

**Godišnji
izvještaj 2010**

Volksbank BH d.d.

Austrija
BOSNA I HERCEGOVINA

Hrvatska
Češka Republika
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IZVJEŠTAJ UPRAVE



Senad Tupković
Reinhold Kolland
Erwin Stampfer
(s lijeva na desno)

Poštovane dame i gospodo,

i u 2010. godini, uprkos opštoj situaciji na finansijskim tržištima, kako u Bosni i Hercegovini tako i u cijelom svijetu, Volksbank BH d.d. je postigla dobar finansijski rezultat ostvarivši dobit od preko 1,3 miliona KM.

Nakon perioda konsolidacije, Banka sa krajem decembra 2010. godine bilježi kreditni volumen od 533 miliona KM dok se iznos depozita popeo na 311 miliona KM. Stabilan je i udio kapitala koji iznosi 18,1%, a omjer troškova i prihoda dostigao je 64%.

Volksbank BH d.d. opslužuje 110.000 fizičkih lica, zapošljava 330 uposlenika u ukupno 26 filijala širom zemlje.

Sve u svemu, ovo snažno potvrđuje našu poslovnu strategiju - biti stabilan, pouzdan i efikasan partner našim klijentima, dioničarima i uposlenicima. Uprava i uposlenici Banke će uložiti maksimalan napor da nastave raditi u tom pravcu.

Nakon godina ekspanzije, Volksbank BH d.d. se snažno fokusirala na jačanje odnosa prema postojećim klijentima kroz promovisanje „house bank“ modela. Optimiziranjem naših usluga i proizvoda, Banka je povećala lojalnost i zadovoljstvo klijenata čime se uspostavlja osnov za jedinstven i poseban odnos između Volksbank BH d.d. i njenih klijenata.

U tu svrhu, Banka i dalje polaže naglasak na obrazovanje i obučavanje uposlenika. „Biti tu za klijenta“ je glavna misija Volksbank BH d.d. tokom svih proteklih godina.

Volksbank BH d.d. je prošle godine lansirala pristupačne kreditne proizvode prilagođene potrebama i mogućnostima klijenata s namjerom da povećaju vrijednost ponude. Banka je kreirala kreditne proizvode s jasnim pogodnostima za individualne klijente i grupe klijenata.

Za fizička lica pokrenuli smo nekoliko akcija i proizvoda za različite vrste kredita za stanovništvo, kao što su kredit s fiksnom kamatnom stopom, zamjenski kredit, kredit sa kamatnom stopom na bazi Euribor-a, itd.

Za korporativne klijente, mala i srednja preduzeća pored posebnih prilagođenih kreditnih linija, potpisali smo i Sporazum o garanciji kreditnog portfolija sa Američkom agencijom za međunarodni razvoj (USAID) i Švedskom međunarodnom organizacijom za razvojnu pomoć (SIDA) u cilju stimulanja razvoja lokalnog poduzetništva i otvaranja novih radnih mjesta, te sa Svjetskom bankom i Fondacijom za održivi razvoj Ugovor o subsidijarnom finansiranju srednjih i malih preduzeća sa ciljem poboljšanja dostupnosti izvora finansiranja.

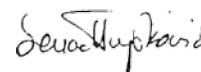
Na kraju, željeli bismo zahvaliti našim uposlenicima na njihovoj velikoj posvećenosti koja je od ključnog značaja za naš uspjeh, kao i našim partnerima i dioničarima na njihovoj podršci i povjerenju. Također, posebno se želimo zahvaliti i našim lojalnim klijentima koji vjeruju u nas kao pouzdanog partnera. Zajedno ćemo nastaviti graditi banku kontinuirano radeći na stvaranju prednosti za naše klijente.



Mag. Reinhold Kolland
Direktor



Dr. Erwin Stampfer
Izvršni direktor



Senad Tupković
Izvršni direktor

PREGLED NAJZNAČAJNIJIH POKAZATELJA

u 000 KM	2009.	2010.
Ukupna aktiva	793.960	802.908
Depoziti	651.554	660.637
Kredit	541.899	513.693
Dobit prije oporezivanja	3.724	1.550
Ukupni prihodi	59.689	55.921
Ukupni troškovi	55.965	54.371
Broj zaposlenih	334	330
Broj poslovnih jedinica	27	26

ORGANI UPRAVLJANJA

NADZORNI ODBOR

Predsjedavajući

Dr. Friedhelm Boschert
Predsjedavajući Uprave
Volksbank International AG

Zamjenik

Dr. Engelbert Bramerdorfer
Vođa odjela Akvizicije i Integracija
Volksbank International AG

Članovi

Mag. David Vadnal
Country Manager
Volksbank International AG

Dipl.ing. Mahir Hadžiahmetović
Član Nadzornog odbora

Gabriele Ugolini
Član Nadzornog odbora

UPRAVA

Mag. Reinhold Kolland
Direktor

Dr. Erwin Stampfer
Izvršni direktor

Dipl.oec. Senad Tupković
Izvršni direktor

PRIVREDNO OKRUŽENJE

U poslovnoj 2010. godini zabilježeni su prvi znaci blagog oporavka bh. ekonomije. Bankarski sektor na čelu sa komercijalnim bankama u većinskom stranom vlasništvu je kao i prethodnih godina dominirao finansijskim sistemom u Bosni i Hercegovini. Isti je i dalje bio pod uticajem djelovanja globalne ekonomske krize, slabljenja domaće ekonomije i kupovne moći građana. Negativni efekti su se u blažoj formi najviše odražavali na ključnu djelatnost banaka, odnosno segment kreditnog poslovanja i kvalitet kreditnog portfolija, a zbog povećanih troškova rezervisanja za kreditne gubitke i na značajni pad profitabilnosti u poslovanju banaka.

U svijetu, u razvijenim ekonomijama, ekonomska aktivnost je bila umjerenija nego što se očekivalo, s tim što privatna potrošnja koja je zabilježila veliki pad u periodu krize, sada bilježi znakove oporavka i rasta. Problem visoke nezaposlenosti i dalje je prisutan i u međuvremenu nije znatno smanjen. U zemljama u razvoju je zabilježen stabilan ekonomski rast. Globalna ekonomska aktivnost je povećana za 4,5% na godišnjem nivou.

Industrijska proizvodnja u BiH zabilježila je neuobičajeno intenzivan rast pri kraju godine, pa je u decembru za čak 8,7% viša nego u decembru 2009. godine. Naročito je naglašen porast u proizvodnji energije koja je za skoro 21% veća nego u decembru 2009. godine.

Povoljni trendovi u pogledu vanjskotrgovinske razmjene se nastavljaju. Robni izvoz je iznosio 1,86, a uvoz 3,69 milijardi KM, pa je pokrivenost uvoza izvozom dostigla 50%.

Inflacija je ubrzano rasla u zadnjem kvartalu, s mjesečnim porastom od 0,9% i 0,8% u oktobru i decembru, a nešto nižim u novembru (0,3%), pa je godišnja stopa inflacije u decembru dostigla 3,1%, što je najviša vrijednost u posljednje dvije godine.

Ukupan deficit tekućeg računa za devet mjeseci je manji za 9,3% u odnosu na isti period 2009.

Ukupna otplata vanjskog duga vlade je u 2010. godine iznosila 300,8 miliona KM.

Devizne rezerve su nastavile trend rasta i povećane su za 199,9 miliona KM, te dostigle iznos od 6,46 milijardi KM.

Kreditne aktivnosti banaka u BiH su u blagom porastu, pa su ukupna potraživanja na godišnjem nivou narasla za 2,4%, s tim da je rast kredita prema preduzećima naglašeniji, dok krediti stanovništvu imaju vrlo neznatan porast.

Kamatne stope na kredite zabilježile su smanjivanje, što govori o povećanoj ponudi kredita od strane banaka. Kamatne stope na dugoročne kredite s valutnom klauzulom (koji su najzastupljeniji krediti) smanjene su za preduzeća za 20 baznih poena, a za stanovništvo za 38 baznih poena.

Depozitna osnova u komercijalnim bankama je ojačana kroz ukupno povećanje depozita od 191,7 miliona KM, tako da ukupan iznos depozita na kraju godine iznosi 12,52 milijarde KM.

U cilju ublažavanja negativnih efekata globalne ekonomske krize, Upravni odbor Agencije za bankarstvo Federacije BiH je donio odluku o produženju privremenih mjera za reprogram kreditnih obaveza fizičkih i pravnih lica u bankama. A u cilju očuvanja povjerenja građana u sigurnost i stabilnost bankarskog sistema u BiH, Upravni odbor Agencije za osiguranje depozita je u 2010. godini donio odluku da se mijenja iznos pokrića osiguranih prikladnih depozita fizičkih lica pa se umjesto 20.000,00 KM utvrđuje u visini od 35.000,00 KM.

U decembru 2010. godine međunarodna agencija Standard & Poor's potvrdila je Bosni i Hercegovini 'B+' kreditni rejting sa stabilnim izgledima. Bosna i Hercegovina, također, posjeduje kreditni rejting 'B2' sa stabilnim izgledima, koji joj je dodijeljen od agencije Moody's Investors Service.

Može se konstatovati da je tokom 2010. godine došlo da zaustavljanja negativnih ekonomskih trendova i zapaža se umjereni oporavak bh. ekonomije. Znakovi oporavka se primjećuju u povećanom obimu industrijske proizvodnje, porastu izvoza, stabilizaciji nivoa deviznih rezervi i sl.. Ipak, ovaj oporavak je još uvijek vrlo niskog intenziteta i biće spor i dugotrajan. Banke su tokom 2010. godine i dalje zadržale pojačani fokus na kreditnom riziku i restrukturiranju svojih kreditnih portfelja uz restriktivnije i rigoroznije politike upravljanja kreditnim rizikom, posebno u procesu odobravanja kredita.

(Izvor: Bilten 4. Kvartal 2010, Centralna Banka BiH;
Informacija o bankarskom sistemu FBiH 31.12.2010, Agencija za bankarstvo FBiH)

ANALIZA POSLOVANJA

POSLOVANJE SA PRAVNIM LICIMA

Bez obzira na vrlo kompleksno ekonomsko - finansijsko okruženje u prošloj godini, naša fokusiranost i predanost klijentima i primarno njihovim potrebama je bila evidentna. Konstantno usavršavanje i nadogradnja proizvoda i usluga su također bili od izuzetne važnosti za naše klijente kojima smo tim putem omogućili bolju i kvalitetniju poziciju na tržištu. Blagovremena identifikacija specifičnih potreba klijenata je kreirala bolju i adekvatniju poslovnu atmosferu i proširenje poslovne saradnje sa komitentima.

POSLOVANJE SA STANOVNIŠTVOM

House bank model je u svim poslovnim segmentima u fokusu našeg poslovanja. Cilj Banke je veoma bliska saradnja sa svim postojećim i u budućnosti akviziranim klijentima. Prednost ovog modela za Banku je bolji nivo informacija o klijentu što nam omogućuje da pravovremeno reagujemo na nove poslovne mogućnosti (potrebe za kreditiranjem, depozitno i transakciono poslovanje).

Svoje poslovanje Volksbank BH d.d. obavlja kroz mrežu koja se sastoji od 11 filijala i 15 šaltera.

Banka bilježi pozitivne rezultate u prodaji tekućih računa, te debitnih i kreditnih kartica. U ponudi Volksbank BH d.d. su MasterCard kreditna kartica, MasterCard GOLD i Maestro kartica.

Sa 31.12.2010. godine Banka je imala 211 miliona KM depozita stanovništva, od toga 124 miliona KM oročenih depozita, te 87 miliona KM a vista, žiro i tekući računi. Banka je ostvarila navedeni nivo depozita stanovništva zahvaljujući štednim proizvodima dizajniranim prema potrebama klijenata. Stoga, slogan naše Banke „Povjerenje spaja“ ima svoju potvrdu u naprijed navedenom.

POSLOVANJE SA MALIM PREDUZEĆIMA / SAMOSTALNIM OBRTRNICIMA

I u protekloj 2010. godini odjel Poslovanje s malim firmama / samostalnim obrtnicima stavio je akcent na akviziciju što većeg broja „house bank“ klijenata. Također, nastojali smo i dalje održavati veze s klijentima po principu „Povjerenje spaja“. S tim u vezi nastavili smo negovati individualni pristup svakom klijentu.

U 2010. godini Odjel je ostvario rast u ukupno ostvarenim prihodima 25,31% po osnovu naknada i kamata kao i rast kreditnog portfolia za 16,38%. Ukupan broj klijenata sa 31.12.2010. iznosi 2.510.

U odjelu je zaposleno ukupno trinaest Savjetnika za mala preduzeća / samostalne obrtnike, dva Suradnika za centralno vođenje računa i Vođa odjela mala preduzeća / samostalni obrtnici. Savjetnici za mala preduzeća / samostalne obrtnike prisutni su u svim većim filijalama Volksbank BH d.d.

PLATNI PROMET

Unutrašnji platni promet

Smanjenje obima unutrašnjeg platnog prometa u 2010. godini, u odnosu na 2009. godinu je posljedica ekonomske krize koja u Bosni i Hercegovini ima još uvijek jak uticaj, kako na privredu tako i na bankarski sektor. Tako je broj insolventnih računa pravnih lica koji su komitentni Banke, sa 574 računa, koliko je bilo na kraju 2009. godine, porastao na 1.265 insolventnih računa na kraju 2010. godine.

Broj transakcija obavljenih preko Centralne banke BiH u 2010. godini iznosi 1.220.770 i povećan je u odnosu na 2009. godinu za 9,96%.

	2009.	2010.
Prilivi (međubankarski) - broj naloga	413.257	512.233
Plaćanja (međubankarska) - broj naloga	632.251	708.537
Volumen platnog prometa preko CB BiH u KM	1.794.555.000	1.691.395.000

Elektronsko bankarstvo i u 2010. godini koriste samo pravna lica. Učešće elektronski procesiranih naloga u ukupnom broju naloga je 29,19%.

Ukupni prihodi, po osnovu naknada za obavljanje unutrašnjeg platnog prometa za 2010. godinu iznosili su 1.221 hiljada KM.

Platni promet sa inostranstvom

Obim platnog prometa sa inostranstvom u 2010. godini iznosio je 555.372.000 KM, i manji je u odnosu na 2009. godinu za 10,7% .

Broj transakcija platnog prometa sa inostranstvom u 2010. godini iznosio je 38.788 od čega je priliva iz inostranstva bilo 25.001, a plaćanja u inostranstvo 13.787.

	2009.	2010.
Prilivi (broj naloga) iz inostranstva	22.549	25.001
Plaćanja (broj naloga) u inostranstvo	14.269	13.787
Volumen platnog prometa sa inostranstvom u KM	621.844.000	555.372.000

Prihod po osnovu naknada platnog prometa sa inostranstvom u 2010. godini bio je 1.156 hiljade KM.

SREDSTVA

Banka je uspješno obavljala sve aktivnosti vezano za upravljanje rizikom likvidnosti te je u skladu s tim održavala svakodnevnu usklađenost aktive i pasive prema zakonom propisanim limitima. Obavezna rezerva održavana je u okviru zakonskih limita. Likvidna sredstva kako u domaćoj tako i u EUR valuti bila su neočekivano veća od planiranih što je posljedica povećanja depozita klijenata i smanjenja kreditnih aktivnosti.

Upravljaajući kamatnim rizikom Banka je održavala interne limite propisane od strane Uprave Banke nastojeći u isto vrijeme da optimizira neto kamatni prihod.

Kupoprodaja valuta, zaključivanje kredita i depozita sa valutnom klauzulom su aktivnosti putem kojih je Banka svakodnevno usklađivala i održavala deviznu poziciju u okviru zakonom propisanih ograničenja odnosno poštovala interna ograničenja u pogledu devizne pozicije za pojedinačne valute.

Odjel Sredstva nastavio je da pruža svojim klijentima usluge Customer Desk-a. Unatoč finansijskoj krizi Banka je potpisala ugovore sa novim klijentima koji koriste ove usluge. Usluge pružene putem Customer Desk-a uglavnom su se odnosile na trgovinu devizama i Banka je svojim klijentima nudila konkurentne kurseve primarno uvažavajući kretanja na svjetskim tržištima.

Struktura izvora finansiranja nije se značajnije mijenjala u odnosu na prethodnu godinu: najveći udio u finansiranju Banke i dalje imaju dioničari banke VBI/VBAG sa 44,50% odnosno depoziti klijenata koji učestvuju sa 39,35% u ukupnom finansiranju. Supranacionalne finansijske institucije učestvuju sa 4,68% u finansiranju Banke.

Početakom 2010. godine Banka je potpisala kreditni aranžman sa EIB-om (Evropska investicijska banka) u vrijednosti od 10 miliona EUR (19,5 miliona KM) i ta sredstva će biti korištena za finansiranje malih i srednjih projekata u oblasti energetike, infrastrukture i okoliša i investicionih projekata koje će implementirati mala i srednja preduzeća u zdravstvu i obrazovanju, te u industriji i sektoru uslužnih djelatnosti.

I u 2010. godini Banka je kontinuirano nastavila sa ispunjavanjem uslova za održavanje dozvole Depozitara investicionog fonda, Skrbničke dozvole i dozvole Banke depozitara u emisiji i prometu na tržištu vrijednosnih papira.

Godinu 2010. obilježilo je i otvaranje prvih skrbničkih računa za Investicione fondove, implementacija novih Zakonskih odredbi kao i unaprjeđenje načina poslovanja.

MEĐUNARODNA MREŽA



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Finansijski izvještaj

Volksbank BH d.d.

BILANS STANJA

Na dan 31. decembra

	Bilješka	2010. '000 KM	2009. '000 KM
Aktiva			
Gotovinske rezerve	14	142.165	151.098
Obavezna rezerva kod Centralne banke	15	55.355	52.186
Plasmani i zajmovi bankama	16	72.415	29.357
Zajmovi komitentima	17	513.693	541.899
Pretplata poreza na dobit		360	445
Obračunata kamata i ostala aktiva	18	3.941	4.422
Ulaganja u pridružena pravna lica i ostale vrijednosnice	19	4.190	4.190
Ulaganja u nekretnine	20	2.367	-
Nekretnine i oprema	21	7.220	8.915
Nematerijalna imovina	22	1.202	1.448
Ukupno aktiva		802.908	793.960
Obaveze			
Tekući računi i depoziti banaka	23	352.055	361.845
Tekući računi i depoziti komitenata	24	308.582	289.709
Uzeti zajmovi i subordinirani dug	25	37.203	38.604
Obračunata kamata i ostale obaveze	26	12.717	12.835
Odgodene poreske obaveze	27	152	126
Rezerva za obaveze i troškove	28	1.555	1.581
Ukupno obaveze		712.264	704.700
Kapital			
Dionički kapital	29	47.000	47.000
Emisiona ažia	30	27.773	27.773
Zadržana dobit		15.871	14.487
Ukupno kapital		90.644	89.260
Ukupno obaveze i kapital		802.908	793.960

BILANS USPJEHA

Za godinu koja je završila 31. decembra

	Bilješka	2010. '000 KM	2009. '000 KM
Prihod od kamata	6	47.426	51.271
Rashod od kamata	7	(18.521)	(23.474)
Neto prihod od kamata		28.905	27.797
Prihod od naknada i provizija	8	6.752	6.340
Rashod od naknada i provizija		(383)	(450)
Neto prihod od naknada i provizija		6.369	5.890
Ostali poslovni prihodi	9	1.743	2.078
Ukupan poslovni prihod		37.017	35.765
Neto gubici od umanjenja vrijednosti i rezervacije	10	(10.601)	(7.032)
Troškovi osoblja	11	(9.729)	(9.908)
Amortizacija		(2.245)	(2.302)
Ostali troškovi	12	(12.892)	(12.799)
Dobit prije poreza		1.550	3.724
Trošak poreza na dobit	13	(166)	(378)
Neto dobit za godinu		1.384	3.346
		KM	KM
Osnovna zarada po dionici	31	4,91	10,17

BILJEŠKE UZ FINANSIJSKI IZVJEŠTAJ

ZNAČAJNE RUKOVODSTVENE POLITIKE

Izjava o usklađenosti

Finansijski izvještaji Banke su pripremljeni u skladu sa računovodstvenim propisima Agencije za bankarstvo Federacije Bosne i Hercegovine.

Funkcionalna valuta i valuta prezentiranja

Finansijski izvještaji prezentirani su u konvertibilnim markama ("KM"), koja je funkcionalna valuta. Vrijednosti su zaokružene na najbližu hiljadu (ako drugačije nije navedeno).

Centralna Banka Bosne i Hercegovine („Centralna banka“ ili „CBBiH“) provodi politiku kursa na principu „valutnog odbora“ prema kojem je KM vezana za EUR u odnosu 1: 1,95583 koji je korišten u 2010. i 2009. godini. Očekuje se da će se ovo zadržati i u doglednoj budućnosti.

Preračunavanje stranih valuta

Transakcije u stranim valutama preračunavaju se u funkcionalnu valutu po kursu važećem na dan transakcije. Dobici i gubici po osnovu kursnih razlika koji nastaju prilikom izmirenja tih transakcija i po osnovi svođenja monetarne imovine i obaveza denominiranih u stranim valutama po kursu krajem godine priznaju se u bilansu uspjeha. Nemonetarna imovina i stavke u stranoj valuti koje se mjere po historijskom trošku preračunavaju se po kursu na datum transakcije i ne preračunavaju se ponovno na datum bilansa stanja.

Prihodi i rashodi od kamata

Prihodi i rashodi od kamata priznaju se u bilansu uspjeha za obračunsko razdoblje na koje se odnose, uzimajući u obzir efektivni prinos na aktivu ili obaveze odnosno primjenjivu varijabilnu stopu, osim za kamatu na neprihodujuća sredstva koja je suspendirana i koja se priznaje po naplati. Prihodi i rashodi od kamata uključuju amortizaciju svakog diskonta ili premije ili drugih razlika između inicijalne knjigovodstvene vrijednosti kamatonosnog finansijskog instrumenta i iznosa po dospijeću, uz primjenu efektivne kamatne stope. Naknade za odobravanje zajmova uključene su u izračun efektivne kamate.

Prihod i troškovi od naknada i provizija

Prihodi od naknada i provizija sastoje se uglavnom od naknada za garancije, akreditive, domaća i međunarodna plaćanja, kartično poslovanje i ostale usluge koje pruža Banka gdje se naknade priznaju kao prihod po pružanju usluge.

Prihod od dividendi

Prihodi od dividendi po osnovu vlasničkih vrijednosnih papira priznaju se u bilansu uspjeha u trenutku nastanka prava za primitak dividende.

Materijalna imovina

Sva materijalna imovina se vrednuje po trošku umanjenom za akumuliranu amortizaciju i umanjenje vrijednosti.

Amortizacija se obračunava na svu imovinu, osim zemljišta i imovine u pripremi, prema linearnoj metodi kako bi se otpisao trošak nabave imovine kroz njezin procijenjeni vijek trajanja. Sljedeći procijenjeni korisni vijekovi se koriste:

Kompjuteri	5 godina
Namještaj i ostala oprema	6,5 – 10 godina
Motorna vozila	6,5 godina
Ulaganja u tuđu imovinu	12 godina
Poslovne zgrade	50 godina

Metoda amortizacije i procijenjeni korisni vijek pregledaju se i korigiraju, ukoliko je potrebno, na svaki datum balansa.

Trošak redovnog održavanja direktno tereti dobit iz poslovanja. U iznimnim slučajevima, trošak ulaganja se kapitalizira ako održavanje rezultira povećanjem ili značajnim poboljšanjem predmetnih dijelova imovine.

Nematerijalna imovina

Nematerijalna imovina se vrednuje po trošku umanjenom za akumuliranu amortizaciju i umanjenje vrijednosti. Troškovi razvoja kapitaliziraju se ako zadovoljavaju sve uvjete navedene u MRS 38 Nematerijalna sredstva (MRS 38).

Amortizacija se obračunava na svu imovinu, osim imovine u pripremi, prema linearnoj metodi kako bi se otpisao trošak nabave imovine kroz njezin procijenjeni vijek trajanja. Sljedeći procijenjeni korisni vijekovi se koriste:

Softver	5 godina
---------	----------

Metoda amortizacije i procijenjeni korisni vijek pregledaju se i korigiraju, ukoliko je potrebno, na svaki datum balansa.

Rezervacije

Rezervisanja se priznaju ukoliko Banka ima sadašnju zakonsku ili izvedenu obavezu proizašlu iz prošlih događaja za čije se podmirenje očekuje da će Banci stvoriti odljev resursa koji utjelovljuju ekonomske koristi, a moguće je napraviti pouzdanu procjenu iznosa obaveze, ili kao što je propisano zakonom, u slučaju rezervisanja za neidentificirane gubitke po vanbilansnim izloženostima kreditnom riziku.

Rezervisanja za obaveze i troškove održavaju se na razini koju Uprava Banke smatra dovoljnom za pokrivanje nastalih gubitaka. Uprava utvrđuje dostatnost rezervacija na temelju uvida u pojedinačne stavke, tekuće ekonomske uslove, karakteristike rizika određenih kategorija transakcija, kao i druge relevantne činjenice.

Rezervacije treba iskorištavati samo za izdatke za koje je rezervacija izvorno priznata. Ako više nije vjerovatno da će podmirivanje obaveza zahtijevati odljev resursa koji utjelovljuju ekonomske koristi, rezerviranje se treba ukinuti.

Dionički kapital

Dionički kapital

Dionički kapital obuhvaća redovne i prioritetne dionice i izražava se u KM po nominalnoj vrijednosti. Svaka dobit za godinu poslije raspodjele se prebacuje u rezerve.

Dividende

Dividende na redovne dionice i prioritetne dionice priznaju se kao obaveza u periodu u kojem su odobrene od strane dioničara Banke.

PRIHOD OD KAMATA

A) RAŠČLANJIVANJE PO IZVORIMA

Ukupan prihod od kamata potiče iz sljedećih izvora:

	2010. '000 KM	2009. '000 KM
Preduzeća	12.651	13.471
Građani	33.936	36.746
Banke i druge finansijske institucije	839	1.054
	47.426	51.271

U stavku "prihod od kamata od banaka i drugih finansijskih institucija" uključuju se i prihodi po osnovi kamata na obaveznu rezervu kod Centralne banke.

B) RAŠČLANJIVANJE PO POSLOVIMA

Prihodi od kamata raščlanjuju se po bankarskim poslovima kako slijedi:

	2010. '000 KM	2009. '000 KM
Zajmovi komitentima	46.587	50.217
Obavezna rezerva kod Centralne banke	612	800
Plasmani i zajmovi drugim bankama	227	254
	47.426	51.271

RASHOD OD KAMATA

A) RAŠČLANJIVANJE PO PRIMATELJIMA

Ukupan rashod od kamata raščlanjuje se po primateljima kako slijedi:

	2010. '000 KM	2009. '000 KM
Preduzeća	977	1.562
Građani	4.788	5.402
Banke i druge finansijske institucije	12.750	16.507
Ostalo	6	3
	18.521	23.474

B) RAŠČLANJIVANJE PO POSLOVIMA

Ukupan rashod od kamata raščlanjuje se po bankarskim poslovima kako slijedi:

	2010. '000 KM	2009. '000 KM
Tekući računi i depoziti preduzeća i drugih organizacija	977	1.562
Tekući računi i depoziti građana	4.788	5.402
Uzeti zajmovi	963	1.460
Tekući računi i depoziti banaka	11.787	15.047
Ostalo	6	3
	18.521	23.474

PRIHOD OD NAKNADA I PROVIZIJA

	2010. '000 KM	2009. '000 KM
Naknade po poslovima inozemnog platnog prometa	1.639	1.664
Naknade po poslovima unutrašnjeg platnog prometa	1.097	965
Naknade po poslovima izdavanjima garancija i akreditiva	657	653
Naknade po poslovima kupoprodaje deviza	752	622
Naknade po kartičnom poslovanju	146	287
Naknade po poslovima sa tekućim računima	798	742
Naknade po ostalim poslovima	1.663	1.407
	6.752	6.340

OSTALI POSLOVNI PRIHODI

	2010. '000 KM	2009. '000 KM
Neto dobit od kursnih razlika nastalih od trgovanja valutama	1.430	1.280
Pozitivne kursne razlike od svođenja monetarnih sredstava i obaveza	4	6
Primljene dividende	-	170
Prihodi od otpuštanja obaveza za godišnje odmore	4	207
Ostali prihodi iz poslovanja	305	415
	1.743	2.078

NETO GUBICI OD UMANJENJA VRIJEDNOSTI I REZERVACIJE

	2010. '000 KM	2009. '000 KM
Neto gubici od umanjenja vrijednosti i rezervacije		
za zajmove (bilješka 17)	9.797	6.819
za rezerve za obaveze i troškove (bilješka 28)	(76)	(322)
za ostalu imovinu (bilješka 18)	880	541
za ulaganja u pridružena pravna lica i ostale vrijednosnice (bilješka 19)	-	(6)
	10.601	7.032

OSTALI TROŠKOVI

	2010. '000 KM	2009. '000 KM
Administrativni troškovi i troškovi marketinga	5.608	4.811
Najamnina	2.832	3.007
Administrativni troškovi i troškovi konsultantskih usluga	1.013	1.429
Troškovi osiguranja depozita	758	728
Ostali troškovi	2.681	2.824
	12.892	12.799

Trošak poreza na dobit

Porez na dobit priznat u bilansu uspjeha sadrži tekući porez i odgođeni porez. Trenutna stopa poreza na dobiti iznosi 10% (2009.:10%).

A) POREZ NA DOBIT PRIZNAT U BILANSU USPJEHA

	2010. '000 KM	2009. '000 KM
Tekući porez	140	354
Odgođeni porez (bilješka 27)	26	24
Ukupno trošak poreza na dobit	166	378

B) DOBIT PRIJE POREZA

	2010. '000 KM	2009. '000 KM
Dobit prije poreza	1.550	3.724
Porez obračunat po stopi od 10%	155	372
Neoporezivi prihod	-	(12)
Porezno nepriznati troškovi	11	18
Porez na dobit za godinu	166	378
Prosječna efektivna stopa poreza na dobit	10,7%	10,2%

TEKUĆI RAČUNI I DEPOZITI KOMITENATA

	2010. '000 KM	2009. '000 KM
Preduzeća		
Depoziti po viđenju		
- u KM i valutna klauzula	60.037	62.638
- u stranoj valuti	13.072	12.173
Oročeni depoziti		
- u KM i valutna klauzula	21.682	14.374
- u stranoj valuti	5.785	5.925
	100.576	95.110
Građani		
Depoziti po viđenju		
- u KM i valutna klauzula	35.600	34.033
- u stranoj valuti	48.144	39.256
Oročeni depoziti		
- u KM i valutna klauzula	19.841	17.515
- u stranoj valuti	104.421	103.795
	208.006	194.599
	308.582	289.709

DIONIČKI KAPITAL

Odobrene i izdane	Klasa A Redovne dionice '000 KM	Klasa B Prioritetne dionice '000 KM	Ukupno '000 KM
Stanje na dan 1. januara 2010.	32.900	14.100	47.000
Stanje na dan 31. decembra 2010.	32.900	14.100	47.000
Nominalna vrijednost (KM)	100	100	-
Broj dionica	329.000	141.000	470.000

Svaka registrirana redovna dionica nosi pravo jednog glasa dok su povlaštene dionice bez prava glasa.

Povlaštene dionice nose pravo na dividendu kada je izglasana u iznosu 1% većem od dividende na obične dionice. Uz to daju i prednost nad redovnim dionicama u distribuciji imovine Banke u slučaju likvidacije.

Vlasnička struktura Banke na dan 31. decembra 2010. izgleda kako slijedi:

- Volksbank International AG, sa udjelom od 95,46%
- Banca Popolare di Vicenza, Vicenza sa udjelom od 2,41%
- Banca Popolare dell'Emilia Romagna, Modena, sa udjelom od 2,13%

IZVJEŠTAJ NEOVISNOG REVIZORA DIONIČARIMA VOLKSBANK BH D.D.

Obavili smo reviziju priloženih finansijskih izvještaja Volksbank BH d.d. ("Banka"), koji se sastoje od bilansa stanja na dan 31. decembra 2010. godine, bilansa uspjeha, izvještaja o promjenama u kapitalu i izvještaja o novčanom toku za godinu koja je tada završila, te sažetka značajnih računovodstvenih politika i zabilješki uz finansijske izvještaje.

Odgovornost Uprave za finansijske izvještaje

Uprava je odgovorna za sastavljanje i objektivni prikaz ovih finansijskih izvještaja u skladu s računovodstvenim propisima Agencije za bankarstvo Federacije Bosne i Hercegovine, za takve interne kontrole koje Uprava odredi kao nužne za sastavljanje finansijskih izvještaja bez materijalno značajnih grešaka koje mogu nastati kao posljedica prijevare ili pogreške.

Odgovornost revizora

Naša je odgovornost izraziti mišljenje o ovim finansijskim izvještajima na osnovu naše revizije. Reviziju smo obavili u skladu sa Međunarodnim revizijskim standardima koji nalažu pridržavanje relevantnih etičkih pravila, te planiranje i provođenje revizije kako bi se s razumnom mjerom sigurnosti utvrdilo da su finansijski izvještaji bez materijalno značajnih grešaka.

Revizija uključuje provođenje procedura u svrhu pribavljanja revizijskih dokaza o iznosima i objavama u finansijskim izvještajima. Odabir procedura ovisi o našoj prosudbi, uključujući i procjenu rizika materijalno značajnih grešaka u finansijskim izvještajima koje mogu nastati kao posljedica prijevare ili pogreške. U procjenjivanju tih rizika, razmatramo interne kontrole relevantne za sastavljanje i objektivni prikaz finansijskih izvještaja u svrhu provođenja revizijskih procedura u skladu s postojećim okolnostima, a ne u svrhu izražavanja mišljenja o učinkovitosti internih kontrola Banke. Revizija isto tako uključuje ocjenu primijenjenih računovodstvenih politika, primjerenost računovodstvenih procjena koje je definirala Uprava, kao i ocjenu ukupnog prikaza finansijskih izvještaja.

Uvjereni smo da su nam pribavljeni revizijski dokazi dostatni i čine odgovarajuću osnovu u svrhu izražavanja našeg mišljenja.

Mišljenje

Prema našem mišljenju, finansijski izvještaji prikazuju realno i objektivno, finansijski položaj Banke na dan 31. decembra 2010. godine, te rezultate njenog poslovanja i novčane tokove za godinu koja je tada završila u skladu sa računovodstvenim propisima Agencije za bankarstvo Federacije Bosne i Hercegovine.

KPMG B-H d.o.o. za reviziju

Registrovani revizori
Fra Anđela Zvizdovića 1
71 000 Sarajevo
Bosna i Hercegovina
Za i u ime KPMG B-H d.o.o. za reviziju:
Manal Bećirbegović, Direktor



27. april 2011. godine

Senad Pekmez, FBiH ovlašteni revizor, Broj licence: 3090044102/10

IZVJEŠTAJ NADZORNOG ODBORA

U skladu sa članom 29 h) i 31 j) Zakona o bankama te odredbama Statuta Volksbank BH d.d., Nadzorni odbor banke podnosi Skupštini banke izvještaj o radu:

U toku poslovne 2010. godine, Nadzorni odbor Volksbank BH d.d. Sarajevo održao je 4 sjednice, na kojima je razmatrao materijale iz svoje nadležnosti, te donosio odluke, zaključke i preporuke temeljem ovlasti, utvrđenih Zakonom o bankama, pratećim odlukama Agencije za bankarstvo FBiH, te Statutom i internim aktima Banke.

Nadzorni odbor je radio i djelovao u skladu sa Poslovníkom o radu Nadzornog odbora.

Sarajevo, 10.05.2011. godine

Zamjenik Predsjedavajućeg Nadzornog odbora



Dr. Engelbert Bramerdorfer

**Annual
Report 2010**

Volksbank BH d.d.

MANAGEMENT BOARD REPORT



Senad Tupković
Reinhold Kolland
Erwin Stampfer
(from left to right)

Ladies and Gentlemen,

In 2010 as well, despite the economic situation in financial markets in Bosnia and Herzegovina and the whole world in general, Volksbank BH d.d. achieved good financial results by generating profit of over KM 1.3 million. After this period of consolidation, the Bank showed a total loan volume of KM 533 million and a deposit volume of KM 311 million by the end of December 2010. The capital ratio is stable at 18.1% and the bank operates with a Cost/Income Ratio of 64%. The bank is servicing 110.000 private customers with 330 employees through a network of 26 offices in total.

Altogether, this is a strong confirmation of our business strategy – to be a stable, reliable and efficient partner to our customers, shareholders and employees. The management and the employees of the Bank will put the highest effort in the continuation of this path.

After years of expansion, the Volksbank BH d.d. is strongly focused on the strengthening of relationship with its existing customers by promoting our “house bank” approach. By optimizing our services and products, the Bank has increased the loyalty and satisfaction of customers thus setting up the basis for a unique and exclusive business relation between Volksbank BH d.d. and its customers. To this end, the Bank continued to place great emphasis on employee education and training. “To be here for the client” is the main mission statement of Volksbank BH d.d. over all past years.

Following this, during the last year, Volksbank BH d.d. launched customer-friendly loan products with intent to increase the offering value. The bank created loan products with clear benefits for individual customers and customer groups.

For retail customers, the Bank launched several actions and products for different kinds of customer loans, where we can point out: loan with fixed rates, replacing loan, loan with rate based on Euribor etc.

For Corporate and SME clients, besides our new loans actions, we also signed one guarantee agreement with the USAID & SIDA for support to small and medium enterprises, as well as a subsidiary agreement with the World Bank and Foundation for Sustainable Development to enhance SME access to finance projects.

In conclusion, we would like to thank our employees for their great dedication, which is crucial for our success, as well as our partners and shareholders for their continued support and confidence.

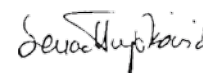
We would also like to thank especially our loyal customers, who believe in us as a reliable partner. Together, we will continue building the Bank for their benefit.



Mag. Reinhold Kolland
Director



Dr. Erwin Stampfer
Executive director



Senad Tupković
Executive director

KEY FIGURES

in KM 000	2009	2010
Total assets	793,960	802,908
Clients payables	651,554	660,637
Clients receivables	541,899	513,693
Operating profits before taxes	3,724	1,550
Earnings from ordinary activities	59,689	55,921
Operating costs	55,965	54,371
Number of employees	334	330
Number of branches	27	26

GOVERNING BODIES

SUPERVISORY BOARD

Chairman

Dr. Friedhelm Boschert
Chairman of the Managing Board
Volksbank International AG

Deputy Chairman

Dr. Engelbert Bramerdorfer
Head of Acquisition and Integration
Volksbank International AG

Members

Mag. David Vadnal
Country Manager
Volksbank International AG

Dipl.ing. Mahir Hadžiahmetović
Member of the Supervisory Board

Gabriele Ugolini
Member of the Supervisory Board

MANAGEMENT BOARD

Mag. Reinhold Kolland
Director
Chairman of the Management Board

Dr. Erwin Stampfer
Executive Director
Member of the Management Board

Dipl.oec. Senad Tupković
Executive Director
Member of the Management Board

ECONOMIC ENVIRONMENT

In the fiscal year 2010, the first signs of slight recovery of the Bosnia and Herzegovina economy were reported. The banking sector headed by commercial banks with majority foreign ownership dominated the financial system of Bosnia and Herzegovina as it was the case in the previous years. The latter was still under the influence of effects of the global economic crisis, weakening of the local economy and the purchasing power of citizens. Negative effects, in their milder form, most reflected on the key activity of banks, that is, on the segment of credit operations and loan portfolio quality due to increased expenses for provisions for loan losses, as well as on the considerable decline of profitability in business operations of the banks.

In the world, in developed economies, the economic activity was more moderate than expected, but the private consumption, which had a major decline in the period of crisis, now shows the signs of recovery and growth. The issue of high unemployment rate was still present and it was not more significantly reduced in the meantime. In the developing countries there was a stable economic growth. The global economic activity was increased by 4.5% at an annual level.

Industrial production in Bosnia and Herzegovina had an unusually intense growth by the end of the year and in December it was even by 8.7% higher than in December 2009. There was a marked increase in the production of energy, which was almost by 21% higher than in December 2009.

Favourable trends in terms of foreign trade exchange continued. The commodity export amounted 1.86 and import 3.69 billion KM and the coverage of import with export reached 50%.

Inflation was rapidly growing in the last quarter with a monthly increase of 0.9% and 0.8% in October and December respectively and somewhat less increase in November (0.3%) and, therefore, the annual inflation rate reached 3.1% in December, which is the highest value in the last two years.

The total deficit of the current account for nine months was by 9.3% less compared to the same period 2009.

In 2010 the servicing of the foreign debt by the Government amounted 300.8 million KM in total.

Foreign exchange reserves continued the trend of growth. They were increased by 199.9 million KM and reached the amount of 6.46 billion KM.

There is a moderate increase in credit activities of banks in Bosnia and Herzegovina. Total claims at an annual level grew by 2.4%, where the increase of loans to corporations was more prominent and the increase of loans to physical entities was very slight.

Loan interest rates were reduced, which speaks about an increased offer of loans by banks. Interest rates for long-term loans with a currency clause (which are the most represented ones) were reduced by 20 base points for corporations and by 38 base points for physical entities.

The deposit base in banks was reinforced through a total increase in deposits by 191.7 million KM and, therefore, the total amount of deposits at the end of the year was 12.52 billion KM.

With a view to alleviating the effects of the global economic crisis, the Management Board of the Banking Agency of the Federation of Bosnia and Herzegovina issued a decision on extension of temporary measures for reprogramming credit liabilities of physical and legal persons in banks. With a view to preserving the citizens' trust in the safety and stability of the banking system in Bosnia and Herzegovina, in 2010 the Management Board of the Agency for Securing Deposits issued a decision that the amount of security for covering secured, appropriate deposits of physical entities be changed and, instead of KM 20,000.00, it has been set to KM 35,000.00.

In December 2010, the international agency Standard & Poor's confirmed a "B+" credit rating with stable prospects for Bosnia and Herzegovina. Bosnia and Herzegovina also has a credit rating 'B2' with stable prospects, which was awarded to it by the agency Moody's Investors Service.

It can be concluded that during 2010 negative economic trends were stopped and a moderate recovery of the economy of Bosnia and Herzegovina can be noticed. Signs of the recovery can be noticed in the increased volume of industrial production, increase in export, stabilisation of the level of foreign exchange reserves etc. Nevertheless, this recovery is still of very low intensity and it will be slow and long lasting. In 2010, banks still kept their intense focus on credit risk and on the restructuring of their loan portfolios with more restrictive and more rigorous policies of loan risk management, especially in the process of granting loans.

(Source: Bulletin Quarter 4 2010, Central Bank of Bosnia and Herzegovina;
Information on the Banking system of FBH as of 31.12.2010, Banking Agency of FBH)

LINES OF BUSINESS

CORPORATE BUSINESS

Regardless of the very complex economic-financial environment in the last year, our focus and commitment to customers and primarily to their needs was evident. Constant development and upgrading of products and services were also of extreme importance for our customers to whom we, in this way, provided a better and more effective position in the market. The timely identification of specific customers' needs created a better and more adequate business atmosphere and the expansion of business cooperation with the customers.

RETAIL BUSINESS

The 'House Bank' model is in the focus of our business operations in all our business segments. The Bank's goal is to cooperate very closely with all existing customers, as well as with those to be acquired in the future. The advantage of this model for the Bank lays in the better level of information about a customer, which allows us to timely react to new business opportunities (needs for loans, deposit and transaction business).

Volksbank BH d.d. carries out its business operations through a network consisting of 11 branch offices and 15 agencies.

The Bank reports positive results in the sale of current accounts and debit and credit cards. Volksbank BH d.d. offers MasterCard credit card, MasterCard GOLD and Maestro card.

As at 31 December 2010, the Bank had 211 million KM of physical entities' deposits. Of this amount, 124 million KM were term deposits and 87 million KM were sight, gyro and current accounts. The Bank achieved the above-mentioned level of physical entities' deposits owing to savings products tailored to meet the customers' needs. Therefore, the slogan of our Bank 'United in trust' has its confirmation in the aforementioned.

SMALL BUSINESS

In 2010 as well, the SE's / Self employee Department put an emphasis on attracting as many customers as possible who would become House Bank customers. In addition, we made efforts to maintain relationship with customers as per the principle "United in trust". In this regard, we continued nurturing the individual approach to every customer.

In 2010, the Department achieved the growth of 25.31% in the totally generated income from fees and interest rates, as well as the growth of loan portfolio by 16.38%. The total number of customers as at 31 December 2010 was 2,510.

The Department employs thirteen Account Officers, two Account Keepers and the Head of SE's / Self employee Department. Account Officers are present in all major branches of Volksbank BH d.d.

PAYMENT TRANSACTIONS

Internal Payment Transactions

The reduction in the volume of internal payment transactions in 2010 compared to 2009 is a result of the economic crisis which, in Bosnia and Herzegovina, still greatly affects both the economy and the banking sector. Consequently, the number of insolvent accounts of legal entities - Bank customers, rose from 574, which was their number at the end of 2009, to 1,265 insolvent accounts at the end of 2010.

The number of transactions rendered through the Central Bank of Bosnia and Herzegovina (CBBH) in 2010 was 1,220,770 and it increased by 9.96% compared to 2009.

	2009	2010
Inflows (interbank) – number of orders	413,257	512,233
Payments (interbank) – number of orders	632,251	708,537
Volume of payment transactions via CBBH in KM	1,794,555,000	1,691,395,000

In 2010 as well, electronic banking was being performed only by legal entities. The participation of electronically processed orders in the total number of orders is 29.19%.

Total income from fees for internal payment transactions rendered in 2010 amounted 1,221 thousand KM.

Foreign Payment Transactions

The volume of foreign payment transactions rendered in 2010 amounted KM 555,372,000 and was smaller by 10.7% compared to 2009.

The number of foreign payment transactions rendered in 2010 was 38,788 of which there were 25,001 inflows from abroad and 13,787 payments abroad.

	2009	2010
Inflows (number of orders) from abroad	22,549	25,001
Payments (number of orders) abroad	14,269	13,787
Volume of foreign payment transactions in KM	621,844,000	555,372,000

Income from fees for foreign payment transactions rendered in 2010 amounted 1,156 thousand KM.

TREASURY

The Bank was successfully carrying out all liquidity risk management related activities and accordingly maintaining daily balance between assets and liabilities in accordance with the limits set out by law. The obligatory reserve was being maintained within statutory limits. Liquid funds, both in the local and EUR currency, were unexpectedly higher than planned as a result of the increase in customers' deposits and of the reduction in loan activities.

By managing interest risk, the Bank was maintaining the internal limits laid down by the Bank Management, striving at the same time to optimize net interest.

Purchase and sale of currencies, signing of loan and deposit agreements with a currency clause were the activities through which the Bank was adjusting and maintaining the foreign exchange position within the statutory limits on a daily basis, that is, it observed internal limitations regarding the foreign exchange position for individual currencies.

The Treasury continued to provide Customer Desk services to its customers. Despite financial crisis, the Bank signed agreements with new customers that are using these services. The services provided through the Customer Desk mainly pertained to trade in foreign currencies and the Bank was offering competitive exchange rates to its customers while primarily taking into account developments in global markets.

The structure of sources of financing did not significantly change compared to the previous year: shareholders of the Bank VBI/VBAG still have the largest share in financing the Bank, 44.50%, and then there are customers' deposits that are participating with 39.35% in the overall financing. Supranational financial institutions are participating with 4.68% in the financing of the Bank.

In early 2010, the Bank signed a credit agreement with EIB (European Investment Bank) worth 10 million EUR (19.5 million KM) and these funds will be used to finance small and medium-sized projects in the field of energetics, infrastructure and environment, as well as in the field of investment projects which small and medium-sized businesses will implement in the health care system, educational system, industry and service industry sector.

In 2010 as well, the Bank continued to meet the ongoing conditions for keeping the Investment Fund Depository licence, Custodian licence and the Bank depository licence in the emission and trade in the market of securities.

The year 2010 was also marked with the opening of the first custodian accounts for investment funds, the implementation of new legal provisions, as well as the improvement in the method of carrying out business operations.

INTERNATIONAL NETWORK



Bosnia-Herzegovina
www.volksbank.ba

Austria
www.vbi.at

Hungary
www.volksbank.hu

Slovakia
www.volksbank.sk

Croatia
www.volksbank.hr

Romania
www.volksbank.ro

Slovenia
www.volksbank.si

Czech Republic
www.volksbank.cz

Serbia
www.volksbank.rs

Ukraine
www.volksbank.ua

Financial Statements

Volksbank BH d.d.

BALANCE SHEET

As at 31 December

	Note	2010 BAM '000	2009 BAM '000
Assets			
Cash reserves	14	142,165	151,098
Obligatory reserve with the Central bank	15	55,355	52,186
Placements with and loans to other banks	16	72,415	29,357
Loans to customers	17	513,693	541,899
Corporate profit tax prepayment		360	445
Accrued interest and other assets	18	3,941	4,422
Investments in associates and other equity securities	19	4,190	4,190
Investment property	20	2,367	-
Property and equipment	21	7,220	8,915
Intangible assets	22	1,202	1,448
Total assets		802,908	793,960
Liabilities			
Current accounts and deposits from banks	23	352,055	361,845
Current accounts and deposits from customers	24	308,582	289,709
Borrowings and subordinated debt	25	37,203	38,604
Accrued interest and other liabilities	26	12,717	12,835
Deferred tax liability	27	152	126
Provisions for liabilities and charges	28	1,555	1,581
Total liabilities		712,264	704,700
Equity			
Share capital	29	47,000	47,000
Share premium	30	27,773	27,773
Retained earnings		15,871	14,487
Total equity		90,644	89,260
Total liabilities and equity		802,908	793,960

INCOME STATEMENT

For the year ended 31 December

	Note	2010 BAM '000	2009 BAM '000
Interest income	6	47,426	51,271
Interest expense	7	(18,521)	(23,474)
Net interest income		28,905	27,797
Commission and fee income	8	6,752	6,340
Commission and fee expense		(383)	(450)
Net commission and fee income		6,369	5,890
Other operating income	9	1,743	2,078
Total operating income		37,017	35,765
Net impairment losses and provisions	10	(10,601)	(7,032)
Personnel expenses	11	(9,729)	(9,908)
Amortisation		(2,245)	(2,302)
Other expenses	12	(12,892)	(12,799)
Profit before tax		1,550	3,724
Income tax expense	13	(166)	(378)
Net profit for the year		1,384	3,346
		BAM	BAM
Basic earnings per share	31	4.91	10.17

NOTES TO THE FINANCIAL STATEMENTS

SIGNIFICANT ACCOUNTING POLICES

Statement of compliance

These financial statements have been prepared in accordance with the accounting regulations of the Banking Agency of the Federation of Bosnia and Herzegovina.

Functional and presentation currency

These financial statements are presented in Bosnian Convertible Marks ("BAM"), which is the functional currency. Amounts are rounded to the nearest thousand (unless otherwise stated).

The Central Bank of Bosnia and Herzegovina ("Central bank" or "CBBH") implemented a currency board arrangement aligning BAM to EUR at an exchange rate of EUR 1: BAM 1.95583 throughout 2010 and 2009. This is expected to continue in the foreseeable future.

Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Non-monetary assets and items that are measured in terms of historical cost in foreign currency are translated using the exchange rate at the date of the transaction and are not retranslated at the balance sheet date.

Interest income and expense

Interest income and expense are recognised in the income statement as they accrue, taking into account the effective yield of the asset or liability or an applicable floating rate, except for interest on non-performing assets, which is suspended and recognised when collected. Interest income and expense include the amortisation of any discount or premium or other differences between the initial carrying amount of an interest bearing instrument and its amount at maturity calculated on an effective interest rate basis. Origination fees are included in the calculation of effective interest rate.

Commission and fee income and expenses

Commission and fee income comprises mainly fees receivable from customers for guarantees, letters of credit, domestic and foreign payments, card business and other services provided by the Bank, where the fee is credited to income when the related service is performed.

Dividend income

Dividend income from equity securities is recognised in the income statement when the rights to receive the dividend are established.

Tangible assets

Tangible assets are measured at cost less accumulated depreciation and impairment losses.

Depreciation is provided on all assets except land and assets in the course of construction on a straight line basis at prescribed rates designed to write off the cost over the estimated useful lives of the assets. The following estimated useful lives are used:

Computers	5 years
Furniture and equipment	6.5 – 10 years
Motor vehicles	6.5 years
Leasehold improvements	12 years
Business premises	50 years

Depreciation method and useful lives are reassessed, and adjusted if appropriate, at each reporting date.

Regular maintenance expenditure is directly charged against operating profit. Maintenance expenditure is capitalised in exceptional cases where maintenance results in an enlargement or substantial improvement of the respective assets.

Intangible assets

Intangible assets are measured at cost less accumulated amortisation and impairment. Expenditures on development activities are capitalised if all of the features required by IAS 38 Intangible assets (IAS 38) are satisfied.

Depreciation is provided on all intangible assets except assets in the course of construction on a straight line basis at prescribed rates designed to write off the cost over the estimated useful lives of the assets. The following estimated useful lives are used:

Software	5 years
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Depreciation method and useful lives are reassessed, and adjusted if appropriate, at each reporting date.

Provisions

Provisions are recognised when the Bank has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made, or as required by law in the case of provisions for unidentified impairment of off-balance-sheet credit risk exposures.

Provisions for liabilities and charges are maintained at the level that the Bank's management considers sufficient for absorption of incurred losses. The management determines the sufficiency of provisions on the basis of insight into specific items, current economic circumstances, risk characteristics of certain transaction categories, as well as other relevant factors.

Provisions are released only for such expenditure in respect of which provisions are recognised at inception. If the outflow of economic benefits to settle the obligations is no longer probable, the provision is reversed.

Share capital

Share capital

Share capital comprises ordinary and preference shares and is stated in BAM at nominal value. Any profit for the year after appropriations is transferred to reserves.

Dividends

Dividends on ordinary shares and preference shares are recognised as a liability in the period in which they are approved by the Bank's shareholders.

INTEREST INCOME

A) ANALYSIS BY SOURCE

Total interest income is derived from the following sources:

	2010 BAM '000	2009 BAM '000
Companies	12,651	13,471
Individuals	33,936	36,746
Banks and other financial institutions	839	1,054
	47,426	51,271

Included within "interest income from banks and other financial institutions" is interest income from the obligatory reserve with the Central bank.

B) ANALYSIS BY PRODUCT

Interest income is analysed by banking products as follows:

	2010 BAM '000	2009 BAM '000
Loans to customers	46,587	50,217
Obligatory reserves with the Central bank	612	800
Placements with and loans to banks	227	254
	47,426	51,271

INTEREST EXPENSE

A) ANALYSIS BY RECIPIENT

Total interest expense is analysed by recipient as follows:

	2010 BAM '000	2009 BAM '000
Companies	977	1,562
Individuals	4,788	5,402
Banks and other financial institutions	12,750	16,507
Other	6	3
	18,521	23,474

B) ANALYSIS BY PRODUCT

Total interest expense is analysed by banking product as follows:

	2010 BAM '000	2009 BAM '000
Current accounts and deposits from companies and other organisations	977	1,562
Current accounts and deposits from individuals	4,788	5,402
Borrowings	963	1,460
Current accounts and deposits from banks	11,787	15,047
Other	6	3
	18,521	23,474

COMMISSION AND FEE INCOME

	2010 BAM '000	2009 BAM '000
Fee income from processing of international payment transactions	1,639	1,664
Fee income from processing of domestic payment transactions	1,097	965
Fee income from guarantees and letters of credit	657	653
Fee income from foreign exchange transactions	752	622
Fee income from customers' credit cards	146	287
Fee income from maintenance of customers' current accounts	798	742
Other fee income	1,663	1,407
	6,752	6,340

OTHER OPERATING INCOME

	2010 BAM '000	2009 BAM '000
Foreign exchange trading gain, net	1,430	1,280
Foreign exchange gains from the translation of monetary assets and liabilities	4	6
Dividends received	-	170
Income from release of liabilities for unused holidays	4	207
Other operating income	305	415
	1,743	2,078

NET IMPAIRMENT LOSSES AND PROVISIONS

	2010 BAM '000	2009 BAM '000
Net impairment losses and provisions		
for loans (Note 17)	9,797	6,819
for provisions for liabilities and charges (Note 28)	(76)	(322)
for other assets (Note 18)	880	541
for investments in associates and other equity securities (Note 19)	-	(6)
	10,601	7,032

OTHER EXPENSES

	2010 BAM '000	2009 BAM '000
Administration and marketing costs	5,608	4,811
Rent	2,832	3,007
Administrative and consultancy fees	1,013	1,429
Savings deposit insurance	758	728
Other expenses	2,681	2,824
	12,892	12,799

Income tax expense

Income tax recognized in the income statement includes current and deferred tax. The current rate of income tax amounts 10% (2009: 10%).

A) INCOME TAX EXPENSE RECOGNISED IN INCOME STATEMENT

	2010 BAM '000	2009 BAM '000
Current tax	140	354
Deferred tax expense (Note 27)	26	24
Income tax charge for the year	166	378

B) RECONCILIATION OF THE INCOME TAX EXPENSE

	2010 BAM '000	2009 BAM '000
Profit before tax	1,550	3,724
Tax calculated at rate of 10%	155	372
Income not allowable for tax purposes	-	(12)
Expenses not deductible for tax purposes	11	18
Income tax charge for the year	166	378
Average effective income tax rate	10.7%	10.2%

CURRENT ACCOUNTS AND DEPOSITS FROM CUSTOMERS

	2010 BAM '000	2009 BAM '000
Companies		
Demand deposits		
- in BAM and BAM linked to foreign currencies	60,037	62,638
- in foreign currency	13,072	12,173
Term deposits		
- in BAM and BAM linked to foreign currencies	21,682	14,374
- in foreign currency	5,785	5,925
	100,576	95,110
Individuals		
Demand deposits		
- in BAM and BAM linked to foreign currencies	35,600	34,033
- in foreign currency	48,144	39,256
Term deposits		
- in BAM and BAM linked to foreign currencies	19,841	17,515
- in foreign currency	104,421	103,795
	208,006	194,599
	308,582	289,709

SHARE CAPITAL

Authorised and issued	Class A Ordinary shares BAM '000	Class B Preference shares BAM '000	Total BAM '000
As at 1 January 2010	32,900	14,100	47,000
As at 31 December 2010	32,900	14,100	47,000
Nominal value (BAM)	100	100	-
Number of shares	329,000	141,000	470,000

Each registered ordinary share carries the right of one vote per share, while preference shares are non-voting.

Preference shareholders are entitled to receive dividends when declared, at a rate 1% higher than ordinary shares. Additionally, there is preference over other shareholders in the distribution of the net assets of the Bank in the event of its liquidation.

The shareholder structure of the Bank as at 31 December 2010 is as follows:

- Volksbank International AG, holding 95.46%
- Banca Popolare di Vicenza, Vicenza holding 2.41%
- Banca Popolare dell'Emilia Romagna, Modena, holding 2.13%

AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VOLKSBANK BH D.D.

We have audited the accompanying financial statements of Volksbank BH d.d. ("the Bank"), which comprise the balance sheet as at 31 December 2010 and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting regulations of the Banking Agency of the Federation of Bosnia and Herzegovina, and for such internal controls that management determines to be necessary for the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Bank as at 31 December 2010, and of its financial performance and its cash flows for the year then ended in accordance with the accounting regulations of the Banking Agency of the Federation of Bosnia and Herzegovina.

KPMG B-H d.o.o. za reviziju

Registered auditors

Fra Anđela Zvizdovića 1

71 000 Sarajevo

Bosnia and Herzegovina

For and on behalf of KPMG B-H d.o.o. za reviziju:

Manal Bećirbegović, Director

27th of April, 2011



Senad Pekmez, FBiH registred auditor, License number: 3090044102/10

REPORT OF THE SUPERVISORY BOARD

In accordance with the Articles 29 h) and 31 j) of the Law on Banks as well as the provisions of the Articles of Association of Volksbank BH d.d., the Supervisory Board of the Bank submits to the General assembly its Performance Report:

In the course of business year 2010 the Supervisory Board of Volksbank BH d.d. Sarajevo held 4 meetings, where it discussed on issues and material within its competency, made decisions, conclusions and recommendations on the basis of the powers stipulated by the Law on Banks, thereto associated decisions of FBA, and by the Articles of Association and internal documents of the Bank.

The Supervisory Board was acting and operating in compliance with the Guidelines for the Supervisory Board.

Sarajevo, 10th of May, 2011

Deputy Chairman of Supervisory Board



Dr. Engelbert Bramerdorfer

NAŠA MREŽA / OUR NETWORK

CENTRALA / HEAD OFFICE

Sarajevo

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Huseina Kapetana Gradašćevića bb

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