog bilansa uspjeha, promjena na kapitalu i izvještaja o gotovinskim tokovima za godinu koja je tada završila. Za izvještaje prikazane na stranama 3 do 31 odgovornost snosi menadžment Banke. Naša odgovornost je da izrazimo mišljenje o ovim finansijskim izvještajima na osnovu izvršene revizije. Finansijski izvještaji Banke za godinu završenu 31. decembra 2004. godine bili su revidirani od strane drugog revizora, koji je u svom izvještaju od 23. februara 2005. godine dao pozitivno mišljenje na finansijske izvještaje Banke.

Reviziju smo izvršili u skladu sa Međunarodnim standardima revizije. Ovi standardi zahtijevaju da planiramo i izvršimo reviziju tako da pribavimo dovoljno dokaza da u finansijskim izvještajima nema značajnog pogrešnog prikazivanja podataka. Revizija uključuje ispitivanja dokaza kojima se potkrepljuju iznosi i napomene uz finansijske izvještaje, na osnovu testiranja. Revizija takođe uključuje ocjenjivanje primijenjenih računovodstvenih principa i značajnih procjena učinjenih od strane rukovodstva. Smatramo da naša revizija obezbjeđuje adekvatnu osnovu za formiranje našeg mišljenja.

Po našem mišljenju, finansijski izvještaji prikazuju realno i objektivno finansijski položaj Banke na dan 31. decembra 2005. godine, rezultate njenih aktivnosti i njene gotovinske tokove za godinu koja je tada završila, u skladu sa Računovodstvenim standardima Federacije Bosne i Hercegovine.

Bez kvalifikacije našeg mišljenja želimo da ukažemo na bilješku 26 uz finansijske izvještaje, a koja se odnosi na proces privatizacije Tuzlanske banke d.d. Tuzla koja je provedena u 1998. godini. Nismo u mogućnosti da neovisno procijenimo rezultat Komisije Skupštine Tuzlanskog kantona i moguće efekte na poslovanje Banke.



PricewaterhouseCoopers doo Sarajevo
 Sarajevo, 24. februar 2006.

Report of the Auditors

To the Shareholders and the Members of the Supervisory Board

We have audited the accompanying balance sheet of Tuzlanska banka d.d. Tuzla as of 31 December 2005 and the related statements of income, changes in equity and cash flows for the year then ended. These financial statements set out on pages 3 to 31 are the responsibility of the Bank's management. Financial statements of Tuzlanska banka for the year ended 31 December 2004 were audited by other auditor, who expressed an unqualified opinion on the Bank's financial statements in the report issued on 23 February 2005.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the interim financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides 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 of 31 December 2005, and of the results of its operations and its cash flows for the period then ended in accordance with Accounting standards of the Federation Bosnia and Herzegovina.

Without qualifying our opinion, we draw attention to Note 26 to the financial statements regarding the privatisation process of Tuzlanska banka which occurred in 1998. We are not able to assess independently the outcome of the Commission of the Assembly of Tuzla Canton control and the effects on the Bank, if any.



PricewaterhouseCoopers d.o.o. Sarajevo
Sarajevo, 24 February 2006



Bilans uspjeha / Income Statement

Za godinu koja završava
31. decembra /
Year ended 31 December

	Napomena / Notes	2005.	2004.
Prihodi po kamatama / Interest income	4	15.391	13.728
Rashodi po kamatama / Interest expense	4	(5.856)	(4.079)
Neto kamatni prihodi / Net interest income		9.535	9.649
Prihod od poslovanja sa devizama / Income from foreign currency operations		1.216	1.142
Prihodi po naknadama / Fee and commission income		10.298	7.983
Ostali operativni prihodi / Other operating income		1.055	1.586
Operativni prihodi / Operating income	5	12.569	10.711
Troškovi rezervi za opšti kreditni rizik i potencijalne kreditne i druge gubitke / Cost of impairment provisions for credit risk and potential and other losses		(1.542)	546
Ostali poslovni i direktni troškovi / Other operating expenses		(1.602)	(1.224)
Poslovni i direktni troškovi / Operating and direct expenses	6	(3.144)	(678)
Operativni troškovi / Operating expenses	7	(13.960)	(18.240)
Dobit prije oporezivanja / Profit before tax		5.000	1.442
Porez / Income tax expense	8	376	154
Dobit za godinu / Net profit		4.624	1.288

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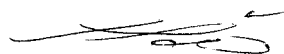
Bilans stanja / Balance Sheet

Za godinu koja završava
31. decembra /
Year ended 31 December

	Napomene / Notes	2005.	2004.
AKTIVA / ASSETS			
Novčana sredstva i računi kod Centralne banke / Cash and balances with Central Bank	9	93.851	63.766
Plasmani drugim bankama / Due from other banks	10	76.007	60.668
Kreditni komitentima / Loans and advances to customers	11	155.708	135.127
Vrijednosni papiri koji se drže do dospelosti / Debt investment held to maturity	12	1.840	1.047
Ulaganja raspoloživa za prodaju / Equity investments available-for-sale	13	1.365	1.326
Materijalna sredstva / Property and equipment	14	13.408	13.412
Nematerijalna sredstva / Intangible assets	15	173	218
Ostala aktiva / Other assets	16	2.901	3.640
Ukupna aktiva / Total assets		345.253	279.204
OBAVEZE / LIABILITIES			
Depoziti banaka / Due to other banks	17	9.585	6.688
Depoziti komitenata / Due to customers	18	258.927	203.746
Oboveze po uzetim kreditima i ostalim pozajmicama / Borrowings	19	36.958	35.206
Ostale obaveze / Other liabilities	20	6.080	4.680
Rezervisanja za potencijalne i preuzete obaveze / Provisions	21	1.039	844
Ukupne obaveze / Total liabilities		312.589	251.164
KAPITAL / SHAREHOLDER'S EQUITY			
Dionički kapital / Share capital		20.496	20.496
Zadržana dobit / Retained earnings		4.624	1.288
Zakonske rezerve / Statutory reserves		7.544	6.256
Ukupni kapital / Total shareholder's equity		32.664	28.040
Ukupni kapital i obaveze / Total equity and liabilities		345.253	279.204

Uprava Banke je odobrila prikazane finansijske izvještaje dana 24. februara 2006. te ih potpisuje: /

Board of Directors of the Bank has authorised these Financial Statements for issue on 24 February, 2006 signed by:


Almir Šahinpašić
Direktor / Director


Boris Ferković
Izvršni direktor Direkcije za podršku /
Executive Director of Support Unit

Svi iznosi izraženi su u hiljadama KM, osim ako nije drugačije naznačeno / All amounts are in KM thousands unless otherwise stated

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Izvještaj o promjenama kapitala

Statement of changes in equity

	Dionički kapital Share capital	Rezerve Statutory reserves	Dobit Retained earnings	Ukupno kapital Total equity
Stanje na dan 1. januara 2004. godine / Balance at 1 January 2004	17.675	5.986	2.391	26.052
Raspodjela dobiti za 2003. godinu / Allocation of profit for 2003	-	2.391	(2.391)	-
Povećanje dioničkog kapitala iz vlastitih sredstava - rezervi / Increase of shareholder's equity from reserves	2.121	(2.121)	-	-
Povećanje dioničkog kapitala izdavanjem V emisije dionica putem zatvorene prodaje / Increase of shareholder's equity by V emission of shares by private placement	700	-	-	700
Neto dobit za 2004. godinu / Net profit for the year 2004	-	-	1.288	1.288
Stanje na dan 31. decembra 2004. godine / Balance at 31 December 2004	20.496	6.256	1.288	28.040
Stanje na dan 1. januara 2005. godine /	20.496	6.256	1.288	28.040
Raspodjela dobiti za 2004. godinu / Allocation of profit for 2004	-	1.288	(1.288)	-
Neto dobit za 2005. godinu Net profit for the year 2005	-	-	4.624	4.624
Stanje na dan 31. decembra 2005. godine Balance at 31 December 2005	20.496	7.544	4.624	32.664

Kapital Banke se sastoji od 146.217 običnih dionica oznake TZLBRK2 i 182 preferencijalne dionice oznake TZLBPK2, nominalne vrijednosti od 140 KM (2003. g. 141.217 običnih dionica i 182 preferencijalne dionice nominalne vrijednosti od 125 KM). Nominalna vrijednost pojedinačne dionice iznosi KM 140 ili ukupno 20.496 hiljada KM.

The Bank's share capital consists of 146.217 ordinary shares, marked as TZLBRK2 and 182 preferential shares marked as TZLBPK2, of par value of KM 140 each (in 2003, 141.217 ordinary shares and 182 preferential shares of par value of KM 125 each), being KM 20.496.000 in total.

Zakonske rezerve predstavljaju dodatni dio kapitala izdvojen iz neto dobiti.
Statutory reserves represent additional capital set aside by appropriation from net income.

Izveštaj o novčanom toku

Cash flow Statement

Za godinu koja završava
31. decembra /
Year ended 31 December

	2005	2004
Neto dobit / Net (loss)/profit	4.624	1.288
Usklađenje na neto gotovinu ostvarenu poslovnim aktivnostima: / Operating activities		
Adjustments for:		
Amortizacija / Depreciation	569	1.084
Ukalkulisana rezervisanja – neto / Additions to (release of) provisions – net	1.542	(546)
Promjene u sredstvima i izvorima: / Changes in assets and liabilities:		
Otpis kredita, kamate, ostale aktive i potencijalnih obaveza / Write off of loans, interest, other assets and potential liabilities	(972)	(555)
Povećanje obavezne rezerve kod Centralne banke BiH / Increase of obligatory reserve with the Central Bank	(20.316)	(13.611)
Povećanje plasmana bankama, prije rezervisanja / Increase of placements with banks, before provisioning	(15.339)	-
Neto povećanje kredita klijentima, prije rezervisanja / Net increase of loans to customers, before provisioning	(21.148)	(21.321)
Neto povećanje potraživanja za obračunatu kamatu, prije rezervisanja / Net increase of receivables for accrued interest and other assets, before provisioning	948	(125)
Povećanje ostale aktive, prije rezervisanja / Increase of due to the banks	2.897	(1.861)
Povećanje obaveza prema klijentima / Increase of due to customers	55.181	51.297
Povećanje/ (Smanjenje) ostale pasive / Increase/(Decrease) of other liabilities	1.400	1.531
Neto gotovina korištena u poslovnim aktivnostima / Net cash used in operating activities	9.386	17.181
Ulagačke aktivnosti: / Investing activities		
Kupovina vrijednosnih papira koji se drže do dospelja / Acquisition of investment securities held to maturity	(809)	(813)
(Kupovina)/ Prodaja ulaganja, prije rezervisanja / Acquisition/(Sale) of investments in equity, before provisioning	(40)	(3)
Kupovina dugotrajne materijalne i nematerijalne imovine / Acquisition of long-term fixed and intangible assets	(541)	(339)
Prodaja dugotrajne materijalne i nematerijalne imovine - neto / Sale of long-term fixed and intangible assets – net	22	2.342
Umanjenje po RS 36 – neto / Decrease according to AS 36 – net	-	3.689
Neto gotovina ostvarena/ (korištena) u ulagačkim aktivnostima / Net cash realised/(used) in investing activities	(1.368)	4.876
Finansijske aktivnosti: / Financing activities		
Povećanje obaveza po kreditima / Increase of borrowings	1.752	3.416
Povećanje kapitala emisijom dionica / Increase of share capital by new share issue	-	700
Neto gotovina ostvarena u finansijskim aktivnostima / Net cash (used in) financing activities	1.752	4.116
Povećanje gotovine i računa kod banaka / Increase of cash and cash equivalents	9.770	26.173
Početno stanje gotovine i računa kod banaka / Opening balance of cash and cash equivalents	40.778	75.273
Konačno stanje gotovine i računa kod banaka / Closing balance of cash and cash equivalents	50.547	101.446

Svi iznosi izraženi su u hiljadama KM, osim ako nije drugačije naznačeno / All amounts are in KM thousands unless otherwise stated

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Napomene uz Finansijske izvještaje

Notes to the Financial Statements

I. Opšte informacije

Tuzlanska Banka d.d. Tuzla, Bosna i Hercegovina, Tuzla, 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 – prethodna banka, razdvojila na 9 različitih banaka. Tokom 1998. godine, većina vlasništva u Banci je privatizirana. Proces privatizacije okončan je u novembru 2000. godine.

Banka je registrovana kod Kantonalnog suda u Tuzli, posljednjim Rješenjem broj: U/I-1128/04, dana 9. avgusta 2004. godine, s upisanim temeljnim (osnovnim) kapitalom u iznosu od KM 20.495.860, koji je upisan u registar kod Komisije za vrijednosne papire FBiH, Rješenjem broj: 03-19-313/04 od 28. juna 2004. godine i prijavljen Registru vrijednosnih papira FBiH.

Počev od 4. 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 direktorom Banke.

Tuzlanska banka d.d. Tuzla (Banka) je dioničko društvo konstituirano u Federaciji Bosne i Hercegovine. U glavne aktivnosti Banke spadaju bankarske usluge za stanovništvo i pravne osobe.

Od 08.09.2005. Nova Ljubljanska banka je postala vlasnik 83,54% dioničkog kapitala Tuzlanske banke.

I. General Information

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 of the Bank was privatized. Privatization process was finished in November 2000.

The bank is registered at the Cantonal court in Tuzla, the last decree number: U/I-1128/04, dd 9 August 2004, with subscribed capital of KM 20,495,860 and it is also registered by F BiH Security Commission under number 03-19-313/04 dd 28 June 2004 and registered by the F BiH Registry of Securities.

The Bank took participation in deposit insurance program since 1 September 2003 and has Membership Certificate issued by the 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.

Tuzlanska banka d.d. (hereinafter: "the Bank") is licensed to perform all banking activities in accordance with the law.

Tuzlanska banka d.d. is a joint stock company incorporated in the Federation of Bosnia and Herzegovina. The main activities of the Bank are retail and corporate banking.

Dioničari Banke su: / Shareholder's of the Bank were as at:

	31.12.2005		08.09.2005	
	Iznos / Amount	%	Iznos / Amount	%
Nova Ljubljanska Banka d.d., Ljubljana	17.122	83,54	-	-
Ibrić Mustafa	1.590	7,76	-	-
Mubarek d.o.o. Lukavac	321	1,57	-	-
Ibrić Almir	321	1,57	-	-
Inter-Impex d.o.o. Tuzla	255	1,24	-	-
Mapex d.o.o. Živinice	118	0,58	-	-
P.R.V.I. Ljiljan Živinice	70	0,34	-	-
Solana d.d. Tuzla	61	0,30	511	2,49
Gianfranco Nessi, Lugano, Swiss	43	0,21	43	0,21
Ibrić Hamzalija	2	0,01	467	2,28
Jata d.o.o. Srebrenik	-	-	3.569	17,41
Highway Construction Company Sarajevo	-	-	1.821	8,89
Student & CO Arex d.o.o. Gradačac	-	-	848	4,14
Ecoinvest d.o.o. Brčko	-	-	698	3,41
CPA d.o.o. Tojšići	-	-	678	3,31
Humić Midhat	-	-	675	3,29
Hanić Adem	-	-	522	2,55
Ostali / Others	593	2,9	10.664	52,02
Ukupno / Total	20.496	100	20.496	100

Tuzlanska banka d.d. Tuzla (dalje u tekstu "Banka") je licencirana da obezbijedi sve bankarske aktivnosti u skladu sa zakonom.

Osnovne djelatnosti Banke su kako slijedi:

1. Primanje svih vrsta novčanih depozita
2. Davanje i uzimanje kredita
3. Davanje svih oblika novčanog jemstva
4. Kupovina i prodaja strane valute
5. Gotovinske transakcije na međubankarskom tržištu
6. Platni promet u zemlji i inostranstvu
7. Kartičarsko poslovanje.

Banka ima Centralni ured u Tuzli i filijale u Banovićima, Bijeljini, Brčkom (sa ekspoziturom Rahić), Čeliću,

Tuzlanska banka d.d. (here in after: "the Bank") is licensed to perform all banking activities in accordance with the law.

Bank's main operations are as follows:

- 1) Receiving and placing of deposits
- 2) Making and purchasing of loans
- 3) Extending of all kinds of guarantees
- 4) Buying and selling foreign currencies
- 5) Cash transactions on 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, Bijeljina, Brčko (with branch office Rahić), Čelić, Doboj Istok, Gračanica, Gradačac, Kalesija,

Doboj Istoku, Gračanici, Gradačcu, Kalesiji, Kladnju, Lukavcu, Orašju (sa ekspoziturom Odžak), Sapni, Sarajevu, Srebreniku, Teočaku, Tuzli i Živinicama.

Sjedište Banke je na sljedećoj adresi:
Ulica Maršala Tita 34,
75000 Tuzla
Bosna i Hercegovina

Zaposleni

Na dan 31. decembra 2005 Tuzlanska banka d.d. Tuzla je zapošljavala 332 osobe (2004: 343 osobe).

Nadzorni odbor

Predsjednik	Matej Narat
Član	Ibrahim Morankić
Član	Andrej Flis
Član	Milan Marinič
Član	Suzana Žmavc

Odbor za reviziju

Predsjednik	Metka Turk
Član	Vanja Jurjevič
Član	Marjeta Zver Cankar
Član	Mirjam Štebe
Član	Ivan Pirc

Direktori

Upravu banke čine direktori i izvršni direktori. Na dan 31. decembra 2005. godine sastav Uprave je sljedeći:

Direktor	Almir Šahinpašić
Izvršni direktor Direkcije plana, razvoja i kadrova	Edim Sarihodžić
Izvršni direktor Direkcije plasmana	Jusuf Džafić
Izvršni direktor Direkcije poslovne mreže	Dijana Olić
Izvršni direktor Direkcije sredstava i platnog prometa	Nadija Trešnjo
Izvršni direktor Direkcije za podršku	Boris Ferković

Kladanj, Lukavac, Orašje (with branch office Odžak), Sapna, Sarajevo, Srebrenik, Teočak, Tuzla and Živnice.

The address of its registered office is as follows:
Maršala Tita 34,
75000 Tuzla
Bosnia and Herzegovina

Employees

As of 31 December 2005 Tuzlanska banka d.d. Tuzla employed 332 persons (2004: 343 persons).

Supervisory Board

President	Matej Narat
Member	Ibrahim Morankić
Member	Andrej Flis
Member	Milan Marinič
Member	Suzana Žmavc

Audit Committee

President	Metka Turk
Member	Vanja Jurjevič
Member	Marjeta Zver Cankar
Member	Mirjam Štebe
Member	Ivan Pirc

Directors

Management of the Bank consists of Director and Executive directors. As at 31 December 2005, Management includes

Director	Almir Šahinpašić
Executive Director of Unit for planning, development and personnel	Edim Sarihodžić
Executive Director of Unit for loan placements	Jusuf Džafić
Executive Director of Unit for operations activities network	Dijana Olić
Executive Director of Funding Unit and internal payment system	Nadija Trešnjo
Executive Director of Support Unit	Boris Ferković

Glavni interni revizor
Sekretar Banke

Himzija Talović
Vesna Hogić

Head internal auditor
Secretary of the Bank

Himzija Talović
Vesna Hogić

2. Računovodstvene politike

Glavne računovodstvene politike korištene u pripremi finansijskih izvještaja navedene su u nastavku.

2.1 Osnove pripreme finansijskih izvještaja

Finansijski izvještaji Tuzlanske banke d.d. Tuzla su pripremljeni u skladu sa Zakonom o računovodstvu i reviziji Federacije Bosne i Hercegovine i izraženi su u Konvertibilnim markama (KM).

Agencija za bankarstvo FBiH je izvršila obiman supervizijski pregled poslovanja Tuzlanske banke u periodu od 29.06. do 29.07.2005. za period završen na dan 31.03.2005.

Centralna banka Bosne i Hercegovine provodi politiku kursa na principu "currency board"-a prema kojemu je KM vezana za Euro u odnosu 1:1,95583.

Ovi finansijski izvještaji pripremljeni su primjenom konvencije istorijskog troška, usklađenog za revalorizaciju finansijske imovine raspoložive za prodaju i finansijskih obveza koje se drže za trgovanje.

Dalje informacije su pojašnjene u računovodstvenim politikama i relevantnim napomenama uz finansijske izvještaje.

2.2 Strane valute

Sredstva i obaveze izražene u stranim valutama su preračunate u konvertibilne marke po zvaničnom srednjem kursu Centralne banke Bosne i Hercego-

2. Accounting policies

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

2.1 Basis of presentation

The financial statements of Tuzlanska banka d.d. - Tuzla have been prepared in accordance with the Decisions of Banking Agency of Federation of Bosnia and Herzegovina ("FBA") and are stated in Konvertibilna Marka (KM).

FBA performed general supervision review of Tuzlanska bank dd Tuzla in the period from 29th June to 29th July covering the period ended 31st March 2005.

Central Bank of Bosnia and Herzegovina has implemented a currency board arrangement, aligning KM to Euro at an exchange rate of Euro 1: KM 1,95583.

These financial statements have been prepared under the historical cost convention as modified by the revaluation of available-for-sale financial assets to fair value.

Further information is disclosed in accounting policies and related notes to the financial statements.

2.2 Foreign currencies

Assets and liabilities denominated in foreign currency are translated into KM at exchange rates ruling at the balance sheet date. Transactions denominated in foreign currency are translated into KM at the exchange rates valid at the date of the transactions. Gains and

vine. Rezultati izraženi u stranim valutama su preračunati po preovladavajućim kursovima na dan transakcije i evidentirani su u bilansu uspjeha. Kursevi koji se koriste u finansijskim izvještajima su zvanični kursevi utvrđeni od strane Centralne banke BiH. Na dan 31. decembra 2005. godine kursevi su slijedeći:

Kurs:	31. decembra 2005.	31. decembra 2004.
	KM	KM
USD	1,657905	1,437687
EUR	1,955830	1,955830

2.3 Prihodi i rashodi od kamata

Prihodi i rashodi od kamata iskazuju se u bilansu uspjeha za sve kamatonosne instrumente po načelu obračunatih kamata. Prihod od zateznih kamata evidentira se po obračunu.

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. Za komitente klasifikovane u rizičnu skupinu C, D i E vrši se suspenzija kamate i daljnji obračun vrši se u vanbilansu u skladu sa Odlukama Agencije za bankarstvo FBiH.

2.4 Naknade i provizije

Naknade i provizije se iskazuju po obračunskoj osnovi po pružanju usluge Komitentu.

Prihodi od naknada i provizija podrazumijeva sve prihode ostvarene pružanjem usluga komitentima Banke. Naknade i provizije koje nisu naplaćene u roku od 90 dana se suspenduju i priznaju se u bilansu uspjeha po naplati.

Troškovi po naknadama i provizijama se priznaju u periodu kada su nastali.

losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

Exchange rate:	31 December 2005	31 December 2004
	KM	KM
USD	1,657905	1,437687
EUR	1,955830	1,955830

2.3 Interest income and expense

Interest income and expense are recognised in the income statement for all interest bearing instruments on an accrual basis. Penalty interest is accounted for on accrued 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.

2.4 Fee and commission income

Fees and commissions are generally recognised on an accrual basis when the service has been provided. Fee and commission income are recognized for all services provided to clients. Fee and commission which are collected in period of 90 days are suspended from B/S and recognized in P/ L in moment of collection. Fee and commission expense are recognised in period when they occurred.

2.5 Equity investment in non consolidated companies

The Bank has a share in legal entities which is recognized at cost. They are carried at fair value, being market value at the liquid stock exchange. Fair value of shares for which fair value cannot be reliably measured

2.5 Ulaganja

Banka ima udjel u pravnim licima koja se priznaju prema trošku sticanja, a iskazuju po metodi udjela. Promjena bančinog udjela u neto imovini pravnog lica iskazuje se u bilansu uspjeha. Fer vrijednost vrijedonosnica koje ne kotiraju na berzi je zasnovana na trošku.

2.6 Vrijednosni papiri držani do dospijea

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

2.7 Plasirani zajmovi i smanjenja do fer vrijednosti

Stručne službe prate dospelost potraživanja, ažuriraju - preknjižavaju potraživanja po kategorijama i dužne su da najmanje jednom kvartalno izvrše klasifikaciju u skladu sa propisima FBA.

Posebne rezerve za kreditne gubitke formiraju se pojedinačno po svakom korisniku kvartalno po kategorijama klasifikovane aktive na slijedeći način:

kategorija B - aktiva sa posebnom napomenom 5 -15%
kategorija C - podstandardna aktiva 16 - 40%
kategorija D - sumnjiva aktiva 41 -60%
kategorija E - gubitak 100%

Kada se izlaganje Banke jednom kreditnom riziku ne može decidno odrediti stručne službe su dužne da izvrše izbor strožije kategorije, osim u slučaju kada

(unquoted or insignificantly traded shares) are carried at cost less impairment.

2.6 Investments 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 them to maturity. This portfolio comprises bills of exchange. In accordance with the Decisions of FBA the Bank recognized general loss provisions for investments held to maturity.

2.7 Loans and provisions for loan impairment

The Bank monitors the maturity of receivables, allocates receivables to quality categories and is obliged to perform classification at least once quarterly in accordance with the regulations of FBA.

Special provisions for loan impairment are created each quarter individually for each debtor by categories of classified assets in the following way:

Category B – Special mentioned assets 5 – 15%
Category C – Substandard assets 16 - 40%
Category D – Doubtful assets 41 – 60%
Category E – Loss 100%.

When the Bank's exposure to a loan risk cannot be precisely determined, the Bank is obliged to choose the stricter category, unless it possesses regularly documented and solid evidence for the opposite.

The Bank is obliged to derecognise from the balance sheet and transfer off-balance all asset items classified as category E immediately at the moment of classification, at full value.

All uncollected receivables more than 270 days past due are also closed by full provision and recorded to

raspoložu uredno dokumentovanim i čvrstim dokazom za suprotno.

Stručne službe su dužne da, stavke aktive klasifikovane u kategoriju "E" odmah u trenutku klasifikacije u cijelosti isknjiže iz bilansa i prenesu u vanbilansnu evidenciju.

Sva nenaplaćena potraživanja starija od 270 dana zatvaraju se rezervacijom i za ista se otvaraju vanbilansne evidencije, ali to ne predstavlja konačan otpis, nego se i dalje poduzimaju sve raspoložive mjere naplate. Za sva potraživanja klasifikovana u kategoriju "E" stručne službe su dužne odmah podnijeti tužbu sudu, ukoliko tužba nije podnesena u ranijem periodu.

U sudskom postupku naplate dospjelih potraživanja prodajom založene i druge imovine dužnika, Banka može radi potpune ili djelimične naplate potraživanja od ovih dužnika izvršiti kupovinu imovine koja je predmet prodaje u sudskom postupku.

Imovinu iz prethodnog stava Banka stiče privremeno i neće je koristiti u svom redovnom bankarskom poslovanju. Privremeno stečena imovina vodi se vanbilansno po kupovnoj cijeni do njene konačne prodaje.

Konačan otpis potraživanja po plasmanima provodi se samo na osnovu posebne odluke Nadzornog odbora ili direktora Banke.

Ukoliko se naplati potraživanje za koje je prethodno izvršena rezervacija, naplaćeno potraživanje se knjiži kao operativni prihod.

2.8 Materijalna 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

off-balance. That does not represent the final write-off, but all available measures for collection are performed. For all receivables

Classified as category E, the Bank is obliged to bring charges against the debtor immediately, if the charges weren't brought previously.

During the period of court procedure of collection of due receivables by sales of the assets pledged by the debtor or other assets, in order to fully or partially collect receivables from these debtors, the Bank has the right to purchase the assets which are subject of sales in the court procedure.

The Bank obtains assets from the above process on a temporary basis and they are not used in regular banking operations. These temporarily acquired assets are recorded off-balance sheet at cost until its final sales.

The final write-off of loan receivables is performed only on the basis of special decision of the Supervisory Board of the Bank.

If previously provisioned receivables are collected, they are booked as an operating income.

2.8 Property and equipment

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:

Buildings	1,3 %
Computers	25 %

i imovina u pripremi se ne amortiziraju. Primijenjene stope za obračun amortizacije su kako slijedi:

Građevine	1,3 %
Računari	25 %
Transportna sredstva	15,5 %
Namještaj i ostala uredska oprema	6 – 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 umanjavanja 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 relavorizacije, 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.

2.9 Nematerijalna imovina

Nematerijalna imovina se sastoji od kompjuterskih softvera i licenci. Inicijalni trošak pribavljanja nematerijalnog sredstva se priznaje kao sredstvo i amortizuje se linearnom metodom po stopi od 20 % tokom svog vijeka trajanja, koji ne prelazi 5 godina.

2.10 Novac i novčani ekvivalenti

Za potrebe izvještaja o novčanom toku, novac i novčani ekvivalenti sadrže stanja kojima je ugovoreno dospijeće manje od 90 dana: novac i stanja na računima kod Cen-

Vehicles	15.5 %
Furniture and other office equipment	6 – 20 %

Leasehold improvements are capitalized 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 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 recognized as an expense. When an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognized 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.

2.9 Intangible assets

Intangible assets consist of computer software and licences. The initial cost of acquiring the intangible asset is recognised as an asset and amortised on a straight-line basis at the rate of 20% during its useful life, which is considered to be 5 years.

2.10 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than 90 days maturity from the date of acquisition including: cash and balances with central banks and due from other banks including obligatory reserve with the central bank in accordance with FBA.

tralne banke BiH i drugih banaka, uključujući minimalnu obaveznu rezervu kod Centralne banke BiH.

2.11 Naknade zaposlenima

Banka u svakodnevnom poslovanju za svoje zaposlene plaća penziono i zdravstveno osiguranje i poreze na i iz plaće koji se obračunavaju na bruto plaće kao i topli obrok, troškove prevoza na radno mjesto i regres za godišnji odmor u skladu sa zakonskom regulativom. Trošak ovih plaćanja je uključen u bilans uspjeha u istom periodu na koji se odnose plaće.

Banka nema nikakvih drugih penzionih šema ili planova beneficiranja zaposlenih, tako da nema nikakvih drugih obaveza po ovom osnovu. Dodatno, Banka nije u obavezi da obezbijedi buduće beneficije sadašnjim ili bivšim zaposlenicima.

2.12 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.

Eventualni odgođeni porezi priznaju se za privremene razlike koje nastaju između poreskih 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 se priznaju u onoj mjeri u kojoj je vjerovatno da će biti raspoloživa za smanjivanje porezne obaveze u budućnosti.

2.11 Employee benefits

The Bank, in the normal course of business, makes payments on behalf of its employees for pensions, health care, employment and personnel tax that are calculated on the basis of gross salaries and wages, food allowances, travel expenses and regress according to the legislation. The cost of these payments is charged to the income statement in the same period as the related salary cost.

The Bank does not operate any other pension scheme or post retirement benefits plan and consequently, has no obligation in respect of pensions. In addition, the Bank is not obliged to provide further benefits to current and former employees.

2.12 Taxation

Taxes are calculated in accordance with laws and regulations of Federation of Bosnia and Herzegovina, on the basis of profit and loss recognised in income statement which is prepared in accordance with accounting standards. The tax on income for the reporting period, in accordance with Law on Profit Tax, is at the rate of 30%.

Deffered tax is recognised for temporary differences between tax basis of assets and liabilities and their book values for the purpose of financial reporting by using the liability method and is determined using tax rates that have been enacted at the balance sheet date and are expected to apply when the related deferred tax item is realised. Provisions are determined for the total amount of the deferred tax liability. Deferred tax assets are recognised to an extent to which it is possible that they will be available for decrease of current tax liability in the future.

2.13 Obaveze po uzetim kreditima i ostalim pozajmicama

Obaveze po uzetim kreditima i ostalim pozajmicama se početno priznaju po ugovorenom iznosu, što predstavlja primljeni iznos. Nastali troškovi transakcije priznaju se u bilansu uspjeha tekućeg perioda.

2.14 Dionički kapital i rezerve

Dionički kapital se sastoji od običnih i preferencijalnih dionica i iskazan u KM po nominalnoj vrijednosti.

2.15 Uporedni podaci

Tamo gdje je bilo potrebno, usporedni podaci su reklasificirani kako bi se postigla dosljednost u prikazivanju podataka s podacima tekućeg finansijskog perioda i ostalim podacima.

3. Upravljanje rizicima Banke

3.1 Strategija u korištenju finansijskih instrumenata

Strategija sistema upravljanja rizicima u Banci je održavanje stabilnog poslovanja u budućnosti. Banka primjenjuje politike i strategije kreditnog i tržišnog rizika. Banka kontrolira različite rizike s obzirom na strukturu podataka, usvojenih metodologija, izvještavanja i limita unutar procesa donošenja odluka.

Banka ima model upravljanja internim rizicima. Najvažnija sredstva i metode korištene u modelu za upravljanje internim rizicima su: interni sistem procjene kredita (za preduzeća i stanovništvo, banke), kolaterali, interni pokazatelji u pogledu rezervisanja/nenaplativih dugovanja itd. Upotreba sredstava za upravljanje rizicima ima veliki utjecaj na kvalitetu imovine, strukturnu likvidnost, učinkovitost, omjere i pravovremena upo-

2.13 Borrowings

Borrowings are recognised initially at contract value (amount received) being their issue proceeds. All transaction costs are recognised in profit and loss account for the current period.

2.14 Share capital and reserves

Share capital consists of ordinary and preferential shares. Share capital is stated in KM at nominal value.

2.15 Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year and other data.

3. Financial risk management

3.1 Strategy in using financial instruments

The risk management strategy of the Bank is to maintain stable performance in the future. The Bank implements credit and market risk policies and strategies working closely with its parent bank shareholder. The Bank controls the different risks regarding the data structure, methodologies adopted, reporting, and the limits placed within the decision-making process.

The Bank has an internal risk management model. The most important tools and methods used by the internal risk management model are: diversification, internal credit grading system (for corporate and retail customers, banks), collaterals, internal cover ratio provisions/bad debts, etc. The use of risk management tools has a great impact on asset quality, structural liquidity, performance, ratios and early warning signals and they minimise the Bank's exposure to all types of risk.

zorenja, te umanjuju izloženost Banke svim vrstama rizika.

3.2 Kreditni rizik

Banka je izložena kreditnom riziku, koji predstavlja rizik nemogućnosti druge strane da podmiri iznose obaveza u cijelosti po dospelosti. 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 u skladu sa Odlukama FBA.

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 izloženosti kreditnom riziku djelomično upravlja i pribavljanjem kolaterala, te korporativnih i osobnih jamstava.

Svi krediti rizika osigurani su instrumentima osiguranja i to garancijama, hipotekama i drugim vrstama osiguranja.

3.3 Valutni rizik

Banka je izložena valutnom riziku kroz transakcije u stranim valutama.

Izloženost valutnom riziku proizlazi iz kreditnih, depozitnih, investicijskih aktivnosti i aktivnosti trgovanja. Kontrolira se dnevno prema zakonskim i interno utvrđenim limitima po pojedinim valutama, te za aktivu i pasivu denominiranu u stranim valutama.

3.2 Credit risk

The Bank takes on exposure to credit risk which is the risk that a 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 in accordance with decisions of FBA.

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.

All the risky loans are ensured by the instruments of insurance: guarantees, mortgages and other types of insurance.

3.3 Currency risk

The Bank is exposed to foreign exchange risk through transactions in foreign currencies.

Foreign currency exposure arises from credit, deposit, investment and trading activities. It is monitored daily in accordance to legislation and internally set limits, for each currency and for the total balance sheet denominated or linked to foreign currency.

3.4 Koncentracija sredstava i obaveza / Concentrations of assets and liabilities

Banka je imala slijedeću deviznu poziciju: / The Bank had the following significant currency positions:

Na dan 31. decembra 2005. godine / As at 31 December 2005	EUR	USD	KM	Ostale valute / Other	Ukupno / Total
Aktiva / Assets					
Novac i novčana sredstva kod Centralne banke / Cash and balances with Central Bank	6.650	273	84.892	2.036	93.851
Plasmani drugim bankama / Due from other banks	68.915	4.805		2.287	76.007
Kreditni komitentima / Loans and advances to customers	421	-	155.287	-	155.708
Vrijedonosni papiri / Investments held to maturity	-	-	1.840	-	1.840
Ulaganja u nekonsolidovana pr: / Equity investments	987	-	355	23	1.365
Materijalna imovina / Property and equipment	-	-	13.408	-	13.408
Nematerijalna sredstva / Intangible assets	-	-	173	-	173
Ostala aktiva / Other assets	247	63	2.591	-	2.901
Ukupna aktiva / Total assets	77.220	5.141	258.546	4.346	345.253
Obaveze / Liabilities					
Depoziti banaka / Due to other banks	9.585	-	-	-	9.585
Depoziti komitenata / Due to customers	60.327	5.097	190.093	3.410	258.927
Obaveze po uzetim kreditima i ostalim pozajmicama / Borrowings	27.475	-	9.483	-	36.958
Rezervisanja za potencijalne i preuzete obaveze / Provisions	79	-	960	-	1.039
Ostale obaveze / Other liabilities	966	35	5.031	48	6.080
Ukupne obaveze / Total liabilities	98.432	5.132	205.567	3.458	312.589
Neto stanje bilansa stanja / Net balance sheet position	(21.212)	9	52.979	888	32.664
Na dan 31. decembra 2004. / As at 31 December 2004					
Ukupna imovina / Total assets	63.346	4.243	207.737	3.878	279.204
Ukupne obaveze / Total liabilities	77.539	4.399	166.819	2.407	251.164
Neto stanje bilansa stanja Net balance sheet position	(14.193)	(156)	40.918	1.471	28.040

Svi iznosi izraženi su u hiljadama KM, osim ako nije drugačije naznačeno / All amounts are in KM thousands unless otherwise stated

3.5 Kamatni rizik

Kamatna osjetljivost sredstava i obaveza

Operacije Banke su pod utjecajem rizika promjene kamatnih stopa u onoj mjeri u kojoj kamatonosna aktiva i obaveze dospijevaju ili im se mijenjaju kamatne stope u različitim trenucima ili u različitim iznosima.

Kod varijabilnih kamatnih stopa, imovina i obaveze Banke podložni su i baznom riziku, koji predstavlja razliku u načinu određivanja cijena raznih indeksa varijabilnih kamatnih stopa, kao što su stopa štednje i šestomjesečni EURIBOR i različite vrste kamata.

Aktivnosti upravljanja rizicima usmjerene su na optimiziranje neto kamatnog prihoda u skladu s poslovnom strategijom Banke, uz dane tržišne kamatne stope.

3.5 Interest rate risk

Interest sensitivity of assets and liabilities

The Bank's operations are subject to the risk of interest rate fluctuations to the extent that interest earning assets and interest bearing liabilities mature or reprise at different times or in different amounts.

In the case of floating rate assets and liabilities the Bank is also exposed to basis risk, which is the difference in reprising characteristics of the various floating rate indices, such as the savings rate and six months EURIBOR and different types of interest. Risk management activities are aimed at optimising net interest income, given market interest rate levels consistent with the Bank's business strategies.

Exposure to interest rate risk is monitored and measured using reprising maturity gap analysis, net income simulation and economic valuation models.



Na dan 31. decembra 2005. godine / As at 31 December 2005	Do 1 mjeseca / Up to 1 month	1-3 mjeseca / months	3-12 mjeseci / months	1-5 godina / years	Preko 5 godina / Over 5 years	Beskatmatno Non-interest bearing	Ukupno / Total
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Aktiva / Assets

Novac i novčana sredstva kod Centralne banke /	93.851						93.851
Cash and balances with Central Bank							
Plasmani drugim bankama /	76.007						76.007
Due from other banks							
Kreditni komitentima / Loans to customers	13.368	17.823	68.915	45.448	9.741	413	155.708
Vrijednosni papiri koji se drže do dospijeca /	76	171	1.013	580			1.840
Investment securities							
Ulaganja u nekonsolidovana pr. /						1.365	1.365
Investments in associated undertakings							
Materijalna imovina /						13.408	13.408
Property and equipment							
Nematerijalna sredstva /						173	173
Intangible assets							
Ostala aktiva / Other assets	2.684		128		89		2.901
Ukupna aktiva / Total assets	185.986	17.994	70.056	46.028	9.830	15.359	345.253

Obaveze / Liabilities

Depoziti banaka / Due to other banks	1	5.868	3.716				9.585
Depoziti komitenata / Due to customers	156.476	11.339	50.096	33.419	2.072	5.525	258.927
Obaveze po uzetim kreditima i ostalim pozajmicama / Borrowings	473	1.135	3.734	15.969	15.647	-	36.958
Rezervisanja za potencijalne i preuzete obaveze / Provisions	1.039						1.039
Ostale obaveze / Other liabilities	6.080	-	-	-	-		6.080
Ukupne obaveze / Total liabilities	164.069	18.342	57.546	49.388	17.719	5.525	312.589

Osjetljivost kamatne stope na dan

bilansa stanja /	21.917	(348)	12.510	(3.360)	(7.889)	9.834	32.664
On balance sheet Interest sensitivity gap							

Na dan 31. decembra 2004. godine /

As at 31 December 2004

Ukupna imovina / Total assets	122.096	25.342	57.892	44.121	14.539	15.214	279.204
Ukupne obaveze / Total liabilities	123.268	25.316	65.831	26.172	9.788	788	251.163

Osjetljivost kamatne stope na dan

bilansa stanja / On balance sheet	(1.172)	26	(7.939)	17.949	4.751	14.426	28.041
Interest sensitivity gap							

3.6 Rizik likvidnosti

Rizik likvidnosti pojavljuje se u finansiranju aktivnosti Banke i u upravljanju pozicijama.

Uključuje i rizik nesposobnosti finansiranja imovine u prikladnim rokovima i kamatama i rizik nesposobnosti likvidacije imovine po razumnoj cijeni i u prikladnom vremenskom okviru.

Banka ima pristup raznovrsnim izvorima finansiranja. Sredstva se prikupljaju putem velikog broja instrumenata uključujući različite vrste depozita građana i pravnih lica, uzete zajmove i dionički kapital. To povećava fleksibilnost izvora finansiranja, umanjuje ovisnost o jednom izvoru i općenito trošak finansiranja.

Banka nastoji održavati ravnotežu između kontinuiteta finansiranja i fleksibilnosti kroz upotrebu obaveza s različitim dospeljima. Banka kontinuirano procjenjuje rizik likvidnosti identificirajući i prateći promjene u finansiranju koje su potrebne za dostizanje poslovnih ciljeva koji su postavljeni u skladu sa strategijom Banke. Uz to, Banka ima portfelj likvidne imovine kao dio svoje strategije upravljanja rizikom likvidnosti.

Banka usklađuje svoje poslovanje s obzirom na rizik likvidnosti sukladno zakonskim odredbama i internim politikama održavanja rezervi likvidnosti, usklađenosti aktive i pasive te limitima i ciljanim pokazateljima likvidnosti. Direkcija sredstava dnevno upravlja rezervama likvidnosti osiguravajući Banci zadovoljenje potreba njenih klijenata.

3.6 Liquidity risk

Liquidity risk arises in the general funding of the Bank's activities and in the management of positions. It includes both the risk of being unable to fund assets at appropriate maturities and rates and the risk of being unable to liquidate an asset at a reasonable price and in an appropriate time frame.

The Bank has access to a diverse funding base. Funds are raised using a broad range of instruments including various types of retail and corporate deposits, borrowings and share capital. This enhances funding flexibility, limits dependence on any one source of funds and generally lowers the cost of funds.

The Bank strives to maintain a balance between continuity of funding and flexibility through the use of liabilities with a range of maturities. The Bank continually assesses liquidity risk by identifying and monitoring changes in funding required to meet business goals and targets set in terms of the overall strategy.

The Bank adjusts its business activities in compliance with liquidity risk according to legislation and internal policies for maintenance of liquidity reserves, matching of liabilities and assets, limits and preferred liquidity ratios. Needs for short-term liquidity are planned every month and controlled and maintained daily. Treasury manages liquidity reserves daily, ensuring also accomplishment of all customer needs.



Ročna analiza sredstava i obaveza / Remaining maturities of assets and liabilities	Do 1 mjeseca / Up to 1 month	1-3 mjeseca / months	3-12 mjeseci / months	1-5 godina / years	Preko 5 godina / Over 5 years	Ukupno / Total
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Na dan 31. decembra 2005. godine /

As at 31 December 2005

Aktiva / Assets

Novac i novčana sredstva kod Centralne banke /	93.851	-	-	-	-	93.851
Cash and balances with Central Bank						
Plasmani drugim bankama /	76.007	-	-	-	-	76.007
Due from other banks						
Kreditni komitentima / Loans to customers	13.422	17.896	69.198	45.451	9.741	155.708
Papiri koji se drže do dospelja /	76	171	1.013	580		1.840
Investment securities						
Ulaganja u nekonsolidovana pr. /					1.365	1.365
Investments in associated undertakings						
Materijalna imovina / Property and equipment					13.408	13.408
Nematerijalna sredstva / Intangible assets					173	173
Ostala aktiva / Other assets	2.684		128		89	2.901

Ukupna aktiva / Total assets	186.040	18.067	70.339	46.031	24.776	345.253
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Obaveze / Liabilities

Depoziti banaka / Due to other banks	1	5.868	3.716			9.585
Depoziti komitenata / Due to customers	162.001	11.339	50.096	33.419	2.072	258.927
Obaveze po uzetim kreditima i ostalim pozajmicama / Borrowings	473	1.135	3.734	15.969	15.647	36.958
Rezerviranja za potencijalne i preuzete obaveze / Provisions	1.039					1.039
Ostale obaveze / Other liabilities	6.080					6.080

Ukupne obaveze / Total liabilities	169.594	18.342	57.546	49.388	17.719	312.589
Neto razlika / Net liquidity gap	16.446	(275)	12.793	(3.357)	7.057	32.664

Na dan 31. decembra 2004. godine /

As at 31 December 2004

Ukupna imovina / Total assets	122.249	25.374	57.965	44.121	29.495	279.204
Ukupne obaveze / Total liabilities	123.981	25.316	65.831	26.247	9.788	251.163

Neto razlika / Net liquidity gap	(1.732)	58	(7.866)	17.874	19.707	28.041
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Svi iznosi izraženi su u hiljadama KM, osim ako nije drugačije naznačeno / All amounts are in KM thousands unless otherwise stated



3.7 Finansijski instrumenti

Fer vrijednost

Fer vrijednost predstavlja iznos za koji sredstvo može biti razmijenjeno ili obaveza izmirena u transakciji u kojoj se cijena utvrđuje pogodbom. Fer vrijednosti su zasnovane na pretpostavkama menadžmenta u skladu sa vrstom sredstava i obaveza. Politika Banke je da objavljuje informaciju o fer vrijednosti imovine i obaveza za koje je lako obezbijediti tržišne informacije i tamo gdje se fer vrijednost materijalno razlikuje od uknjiženih iznosa.

Kredit i avansi komitentima

Kredit i avansi komitentima su umanjani za rezervisanja u skladu sa Odlukama Agencije za bankarstvo FBiH. Rezerve se formiraju zavisno od stepena naplativosti, koji se određuje na osnovu broja dana kašnjenja, procjene finansijskog položaja dužnika i kvaliteta instrumenata obezbjeđenja naplate.

Ulaganja raspoloživa za prodaju

Banka ima udjel u pravnim licima koja se priznaju prema trošku sticanja, a iskazuju po metodi udjela. Promjena bankinog udjela u neto imovini pravnog lica iskazuje se u bilansu uspjeha. Fer vrijednost vrijednosnica koje ne kotiraju na berzi je zasnovana na trošku.

Ostala finansijska imovina

Fer vrijednost monetarne imovine koja uključuje gotovinu i ekvivalente gotovine smatra se približno jednakom njihovoj knjigovodstvenoj vrijednosti zbog njene kratkoročne prirode.

3.7 Financial Instruments

Fair value

Fair value represents the amount at which an asset could be replaced or a liability settled on an arms length basis. Fair values have been based on management assumptions according to the profile of the asset and liability base. The following table summarizes the carrying amounts and fair values to those financial assets and liabilities not presented on balance sheet at their fair value.

Loans and advances to customers

Loans and advances to customers are impaired through provisioning in accordance with Decisions of FBA. Provisions are recognized in accordance to the level of collection, arrears, client financial position and quality of collateral.

Equity investments available-for-sale

Equity investments are generally carried at fair value, being market value at the liquid stock exchange. Fair value as shares for which fair value cannot be reliably measured (unquoted or insignificantly traded shares) are carried at cost less impairment, which is the case of the current equity investments of the Bank.

Other financial assets

The fair values of monetary assets that include cash and cash equivalents are considered to approximate their respective carrying values by definition due to their short-term nature.

Depoziti i uzeti krediti

Procijenjena fer vrijednost depozita bez dospijeca, uključujući i depozite na koje se ne obračunava kamata, je iznos koji će se isplatiti po zahtjevu.

Deposits and borrowings

The estimated fair value of deposits with no stated maturity, which includes noninterest-bearing deposits, is the amount repayable on demand.

4. Neto prihod od kamate / Net interest income

	2005	2004
Prihod od kamate / Interest income		
Kamatonosni računi depozita kod depozitnih institucija / Interest bearing deposits with non-banking deposit institutions	1.199	1.006
Plasmani drugim bankama / Placements with other banks	-	358
Kreditni / Loans	13.334	11.677
Vrijedonosni papiri koji se drže do dospijeca / Investment securities	141	33
Prihodi od zatezne kamate / Penalty interest	717	654
	15.391	13.728
Rashod od kamata / Interest expense		
Depoziti / Deposits	4.606	3.218
Obaveze po kreditima / Borrowings	868	637
Ostali rashodi po kamatama / Other interest expense	382	224
	5.856	4.079

5. Operativni prihodi / Operating income

	2005	2004
Prihod od naknada / Fee income		
Prihod od naknada po garancijama i akreditivima / Fee income from guarantees and letters of credit	688	472
Prihod od naknada za izvršene usluge domaćeg i inostranog platnog prometa. / Fee income from payments in B&H and other countries	8.177	6.578
Prihodi iz poslovanja sa devizama / Income from foreign currency operations	1.216	1.142
Prihodi od naknada po kreditima / Fee income from loans	1.433	933
Ostali operativni prihodi / Other operating income	1.055	1.586
	12.569	10.711

6. Poslovni i direktni rashodi / Operating and direct expenses

	2005	2004
Troškovi rezervi za opšti kreditni rizik i potencijalne i druge gubitke (neto) / Additions to provisions for credit risk and potential and other losses		
Kreditni komitentima / Loans to customers	1.236	(1.071)
Potencijalne i preuzete obaveze / Contingencies and commitments	239	233
Naplaćena kamata i ostala sredstva / Other assets	50	292
Vrijedonosni papiri / Investments held-to-maturity	16	-
Ulaganja / Other investments	1	-
Ukupno troškovi rezervi / Total additions to provisions	1.542	(546)
Ostali poslovni i direktni troškovi / Other operating and direct expenses		
Usluge platnog prometa / Payment transactions	716	558
Druge bankarske usluge / Other banking services	886	666
Ukupno ostali poslovni i direktni troškovi / Total other operating and direct expenses	1.602	1.224
Ukupno poslovni i direktni rashodi / Total operating and direct expenses	3.144	678

7. Operativni troškovi / Operating expenses

	2005	2004
Troškovi zaposlenih (Napomena 7a) / Staff costs (Note 7a)	7.552	7.595
Amortizacija materijalne i nematerijalne imovine / Depreciation of property and equipment and amortisation of intangible assets	569	1.084
Održavanje stalnih sredstava / Fixed assets maintenance	562	626
Zakupnina / Rental fee	225	166
Troškovi PTT usluga / Post and telecommunication services	427	415
Režijski troškovi / Management expenses	418	379
Troškovi održavanja / Utilities	349	426
Troškovi marketinga / Administration and Marketing costs	443	317
Troškovi premije osiguranja / Insurance premiums	818	620
Ostali porezi i doprinosi / Other taxes and contributions	830	800
Troškovi obezbjeđenja / Security costs	589	550
Smanjenje vrijednosti stalnih sredstava / Property impairment losses	-	3.689
Ostalo / Other	1.378	1.573
Ukupno operativni troškovi / Total operating expenses	13.960	18.240

Svi iznosi izraženi su u hiljadama KM, osim ako nije drugačije naznačeno / All amounts are in KM thousands unless otherwise stated

7a. Troškovi zaposlenih / Staff costs

	2005	2004
Neto plaće / Salaries and wages	3.801	3.680
Topli obrok i troškovi prevoza / Food allowances and transportation	618	671
Porezi i doprinosi / Personnel taxes and contributions	2.668	2.548
Regres / Holiday allowances	180	200
Ostalo / Other	284	496
Ukupno troškovi zaposlenih / Total staff costs	7.552	7.595

Prosječan broj zaposlenih u Banci tokom 2005 bio je 332 osoba (2004: 343 osoba). /
The average number of persons employed by the Bank during the year was 332 (2004: 343).

8. Porez na dobit / Income Tax

	2005	2004
Dobit iz poslovanja / Profit before tax	5.000	1.442
Poreski nepriznati rashodi / Tax non-deductible expenses	244	828
Oporeziva dobit / Taxable income	5.244	2.270
Izdvajanje u rezerve (do 15% dobiti) / Reduction in reserves (up to 15% of income)	(223)	(216)
Poreska osnovica / Tax base	5.021	2.054
Obračunati porez po propisanoj stopi od 30% / Income tax at 30%	1.506	616
Ulaganje oporezive dobiti u investicije / Investment deduction	1.130	(462)
Obaveza poreza na dobit / Income tax charge	376	154
Uplaćena akontacija / Prepaid income tax	1.144	-
Iznos pretplaćenog poreza / Prepayment in excess of tax charge	768	154

Poreska uprava može u bilo koje vrijeme izvršiti kontrolu računovodstvenih podataka i evidencija od zadnje kontrole kontinuirano do izvještajne poreske godine, također može obračunati dodatni porez i zateznu kamatu. Uprava Banke nije upoznata sa bilo kakvim okolnostima koje bi dovele do potencijalnih obaveza u ovom smislu.

Porez na dobit za prethodnu godinu je obračunat i proknjižen u skladu sa Zakonom o porezu na dobit.

The tax authorities may at any time inspect the accounting books and records from last controls subsequent to the reported tax year, and may impose additional tax assessments and penalties.

The Bank's management is not aware of any circumstances, which may give rise to a potential material liability in this respect.

Tax income for the previous year was calculated and booked in accordance with Federal law on income tax.

9. Novčana sredstva u blagajni i računi kod Centralne banke / Cash and balances with the Central Bank

	31. decembra 2005. / 31 December 2005	31. decembra 2004. / 31 December 2004
Novac u blagajni / Cash in hand	18.329	16.621
Računi rezervi kod Centralne banke BiH / Balances with Central Bank		
- Obavezna rezerva / Obligatory reserve	43.304	22.988
- Rezerve likvidnosti iznad obavezne rezerve / Liquidity reserve above the obligatory reserve	32.218	24.157
	93.851	63.766

Obavezna rezerva predstavlja minimalni iznos koji obavezno mora biti deponiran kod Centralne banke Bosne i Hercegovine. Prema Zakonu o Centralnoj banci Bosne i Hercegovine, obavezna rezerva predstavlja 15% od prosječnih desetodnevnih oročenih depozita i depozita po viđenju i pozajmljenih sredstava izraženih u KM-u. Obavezna rezerva se održava kroz prosječna stanja računa kod Centralne banke Bosne i Hercegovine.

The obligatory reserve represents amounts required to be deposited with the Central Bank of Bosnia and Herzegovina. Pursuant to the Law on the Central Bank of Bosnia and Herzegovina, the obligatory reserve requirement represents 15 % of average tenday demand, time deposits and borrowings expressed in KM reduced by the average ten-day cash in hand in KM held by the Bank. The obligatory reserve is maintained as the average balance at giro account with the Central Bank of Bosnia and Herzegovina.

10. Potraživanja od drugih banaka / Due from other banks

	31. decembra 2005. / 31 December 2005	31. decembra 2004. / 31 December 2004
Tekući računi kod banaka / Current accounts with other banks	12.481	6.416
Stavke u postupku naplate / Items in the course of collection	26	7
Kamatonosni depoziti / Interest bearing deposits	63.500	32.731
	76.007	39.154
Namjenski depozit za osiguranje kredita / Deposits received as cash collateral	-	21.514
Ukupno potraživanja od drugih banaka / Total due from other banks	76.007	60.668

Svi iznosi izraženi su u hiljadama KM, osim ako nije drugačije naznačeno / All amounts are in KM thousands unless otherwise stated

II. Krediti i avansi dati klijentima / Loans and advances to customers

	Kratkoročni krediti / Short term		Dugoročni krediti / Long term	
	31. decembra 2005. / 31 December 2005	31. decembra 2004. / 31 December 2004	31. decembra. 2005. / 31 December 2005	31. decembra 2004. / 31 December 2004
Kreditni dati građanima / Loans to individuals	34.561	30.808	36.130	32.363
Kreditni dati preduzećima / Loans to corporate entities	53.531	55.536	38.893	23.260
	88.092	86.344	75.023	55.623
Umanjenje: / Less:				
Rezervisanja za umanjeње vrijednosti / Provision for impairment	(4.001)	(4.172)	(3.406)	(2.668)
	84.091	82.172	71.617	52.955
Kretanja rezervisanja za umanjeње vrijednosti: / Movement in provisions for loan impairment is as follows:				
Kreditni / Loans			2005	2004
Stanje na dan 1. januara / Balance at 1 January			6.840	8.200
Neto rashod u bilansu uspjeha (Napomena 5) / Net charge to income statement (Note 5)			1.236	(1.087)
Otpis kredita / Amounts of loans written off			(669)	(273)
Stanje na dan 31. decembra / Balance at 31 December			7.407	6.840



**I 1a. Koncentracija kreditnog rizika po industrijskim granama /
Economic sector risk concentrations within the customer loan
portfolio were as follows:**

	31. decembra 2005. / 31 December 2005		31. decembra 2004. / 31 December 2004	
		%		%
Finansijske institucije / Financial institutions	825	0,51	20	0,01
Administracija i druge javne usluge / Administration and other public services	2.188	1,34	2.329	1,64
Poljoprivreda, šumarstvo i ribolov / Agriculture, forestry and fishing	3.098	1,90	2.302	1,62
Građevinarstvo / Construction	8.359	5,12	9.864	6,95
Trgovina nekretninama / Real estate	867	0,53	875	0,62
Trgovina / Retail and wholesale trade	26.186	16,05	19.372	13,65
Transport i komunikacije / Transport and communications	5.268	3,23	3.147	2,22
Usluge, turizam i ugostiteljstvo / Hotels and restaurants	3.026	3,03	1.589	1,12
Rudarstvo / Mining	10.268	10,27	4.530	3,19
Stanovništvo / Retail	48.171	29,53	63.171	44,50
Ostalo / Other	54.859	33,63	34.768	24,49
Umanjenje: Rezervisanja za umanjeње vrijednosti / Less: Provision for impairment	(7.407)		(6.840)	
	155.708	100,00	135.127	100,00

**12. Vrijedonosni papiri držani do dospjeća /
Debt investments held-to-maturity**

	31. decembra 2005. / 31 December 2005	31. decembra 2004. / 31 December 2004
Vrijedonosni papiri / Bills of exchange	1.877	1.068
Umanjenje: Rezervisanja za umanjeње vrijednosti / Less: Provisions for impairment	(37)	(21)
	1.840	1.047
Kretanja rezervisanja za umanjeње vrijednosti / Movement in provisions for impairment is as follows:		
Vrijedonosni papiri / Securities	2005	2004
Stanje na dan 1. januara / Balance at 1 January	21	5
Neto rashod u bilansu uspjeha (napomena 5) / Net charge to income statement (Note 5)	16	16
Otpis / Write off	-	-
Stanje na dan 31. decembra / Balance at 31 December	37	21

Svi iznosi izraženi su u hiljadama KM, osim ako nije drugačije naznačeno / All amounts are in KM thousands unless otherwise stated

Na dan 31. decembra 2005. godine, portfolio vrijednosnih papira koji se drže do dospeljeka sastoji se od mjenica izdatih od:

- Direkcija za puteve Tuzla u iznosu od 1,047 hiljada KM (2004.: 781 hiljada KM) sa stopom od 8% - 10% godišnje i dospeljekom u periodu od 18. januara 2006. do 05. decembra 2007. godine.
- Opština Gradačac u iznosu od 619 hiljada KM (2004.: 137 hiljada KM) sa stopom od 9.50% - 11,75 % godišnje i dospeljekom u periodu od 17. januara 2006. do 27. decembra 2007. godine.
- Opština Živinice u iznosu od 165 hiljada KM (2004.: 150 hiljada KM) sa stopom od 11,75 % godišnje i dospeljekom u periodu od 20. januara 2006. do 20. jula 2006. godine.
- Opština Lukavac u iznosu od 46 hiljada KM (2004.: 0 KM) sa stopom od 11,75 % godišnje i dospeljekom u periodu od 25. januara 2006. do 25. augusta 2006. godine.

As at 31 December 2005, portfolio of investments held-to-maturity consists of bills of exchange issued by:

- Directorate for roads Tuzla of KM 1.047 thousand (2004: KM 781 thousand) with rate of 8%- 10% p.a. and maturity from 18 January 2006 to 05 December 2007.
- Municipality of Gradačac of KM 619 thousand (2004: KM 137 thousand) with rate of 9.50% - 11,75 % p.a. and maturity from 17 January 2006 to 27 December 2007.
- Municipality of Živinice of KM 165 thousand (2004: KM 150 thousand) with rate of 11,75 % p.a. and maturity from 20 January 2006 to 20 July 2006.
- Municipality of Lukavac of KM 46 thousand (2004: 0 KM) with rate of 11,75% p.a. and maturity from 25 January 2006 to 25 August 2006.

13. Ulaganja raspoloživa za prodaju / Equity investments available for sale

	31. decembra 2005. / 31 December 2005	31. decembra 2004. / 31 December 2004
LHB Banka Frankfurt / LHB Bank Frankfurt	960	960
Privredna banka Sarajevo d.d. Sarajevo	226	226
BAMCARD d.o.o. Sarajevo	113	113
Sarajevo osiguranje d.d. Sarajevo	28	28
S.W.I.F.T.	27	22
JUBMES a.d. Beograd	23	-
Udruženje banaka BiH / Association of banks of BiH	14	-
Centar za poduzetništvo d.o.o. Tuzla / Centre for entrepreneurship d.o.o. Tuzla	-	2
Ostalo / Other	2	2
	1.393	1.353
Umanjenje: Rezervisanja za umanjene vrijednosti / Less: Provision for impairment	(28)	(27)
	1.365	1.326

Svi iznosi izraženi su u hiljadama KM, osim ako nije drugačije naznačeno / All amounts are in KM thousands unless otherwise stated

Struktura ulaganja / Structure of investments	Djelatnost / Operations	% vlasništva / % of ownership	Zemlja poslovanja / Country
LHB Banka Frankfurt / LHB Bank Frankfurt	Bankarstvo / Banking	0,71	Njemačka / Germany
Privredna Banka Sarajevo d.d. /	Bankarstvo / Banking	2,20	Bosna i Hercegovina Bosnia and Herzegovina
BAMCARD d.o.o. Sarajevo /	Kartičarsko poslovanje Card business	4,63	Bosna i Hercegovina / Bosnia and Herzegovina
Sarajevo osiguranje d.d. Sarajevo /	Osiguranje / Insurance	0,06	Bosna i Hercegovina Bosnia and Herzegovina
S.W.I.F.T.	Platni promet / Payment transactions	0,13	Belgija / Belgium
Udruženje banaka BiH / Association of banks of BiH	Bankarstvo / Banking	4,18	Bosna i Hercegovina Bosnia and Herzegovina
JUBMES	Bankarstvo / Banking	0,12	SCG / Serbia and Montenegro

Kretanja rezervisanja za umanjeње vrijednosti: / Movement of provisions for impairment:	2005	2004
Stanje na dan 1. januara 2005 / Balance at 1 January 2005	27	27
Rezervisanje za potencijalne gubitke / Provisions for impairment	1	-
Otpis / Write-off	-	-
Stanje na dan 31. decembra / Balance at 31 December	28	27



14. Poslovni prostor i ostala fiksna aktiva / Property and equipment

Nabavna vrijednost i amortizacija poslovnog prostora i ostale fiksne aktive na dan 31. decembra 2005 su prikazane kako slijedi : /

The cost of property and equipment and related depreciation at 31 December 2005 are presented below:

	Zemljište / Land	Zgrade / Buildings	Vozila / Vehicles	Kompjuterska oprema / Computers	Ostala oprema / Other equipment	Sredstva u pripremi / Construction in progress	Imovina van upotrebe / Out of use	Ukupno / Total
Nabavna vrijednost / Cost								
Stanje na dan 1. januara 2005. / Balance at 1 January 2005	105	20.443	169	2.947	4.544	-	157	28,365
Povećanja / Additions	-	-	-	-	-	509	-	509
Aktiviranje sredstava / Transfers	-	-	123	291	95	(509)	-	0
Smanjenja								
- otpisi / Write off	-	-	-	(94)	(74)	-	-	(168)
- prodaja stalnih sredstava / Disposals and write off	-	-	(77)	-	-	-	-	(77)
Stanje na dan 31. decembra 2005. / Balance at 31 December 2005	105	20.443	215	3.144	4.566	-	157	28.630
Ispravka vrijednosti / Accumulated amortization								
Stanje na dan 1. januara 2005. / Balance at 1 January 2005	-	8.207	130	2.599	4.017	-	-	14.953
Amortizacija / Smanjenja / Charge for the year	-	266	22	133	71	-	-	492
- otpisi / Write off	-	-	-	(94)	(52)	-	-	(146)
- prodaja stalnih sredstava / Property sell off	-	-	(77)	-	-	-	-	(77)
Stanje na dan 31. decembra 2005. / Balance at 31 December 2005	-	8.473	75	2.638	4.036	-	-	15.222
Neto knjigovodstvena vrijednost 31. decembra 2005. / Net book value at 31 December 2005	105	11.970	140	506	530	-	157	13.408
Neto knjigovodstvena vrijednost 31. decembra 2004. / Net book value at 31 December 2004	105	12.236	39	348	527	-	157	13.412

15. Nematerijalna sredstva / Intangible assets

	31. decembra 2005. / 31 December 2005	31. decembra 2004. / 31 December 2004
Nabavna vrijednost / Cost		
Stanje na dan 1. januara / Balance at 1 January	490	460
Povećanja / Additions	32	30
Stanje na dan 31. decembra / Balance at 31 December	522	490
Ispravka vrijednosti / Accumulated amortization		
Stanje na dan 1. januara / Balance at 1 January	272	197
Amortizacija / Charge for the year	77	75
Stanje na dan 31. decembra / Balance at 31 December	349	272
Neto knjigovodstvena vrijednost 31. decembra 2005. / Net book value at 31 December 2005	173	218
Neto knjigovodstvena vrijednost 31. decembra 2004. / Net book value at 31 December 2004	218	263

16. Ostala aktiva / Other assets

	31. decembra 2005. / 31 December 2005	31. decembra 2004. / 31 December 2004
Obračunata dospjela kamata / Accrued interest overdue	728	695
Obračunata nedospjela kamata / Accrued interest before maturity	55	
Obračunata naknada / Fees and commission receivable	109	69
Uplaćena akontacija poreza na dobit / Prepaid income taxes	1.144	1.041
Sitan inventar / Small inventory	91	179
Unaprijed plaćeni troškovi / Prepaid expenses	164	208
Poseban račun za pokriće akreditiva / Unauthorised overdrafts on loans	131	888
Ostala aktiva / Other assets	684	974
	3.106	4.054
Umanjenje: Rezervisanja za umanjeње vrijednosti / Less: Provision for impairment	(205)	(414)
	2.901	3.640
Kretanja rezervisanja za umanjeње vrijednosti: / Movement in provisions for impairment is as follows:	2005	2004
Stanje na dan 1. januara / Balance at 1 January	414	258
Neto rashod u bilansu uspjeha (Napomena 5) / Net charge to income statement (Note 5)	50	292
Otpisana potraživanja / Amounts written off	(259)	(136)
Stanje na kraju perioda / Balance at the end of period	205	414

Svi iznosi izraženi su u hiljadama KM, osim ako nije drugačije naznačeno / All amounts are in KM thousands unless otherwise stated

17. Depoziti banaka / Due to banks

	31. decembra 2005. / 31 December 2005	31. decembra 2004. / 31 December 2004
Nova Ljubljanska banka d.d., Ljubljana	5.672	-
LHB Internationale Handelsbank AG Frankfurt	3.912	5.867
Depoziti po viđenju u stranoj valuti – međubankarski odnosi / At sight deposits in foreign currency	-	821
Depoziti po viđenju u domaćoj valuti – međubankarski odnosi / At sight deposits in domestic currency	1	-
Ukupno / Total	9.585	6.688
Nova Ljubljanska banka d.d., Ljubljana - kratkoročni oročeni depoziti: na 3 mjeseca sa kamatnom stopom od 2,50% i preko 3 mjeseca sa kamatnom stopom od 2,75%. LHB Internationale Handelsbank AG Frankfurt – kratkoročni oročeni depozit na 3 mjeseca sa kamatnom stopom od 2,30% i 2,66 % godišnje.		
Nova Ljubljanska banka d.d., Ljubljana – two short-term related party deposits for 3 months with interest rate of 2,50 % and 2,75 %. LHB Internationale Handelsbank AG Frankfurt – short-term related party deposits for 3 months with interest rate of 2,25 and 2,29 % p.a.		

18. Depoziti komitenata / Due to customers

	31. decembra 2005. / 31 December 2005	31. decembra 2004. / 31 December 2004
Kompanije / Companies		
Tekući računi / Current/settlement accounts		
- u KM / in KM	104.601	69.847
- u stranim valutama / in foreign currency	10.025	6.400
Oročeni depoziti / Term deposits		
- u KM / in KM	43.268	44.075
- u stranim valutama / in foreign currency	2.596	3.225
	160.490	123.547
Građani / Individuals		
Tekući računi / Current/settlement accounts		
- u KM / in KM	29.347	24.395
- u stranim valutama / in foreign currency	12.905	9.631
Oročeni depoziti / Term deposits		
- u KM / in KM	12.668	10.291
- u stranim valutama / in foreign currency	43.517	35.882
	98.437	80.199
Ukupno / Total	258.927	203.746

Svi iznosi izraženi su u hiljadama KM, osim ako nije drugačije naznačeno / All amounts are in KM thousands unless otherwise stated

19. Obaveze po uzetim kreditima / Borrowings

	31. decembra 2005. / 31 December 2005	31. decembra 2004. / 31 December 2004
Nova Ljubljanska banka d.d. Ljubljana	27.382	11.735
Investicijska Banka FBiH	6.262	6.954
Ministarstvo finansija TK	3.211	-
Ministarstvo za boračka pitanja TK	99	-
Fond za obnovu i razvoj	4	-
LHB Internationale Handelsbank AG Frankfurt	-	9.779
Vlada Tuzlanskog kantona / Government of Tuzla Canton	-	6.738
	36.958	35.206

Dugoročna pozajmljena sredstva na dan 31.12.2005. godine u iznosu od 3314 hiljada KM se uglavnom odnose na obaveze prema Agenciji za privatizaciju Tuzlanskog kantona. Ova sredstva se koriste kao krediti komitentima za stimulaciju lokalne ekonomije čija su dospjeća 6 godina. Banka je svjesna rizika za odobrena sredstva.

LHB Internationale Handelsbank AG – Kredit koji se nalazio na saldu sa 31. decembra 2004. godine otplaćen je 10. marta 2005. godine, te je uzet novi kredit 31.05.2005. godine u istom iznosu, ali pod povoljnijim uvjetima. Novoodobreni kredit je uzet na 36 mjeseci uz otplatu na 2 jednake rate od kojih prva dospijeva za 18 mjeseci a druga za 36 mjeseci. Kredit je vraćen 11.10.2005. godine.

Nova Ljubljanska banka d.d., Ljubljana – Kredit koji se nalazio na saldu sa 31. decembra 2004. godine otplaćen je 15. marta 2005. godine, te podignut novi kredit u istom iznosu, ali pod povoljnijim uvjetima. Novoodobreni kredit se dijeli na 2 tranše; A i B. Kredit treba biti vraćen u roku od 5 godina u istom iznosu. Od dana 29.09.2005. godine ukinute su tranše A i B i kredit u iznosu od 6 mil. EUR-a dospijeva u cijelosti nakon 5 godina.

Long-term borrowings as at 31 December 2005 of KM 3.314 thousand (2004: KM 6.738 thousand) are mainly related to obligations toward Privatisation Agency of Tuzla Canton. These funds are used to finance loans to customers for stimulation of local economy, with a maturity of 6 years.

LHB Internationale Handelsbank AG – Loan stated as of 31 December 2004 was repaid on 10 March 2005 and the new loan was taken in the same amount, but under more favourable terms. The new loan must be repaid in 36 months in two equal instalments from which the first one is repayable in 18 months starting on 20 June 2005. The borrowing was repaid in full on 11 October 2005.

Nova Ljubljanska banka d.d., Ljubljana – Loan stated as of 31 December 2004 was repaid on 16 March 2005 and the new loan was taken in the same amount, but under more favourable terms. A newly approved loan is divided into two instalments A and B. Loan must be repaid in 5 years in a single amount. On 29 September 2005 instalments A and B were cancelled and the loan of EUR 6 million is repayable in total after 5 years at EURIBOR + 2%.

26.10.2005. godine je uzet kredit kod Nove Ljubljanske banke d.d., Ljubljana na 7 godina uz otplatu u 14 jednakih uzastopnih polugodišnjih rata.

On 26 October 2005 a new loan was taken for 7 years. The repayment of the loan is in 14 equal half-annually instalments.

Obaveze prema Investicijskoj banci Federacije BiH na dan 31.12.2005. godine iznose 6.262 hiljada KM. Banka je svjesna rizika vezano za plasirane kredite, te isti imaju fiksnu kamatnu maržu.

Obligations toward Investment Bank of Federation of Bosnia and Herzegovina as of 31 December 2005 are KM 6.262 thousand (2004: KM 6.954 thousand).

Kamatne stope za uzete kredite su predstavljene kako slijedi:

Interest rates on borrowings are as follows:

Izvori / Sources	Kamatna stopa / Interest rate	
	2005	2004
Vlada Tuzlanskog kantona / Government of Tuzla Canton	1 %	1 %
LHB Internationale Handelsbank AG Frankfurt	-	EURIBOR + 1 %
Nova Ljubljanska banka d.d., Ljubljana	EURIBOR + 2% EURIBOR + 2,25%	2 %
Investicijska banka FBiH / Investment Bank of FBiH	4 % fiksno i EURIBOR + 1% godišnje	4 % fiksno i EURIBOR + 1 % godišnje

20. Obračunate kamate i ostale obaveze / Other liabilities

	31. decembra 2005. / 31 December 2005	31. decembra 2004. / 31 December 2004
Dospjele obaveze iz osnova kamata / Interest payable	1.655	945
Unaprijed naplaćene kamate / Prepaid interest income Collected in advance	227	401
Obaveze prema zaposlenim / Employee liabilities	313	194
Obaveze za poreze i doprinose / Taxes and contributions	294	149
Obaveze prema dobavljačima / Trade payables to suppliers	252	208
Obaveze iz komisionih poslova / Managing funds	211	751
Obaveza za porez na dobit / Current income tax	376	154
Neraspoređeni prilivi / Balances in suspense	135	512
Ostale obaveze / Other liabilities	2.616	1.366
	6.080	4.680

21. Potencijalne i preuzete obaveze / Contingencies and commitments

Slijedeća tabela prikazuje ugovorene iznose koji se odnose na potencijalne i preuzete obaveze Banke: /
The following table indicates the contractual amounts of the Bank's contingencies and commitments by category:

	31. decembra 2005. / 31 December 2005	31. decembra 2004. / 31 December 2004
Garancije / Guarantees		
- u KM / in domestic currency	19.437	15.326
- u stranim valutama / in foreign currency	7.454	6.637
Akreditivi / Letters of credit	860	1.030
Umanjenje: Ispravka vrijednosti za potencijalne gubitke / Less: Provision for guarantees	(1.039)	(844)
	26.712	22.149
Odobreni neiskorišteni krediti / Undrawn lending commitments		
- u KM / in domestic currency	15.529	15.125
- u stranim valutama / in foreign currency	-	-
- Dati avali / Guarantees	412	899
Čekovi poslani na naplatu / Cheques sent on payment	39	255
	15.980	16.279
Kretanja rezervisanja za umanjeње vrijednosti: / Movement in provisions for guarantees is as follows:	2005	2004
Stanje na dan 1. januara / Balance at 1 January	844	757
Neto rashod u bilansu uspjeha (Napomena 5) / Net charge/ (release) to income statement (Note 5)	239	233
Otpis / Amounts written off	(44)	(146)
Stanje na dan 31. decembra / Balance at 31 December	1.039	844

22. Transakcije sa povezanim stranama / Related party transactions

Strane sa smatraju povezanim ako jedna strana ima mogućnost da kontroliše drugu stranu ili ima značajan uticaj preko drugih strana u donošenju finansijskih i operativnih odluka. Transakcije sa povezanim stranama su dio svakodnevnog poslovanja. Ove transakcije uključuju kredite, depozite, pozajmice. Najznačajniji dioničari Banke su prikazani kako slijedi:

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. A number of banking transactions are entered into with related parties in the normal course of business. These include loans, deposits and borrowings. The significant shareholders of the Bank are disclosed below:

DIONIČARI IZNAD 2% DIONIČKOG KAPITALA SA STANJEM 08.09.2005. / SHAREHOLDERS ABOVE 2% OF SHAREHOLDER'S EQUITY – BALANCE AS AT 8 SEPTEMBER 2005

R. Br. / NAZIV / Name No	% učešća / shares	Iznos kapitala / Amount of capital	Zaduženost / Obligation 08.09.2005.	31.12.2004.
1. Jata d.o.o. Srebrenik	17,41	3.569	636	975
2. Highway Construction Company Sarajevo	8,89	1.821	0	502
3. Student & CO Arex d.o.o. Gradačac	4,14	848	0	856
4. Ecoinvest d.o.o. Brčko	3,41	698	1	38
5. CPA d.o.o. Tojšići	3,31	678	0	0
6. Humić Midhat	3,29	675	0	0
7. Hanić Adem	2,55	522	12	251
8. Solana dd Tuzla	2,49	511	1.148	713
9. Ibrić Hamzalija	2,28	467	4	4
Ukupno / Total	47,77	9.789	1.801	3.339

Dana 08.09.2005. Nova Ljubljanska banka je postala vlasnik 83,54% dioničkog kapitala Tuzlanske banke. Nakon izvršene transakcije, povezana lica su:

Since 8th September 2005 Nova Ljubljanska banka dd Ljubljana has become the owner of 83,54% of shareholders equity of Tuzlanska banka dd Tuzla. After the transaction, related parties are as follows:

DIONIČARI IZNAD 2% DIONIČKOG KAPITALA SA STANJEM 31.12.2005.

R. br. / No	NAZIV / Name	% učešća / shares	Iznos kapitala / Amount of capital	Zaduženost / Obligation 31.12.2005.	31.12.2004.
1.	Nova Ljubljanska banka d.d., Ljubljana	83,54	17.122	-	24
2.	Ibrić Mustafa	7,76	1.590	-	-
Ukupno / Total		91,30	18.712		

23. Komisioni poslovi / Funds under management

	31. decembra 2005. / 31 December 2005	31. decembra 2004. / 31 December 2004
Privreda / Legal entities	19.135	20.967
Stanovništvo / Individuals	61	109
Ukupno plasmani / Total assets under management	19.196	21.076
Vlada Tuzlanskog kantona / Government of Tuzla Canton	14.277	13.051
Investicijska banka FBiH / Federal Investment Bank of BiH	3.990	7.260
Ostale nebankarske finansijske organizacije / Other organizations	1.123	1.516
Ukupni izvori / Total liabilities	19.390	21.827
Razlika / Difference	194	751

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Banka upravlja sredstvima u ime kompanija koje su uglavnom u formi kredita koji se plasiraju različitim klijentima, a prema ugovorenom aranžmanu. Prihodi i troškovi ovih fondova su za račun tih fondova i Banka nema rizika po ovim transakcijama.

Banka naplaćuje usluge za servisiranje kredita jednokratno. Bankarska naknada obračunata za ova sredstva je kompenzacija za bankarske usluge.

The Bank manages assets on behalf and on 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.

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

24. Dionički kapital / Share capital

	31. decembra 2005. / 31 December 2005	31. decembra 2004. / 31 December 2004
U broju dionica / In number of shares		
Na dan 1. januara / On issue at 1 January	146.399	141.399
Obične dionice / Ordinary shares	146.217	141.217
Preferencijalne dionice / Preferred shares	182	182
Zatvorena emisija dionica u 2004. g. (obične) / Emission of shares in 2004 (ordinary)	-	5.000
Na kraju perioda / At the end of period	146.399	146.399

Sljedeći dioničari imaju udjel veći od 5% /

The below stated shareholders have more than 5% ownership of the Bank's voting shares.

Naziv / Name	% dioničkog kapitala / % of voting share capital 2005.		% dioničkog kapitala / % of voting share capital 2004.	
	Iznos / Amount	%	Iznos / Amount	%
1 Nova Ljubljanska banka d.d., Ljubljana	17.122	83,54	-	-
2 Ibrić Mustafa	1.590	7,76	-	-
3 Jata d.o.o. Srebrenik	-	-	3.569	17,41
4 Highway Construction Company Sarajevo	-	-	1.822	8,89
5 Ostali / Others	1.784	8,70	15.105	73,70
Ukupno / Total	20.496	100	20.496	100



25. Sudski procesi u toku

Banka za naplatu svojih potraživanja na dan 31.12.2005. godine vodi ukupno 105 sudskih sporova protiv pravnih lica, a po osnovu odobrenih kredita i izdatih garancija, sa ukupnom vrijednošću sporova od cca. 21.400.000 KM (bez kamate). Najznačajniji sudski sporovi pokrenuti su protiv slijedećih dužnika: Saramerc d.j.l. Srebrenik, Osmanović Braco d.j.l. Srebrenik, Kristal d.o.o. G. Dubrave, TTU d.d. Tuzla, Polihem d.d. Tuzla, Rudhem d.d. Tuzla i Tuzlaputevi d.d. Tuzla.

Okončanjem navedenih sudskih postupaka očekuje se da Banka naplati cca. 8.000.000 KM utuženih potraživanja.

Banka za naplatu svojih potraživanja na dan 31.12.2005. godine vodi ukupno 145 sudskih sporova protiv fizičkih lica, po osnovu odobrenih kredita, sa ukupnom vrijednošću sporova od cca. 520.000 KM.

Okončanjem sudskih postupaka očekuje se da Banka naplati cca. 360.000 KM utuženih potraživanja od fizičkih lica.

Banka protiv pravnih lica vodi još 8 sudskih postupaka po drugim osnovama. Banka protiv fizičkih lica vodi još 17 sudskih postupaka po drugim osnovama.

Na dan 31.12.2005. godine protiv Banke je pokrenuto devet sudskih sporova od strane pravnih lica, od kojih je najznačajnija tužba Privredne banke d.d. Sarajevo na iznos od 2.174.123,03 KM. Od devet sudskih postupaka pokrenutih protiv Banke četiri sudska postupka odnose se na proglašenje izvršenja nedopuštenim.

Na dan 31.12.2005. godine protiv Banke je pokrenut 31 sudski spor od strane fizičkih lica. Jedan dio sporova odnosi se na isplatu razlike kamate na staru deviznu štednju, zbog čega nije moguće odrediti visinu tužbenog zahtjeva prije provođenja vještačenja po

25. Proceedings in progress

In order to collect its receivables as of 31 December 2005, the Bank is engaged in 105 lawsuits against legal entities, which are related to loans approved and guarantees issued, with total value of lawsuits of approximately KM 21.400.000 (without interest). The most important proceedings are started against the following debtors: Saramerc djl Srebrenik, Osmanović Braco d.j.l. Srebrenik, Kristal d.o.o. G. Dubrave, TTU d.d. Tuzla, Polihem d.d. Tuzla, Rudhem d.d. Tuzla and Tuzlaputevi d.d. Tuzla.

By ending of these proceedings, the Bank expects to collect approximately KM 8.000.000 of receivables claimed.

In order to collect its receivables as of 31 December 2005, the Bank is engaged in 145 lawsuits against individuals, which are related to loans approved, with total value of lawsuits of approximately KM 520.000.

By ending of these proceedings, the Bank expects to collect approximately KM 360.000 of receivables claimed.

The Bank is engaged in additional 8 lawsuits against legal entities and 17 lawsuits against individuals, on other legal matters.

As of 31 December 2005, eight proceedings were started against the Bank by legal entities, of which the lawsuit of Privredna banka dd Sarajevo for KM 2.174.123 is the most important. Two of eight proceedings started against the Bank are related to annulment of mortgage.

As of 31 December 2005, 31 proceedings were started against the Bank by individuals. One part of proceedings is related to payment of difference of interest on foreign savings, wherefore it is not possible



vještaku finansijske struke. Naime, radi se o isplati razlike kamate na staru deviznu štednju, za koju su tužitelji (u skladu sa Zakonom o deviznom poslovanju SFRJ koji se primjenjivao kao materijalni propis), imali pravo na isplatu u dinarima, koji su zbog u međuvremenu nastalih denominacija u potpunosti obezvrijeđeni. Drugi dio sporova odnosi se na isplatu stare devizne štednje. Napominjemo da je prema Odluci o meritumu Ustavnog suda BiH, broj: U-14/05, država Bosna i Hercegovina dužna u roku od 3 mjeseca od dana objave odluke (odluka je objavljena u «Službenom glasniku BiH», broj: 2/06 od 16.01.2006. godine) donijeti zakon kojim će se regulirati pitanje isplate stare devizne štednje.

Niti jedan od sudskih postupaka, koji se vodi protiv Banke nije od takvog značaja da može ugroziti poslovanje Banke. U najgorem slučaju Banka bi u sudskim sporovima mogla da izgubi novčana sredstva do iznosa od 500.000 KM.

26. Proces privatizacije Tuzlanske banke d.d. Tuzla

Privatizacijski proces Banke koji je obavljen 1998. godine bio je predmetom istrage Finansijske policije u 2003. godini i još uvijek se radi na izradi tog izvještaja. Uprava Banke je ubijeđena da su tvrdnje medija koje su bile prisutne u posljednje vrijeme, potpuno neosnovane i da Uprava ima dovoljne dokaze o tome da je proces privatizacije provedene u Banci ispravan.

Po svim do sada izvršenim eksternim i internim revizijama i kontrolama, privatizacija nije pravno osporena. Ukoliko je bilo eventualnih nepravilnosti, one su predmet ugovora između bivših vlasnika dionica, državnih preduzeća i novih vlasnika, privatnih preduzeća. Takve nepravilnosti mogu se odnositi na neispunjenje ugovora o dužničko povjerilačkim odnosima, zaključenim između državnih i privatnih preduzeća i biti predmet istrage o radu i poslovanju istih, što ne može imati pravne posljedice za Banku, Prema saznanjima sa

to determine the amount of lawsuit claim before testimony of court financial expert. Actually, this matter is related to payment of difference of interest on foreign savings, on which the prosecutors had the right for payment in "Dinars" (in accordance with Law on Foreign Exchange Operations of SFRY), which are totally depreciated due to the devaluations occurred in the meantime. Another part of proceedings is related to payment of foreign savings. We wish to note that on 28 November 2004, the new Law on Establishing and Manner of Payment of Internal Liabilities of FBiH came into force. This Law prescribes the manner of payment of foreign savings by Federation of BiH.

None of the proceedings started against the Bank is so important to imperil the Bank's business. In the worst case, the Bank could lose up to KM 500.000 in these lawsuits.

26. Privatisation process of Tuzlanska banka

Privatization process of the Bank was performed in 1998. That process was subject to investigation by Finance police in 2003 and Finance police still works on its final report. Management of the Bank is sure that all assertions by press are unsound. The Management is convinced to have enough arguments documenting the correctness of the process of privatization.

Privatization hasn't been legal challenged by any performed external and internal audits and controls. If there have been any eventual irregularities, they were in the contracts between former shareholders (governmental companies) and new shareholders (private companies). Those irregularities might be related to breaches of contracts about debtor-creditor relations, signed between governmental and private companies and that can't have legal impact on the Bank. As far as the management of the Bank knows, only a very small number of new shareholders has not honored

kojima raspolaže Banka, procentualno vrlo mali broj novih dioničara nije izmirio sve obaveze po osnovu ugovora o kupovini dionica, pa se može očekivati da efekti eventualnog procesa ne bi bili značajni.

Proces privatizacije je bio predmet razmatranja jedne od komisija Skupštine Tuzlanskog kantona, koja je dobila nalog od Skupštine da istraži da li postoje eventualne nepravilnosti u privatizacijskom procesu. Rad komisije se ne odnosi na primjenu zakonitosti kada je Banka u pitanju. Skupština Tuzlanskog kantona je na sjednici održanoj 12. decembra 2005. godine, u okviru jedne od tački dnevnog reda, razmatrala proces privatizacije i nije donijela zaključke po kojima bi proces privatizacije bio predmet istrage državnih organa.

its contractual obligations, so effects of eventual process shouldn't be significant.

Process of privatization was subject to control by Commission of Assembly of Tuzla Canton. That Commission has received a directive from Assembly to investigate eventual irregularities in the privatization process. Operations of the Commission are not related to the operations of the Bank. Assembly of Tuzla Canton has discussed about process of privatization on its meeting of 12.12.2005 (item on the agenda) and has not concluded that the process of privatization should be subject to investigation by governmental agencies.





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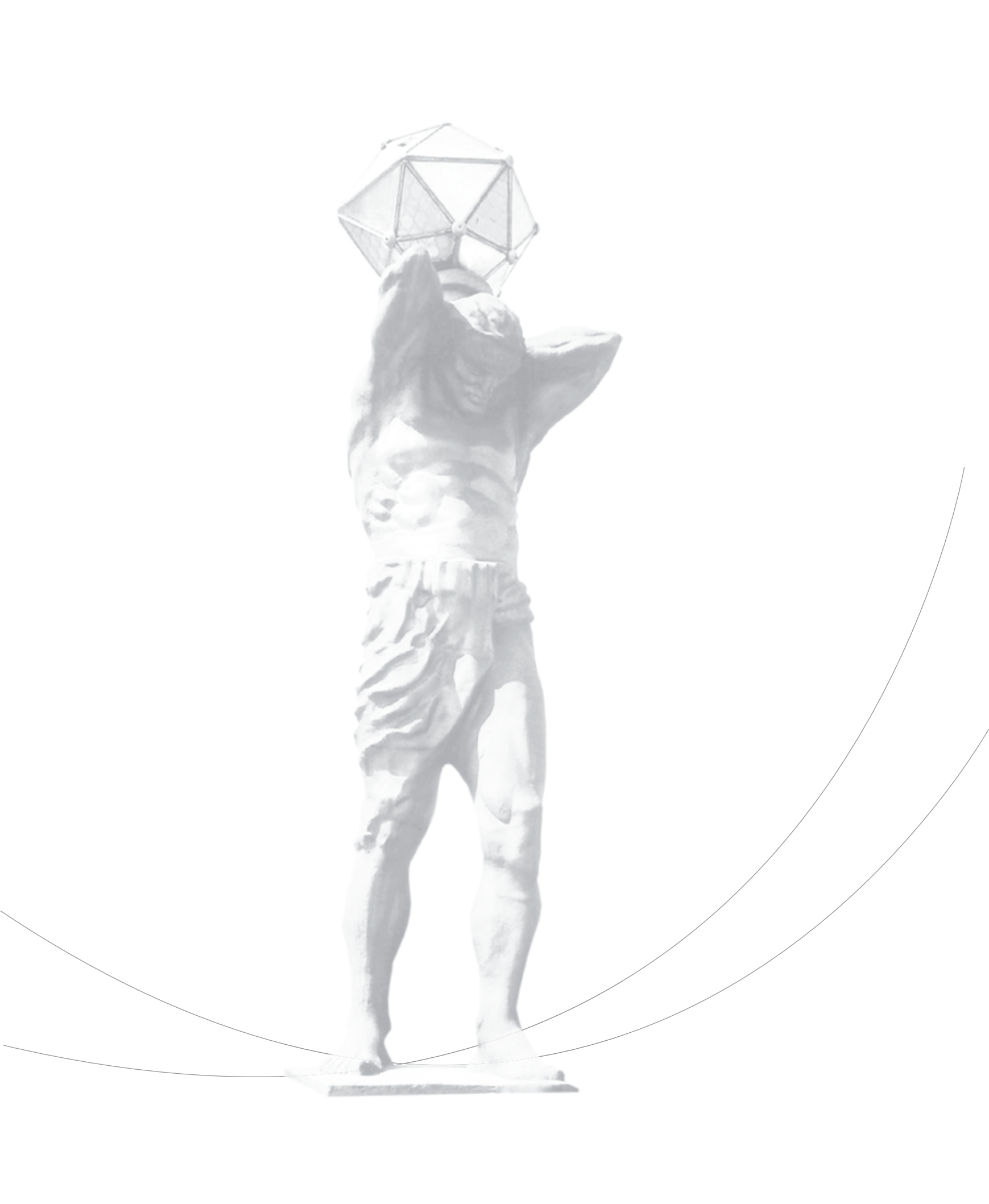
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FILIJALA ČELIĆ	035 660 192
FILIJALA DOBOJ ISTOK	035 723 208
FILIJALA GRAČANICA	035 703 615
FILIJALA GRADAČAC	035 818 421
FILIJALA KALESIJA	035 631 061
FILIJALA KLADANJ	035 621 590
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