Povjerenje povezuje.

GODIŠNJE IZVJEŠĆE 2004

ANNUAL REPORT

04

Austrija

Bosna i Hercegovina

HRVATSKA

Češka Republika

Mađarska

Italija

Malta

Rumunjska

Srbija i Crna Gora

Slovačka

Slovenija

VOLKSBANK

Varšavska 9

10 000 Zagreb

Tel.: 00385 1 4801 300

Fax.: 00385 1 4801 365

VOLKSBANK D.D.

info@volksbank.hr

www.volksbank.hr

VOLKSBANK

Tema: Moderno slikarstvo u Hrvatskoj

Theme: Modern Painting in Croatia

SADRŽAJ

Content

GODIŠNJE IZVJEŠĆE

Izvješće Uprave	8
Pregled najznačajnijih pokazatelja	9
Međunarodna mreža	10
Organizacijska struktura	11
Hrvatska gospodarska kretanja	12
Analiza poslovanja	13
Bilanca	16
Račun dobiti i gubitka	17
Izvještaj o promjenama u kapitalu i Izvještaj o novčanom toku	18
Bilješke uz financijske izvještaje	19
Izvješće revizora dioničarima Volksbank d.d.	36
Izvješće Nadzornog odbora	37

ANNUAL REPORT

Report of the Chairman	40
Key Figures in Summary	41
International Network	42
Governing Bodies	43
Economic Trends in Croatia	44
Analysis of Business Operations	45
Balance Sheet	48
Income Statement	49
Statement of Changes in Shareholders Equity and Cash Flow Statement	50
Notes to the Financial Statements	51
Auditor’s Report	70
Report of the Supervisory Board	71

SERVICE

Naša mreža / Our Network	74

IVANA VIDOVIĆ

Priroda, 2001. / Ulje na platnu / 100 x 90
Nature, 2001. / Oil on canvas / 100 x 90

Ivana Vidović rođena je 30. 07. 1977. g. u Zagrebu, gdje završava srednjoškolsko obrazovanje. Po završetku Škole za primjenjenu umjetnost i dizajn, odjel za grafički dizajn, 1996. g. upisuje Akademiju likovnih umjetnosti u Zagrebu. Diplomirala je 2002. g. u klasi prof. Ljubomira Stahova.

SAMOSTALNE IZLOŽBE:

2001. - Galerija SC, Zagreb
2002. - Galerija Močvara, „SOBA”
2002. - Galerija „Vladimir Nazor”, Zagreb
2003. - Izložba crteža i slika, Rab

GODIŠNJE IZVJEŠĆE 2004

04

Austrija

Bosna i Hercegovina

HRVATSKA

Češka Republika

Mađarska

Italija

Malta

Rumunjska

Srbija i Crna Gora

Slovačka

Slovenija

Izvješće Uprave

Dieter Hornbacher, Član Uprave
Andrea Kovacs, Članica Uprave
Tomasz Jerzy Taraba, Predsjednik Uprave

Poštovani dioničari i poslovni prijatelji, dame i gospodo,

zadovoljstvo mi je i čast u ime Uprave Volksbank d.d. predstaviti poslovne rezultate Banke u 2004. godini.

Protekla je godina bila obilježena ulaganjima u razvoj, proširenjem i usavršavanjem već postojeće ponude financijskih proizvoda i usluga na hrvatskom financijskom tržištu kao i jačanjem i širenjem naše prisutnosti u svim regijama Hrvatske.

Nastavljen je uzlazni trend poslovanja te smo ostvarili vrlo dobar poslovni rezultat i zabilježili 19,82 milijuna kuna dobiti prije oporezivanja.

Bilančna suma na kraju 2004. godine veća je za 31 posto u odnosu na prethodnu godinu i iznosi 3.516 milijuna kuna.

U usporedbi s 2003. godinom Banka bilježi 29 posto porasta u depozitima građana i poduzeća, što samo potvrđuje povjerenje postojećih, ali i pridobivanje novih klijenata.

Uz povoljnije uvjete vođenja računa i obavljanja platnog prometa koje smo ponudili svojim klijentima tijekom 2004., platni promet u zemlji i platni promet prema inozemstvu zabilježili su daljnji rast, pri čemu je opseg domaćeg platnog prometa porastao za 19,2 posto.

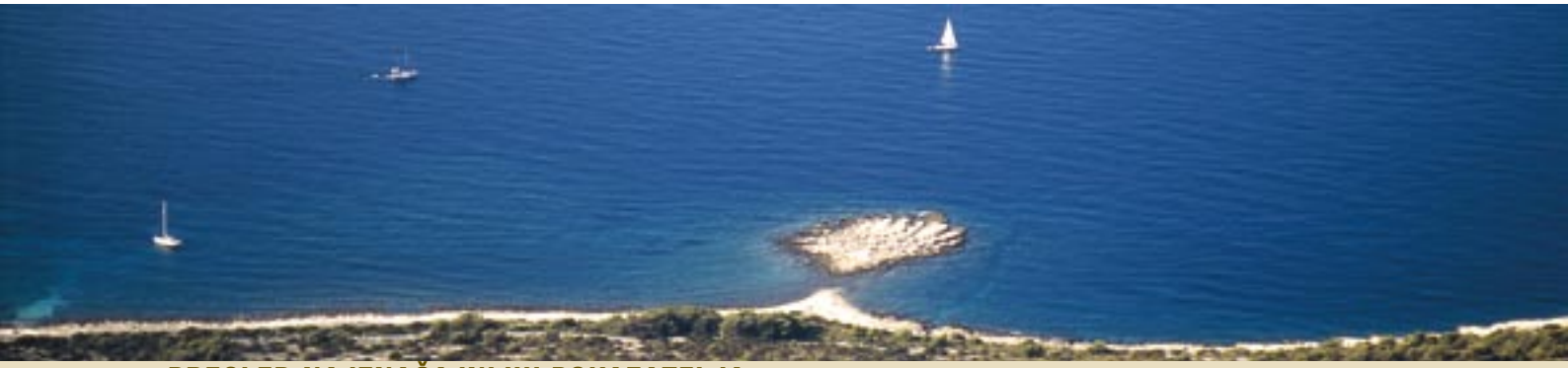
U 2004. godini Banka je proširila područje svoga djelovanja a poslovna je mreža ojačana s četiri nove poslovne jedinice: dvije u Zagrebačkoj županiji (poslovnicom u Ilici, koja pokriva zapadni dio Zagreba, te poslovnicom u Dugom Selu), zatim poslovnom jedinicom u gradu Makarskoj, te podružnicom u gradu Dubrovniku.

Glavne odrednice poslovanja Banke i dalje su razvoj nove palete proizvoda i usavršavanje postojećih te poboljšanje kvalitete usluge, tj. orijentacija na „otvoreni koncept" poslovnica, kao i daljnji razvoj partnerskog odnosa s klijentima temeljenog na međusobnom povjerenju. Dokaz da smo na dobrome putu jest i „Priznanje za prilagodbu kamatnih stopa potrebama građana", koje smo dobili na 1. saboru zaštite potrošača u Republici Hrvatskoj, što je održan pod visokim pokroviteljstvom Europske komisije i Ministarstva gospodarstva, rada i poduzetništva.

Naši rezultati obvezuju nas da i u idućim godinama ustrajemo u ostvarivanju svojih strateških ciljeva. I u ovoj godini ćemo svojom fleksibilnošću i ponudom brzih i kvalitetnih usluga nastojati opravdati povjerenje klijenata te osigurati daljnje jačanje svoje tržišne pozicije.

Svim klijentima i poslovnim prijateljima zahvaljujemo na podršci i povjerenju, a djelatnicima Banke na iznimnom zalaganju u zajedničkom nastojanju da Volksbank d. d. i u osmoj godini poslovanja u Hrvatskoj svojim klijentima bude zaista kvalitetan financijski savjetnik i pouzdan partner, baš kao što to i naš slogan kaže - „povjerenje povezuje".

Tomasz Taraba
Predsjednik Uprave
Zagreb, 9. ožujka 2005.



PREGLED NAJZNAČAJNIJIH POKAZATELJA

U TISUĆAMA KUNA	2002.	2003.	2004.
Bilančna suma	1.710.608	2.677.692	3.515.852
Obveze prema komitentima	937.677	1.195.796	1.548.656
Potraživanja od komitenata	1.148.306	1.464.530	2.067.990
Poslovni prihod	109.434	123.927	153.863
Poslovni rashod	90.866	106.077	127.354
Dobit prije oporezivanja	15.718	19.392	19.816
Broj zaposlenih	205	239	286
Broj podružnica	7	9	13

Međunarodna mreža

VOLKSBANK d.d. uspješno posluje na hrvatskom tržištu od 1997. godine. Većinski dioničar banke je Volksbank International AG (društvo-kći Österreichische Volksbanken-AG).

Österreichische Volksbanken-AG (ÖVAG) osnovana je 1922. godine kao središnja zadruga više gospodarsko-kreditnih zadruga, a u većinskom je vlasništvu preko 60 samostalnih austrijskih Volksbanaka (kooperativne banke). Banka je središnji institut jedne od najvažnijih bankarskih grupacija u Austriji i međunarodna komercijalna banka. Već godine 1991. ÖVAG je bila jedna od prvih banaka koje su se počeli širiti na rastuća tržišta srednje i istočne Europe.

Volksbank International AG (VBI), čije je sjedište u Beču, Austrija, sada upravlja uspješnom i sve većom mrežom banaka u srednjoj i istočnoj Europi. Na kraju 2004. godine poslovna mreža Volksbank International AG se sastojala od 150 podružnica i poslovnica u ukupno osam zemalja srednje i istočne Europe. Podružnice VBI-a djelatne su u Slovačkoj, Češkoj, Mađarskoj, Sloveniji, Hrvatskoj, Bosni i Hercegovini, Srbiji i Crnoj Gori te u Rumunjskoj. Njihova ukupna aktiva porasla je s 2,3 milijarde Eura u 2002. na 3,5 milijarde Eura u 2004., što predstavlja porast od čak 52%. Volksbanke u navedenim zemljama zapošljavaju oko 2,500 djelatnika koji građanima i komercijalnim klijentima nude sveobuhvatnu paletu modernih bankovnih produkata i usluga. VBI ujedno posredstvom visoko specijaliziranih financijskih institucija svojim klijentima nudi uslugu u segmentima leasing, financiranje nekretnina, upravljanje fondovima, produkti osiguranja i investicijsko bankarstvo. Österreichische Volksbanken-AG pored toga raspolaže podružnicom na Malti, te predstavništvima u Italiji i Francuskoj.

Godine 2004. Volksbank International AG je intenzivirao suradnju sa svojim njemačkim i francuskim partnerima. Oba njemačka partnera - DZ BANK i WGZ-Bank zajednički, te francuska partnerska banka Banque Fédérale des Banques Populaires sada drže manjinske udjele od po 24.5%. U skladu s motom VBI-ja „Proširimo granice" ovaj će svježi kapital omogućiti da unaprijedimo našu prodajnu mrežu i da poboljšamo raspon naših usluga za naše klijente.

Volksbank d.d. kroz suradnju sa Confédération Internationale des Banques Populaires i njenom mrežom s više od 30.000 poslovnica u Europi, Sjevernoj Africi, Argentini, Kanadi i Japanu svojim klijentima omogućuje prisutnost na svim važnijim financijskim centrima svijeta.

Međutim, veličina nije sve! Naše se nastojanje, da s našim klijentima ostvarimo poseban partnerski odnos, dokazalo vrlo uspješnim. Od posebne su nam važnosti osobni kontakt s našim klijentima, uzajamno povjerenje i pouzdanje. Najvažniji kriteriji koji za nas predstavljaju niti vodilje u našemu poslovanju su profesionalnost u pružanju naših usluga, te dugoročni odnos koji gradimo zajedno s našim klijentima, a sve s ciljem ostvarenja zajedničkog uspjeha. Iz toga se razloga našim međunarodnim klijentima u okviru Međunarodnih Deskova u svakoj banci-kćeri obraćamo na njihovom materinjem jeziku, tako da se naši klijenti mogu osjećati kao „kod kuće" kad obavljaju poslove u inozemstvu.

Organizacijska struktura

NADZORNI ODBOR

PREDSJEDNIK

Mag. Wolfgang Perdich
Član Uprave
Österreichische Volksbanken-AG
Beč

ZAMJENIK PREDSJEDNIKA NADZORNOG ODBORA

Mag. Gerhard Wöber
Član Uprave
Volksbank International-AG
Beč

ČLANOVI

Dir. Mag. Hans Janeschitz
Voditelj Sektora servis poduzeća
i upravljanje udjelima
Österreichische Volksbanken-AG
Beč

Mag. Herbert Hartl
Direktor Odjela Inozemno financiranje
Österreichische Volksbanken-AG
Beč

Dr. Fausto Maritan
Direktor Odjela međunarodni odnosi
i korespondentsko bankarstvo
Banca Popolare di Vicenza
Vicenza

Denis Le Moullac
Direktor Odjela za odnose s inozemstvom
Banque Fédérale des Banques Populaires
Paris

UPRAVA

Tomasz Jerzy Taraba
Predsjednik Uprave
Volksbank d.d.
Zagreb

Andrea Kovacs
Član Uprave
Volksbank d.d.
Zagreb

Dieter Hornbacher
Član Uprave
Volksbank d.d.
Zagreb

Hrvatska gospodarska kretanja

PREGLED 2004. I IZGLEDI U 2005.

Uz pozitivna gospodarska kretanja na europskom tržištu te stabilan makroekonomski okvir na hrvatskom tržištu, a koji podrazumijevaju nisku inflaciju i stabilan tečaj, Hrvatska je u 2004. godini ostvarila pozitivne trendove gospodarskog razvoja, no nešto sporijim tempom u usporedbi s prethodnim godinama.

Brži tempo rasta izvoza nad uvozom, smanjena dinamika rasta vanjskotrgovinskog robnog deficita, koji je uz rast prihoda od usluga doprinio boljoj platnobilančnoj ravnoteži, te sporiji rast inozemnog zaduženja kao i povećana ukupna gospodarska aktivnost najznačajniji su pokazatelji pozitivnog trenda hrvatske ekonomije u prošloj godini. Veliki utjecaj na ovu dobru ocjenu imao je i pozitivan avis za ulazak u članstvo Europske unije koji je Hrvatska dobila sredinom godine. Pregovori oko članstva u EU trebali bi započeti u prvom tromjesečju ove godine.

Prošle je godine, doduše nešto sporije negoli prethodnih godina, nastavljen i rast realne stope BDP-a, te je iznosio oko 3,7 posto. Na sporiji rast gospodarstva u 2004. godini u odnosu na protekle tri godine utjecalo je nekoliko faktora od kojih je najznačajniji pad aktivnosti u području graditeljstva, odnosno stagnacija cestogradnje. To se bitno odrazilo na usporavanje investicija, ali je rast osobne i državne potrošnje bio stabilan, pa je na realan rast djelovao neutralno.

Trend međugodišnjeg povećanja vrijednosti vanjskotrgovinske razmjene nastavljen je i u prošloj godini. Vrijednost izvezenih roba iznosila je više od 8 milijardi dolara, a uvezenih više od 16,5 milijardi dolara. Posljedica toga je i dalje visok deficit vanjskotrgovinske razmjene od 8,56 milijardi dolara. No ipak, po prvi je put zabilježena brža dinamika rasta izvoza od uvoza.

Prosječna godišnja stopa registrirane nezaposlenosti bila 18,2 posto što je za jedan postotni poen manje nego u 2003. godini. Prosječna neto plaća je porasla za 6,6 posto u odnosu na 2003. godinu i iznosi 4.312 kuna.

Potkraj godine ukupni inozemni dug iznosio je 30,2 milijarde dolara, odnosno 80,2 posto BDP-a.

Industrijska proizvodnja je porasla za 3,7 posto u odnosu na 2003. godinu, što je više od očekivanoga.

Temeljna inflacija iznosila je 2,3 posto, što je nešto više nego prethodne godine, no Hrvatska je i dalje ostala u skupini zemalja s niskom inflacijom.

Ukupni su plasmani poslovnih banaka na kraju 2004. godine dosegnuli 128,77 milijardi kuna, uz rast od 13,10 posto. Od tog iznosa plasmani stanovništvu iznose 65,28 milijardi kuna, uz dinamičan rast od 18,07 posto. Plasmani poduzećima dosegnuli su 53,4 milijarde kuna uz rast od 7,9 posto.

Ukupni depoziti poslovnih banaka u protekloj su godini dosegnuli 127,81 milijardu kuna, od čega 104,22 milijarde kuna iznose oročeni i štedni depoziti. Stopa rasta depozita u 2004. godini iznosila je 8,57 posto. Kunski depoziti rasli su brže od deviznih, pa su krajem godine devizni depoziti bili 3,63 puta veći od kunskih. Možemo očekivati da će se trend bržeg povećanja kunskih depozita nastaviti i u ovoj godini.

Jedan od ključnih ciljeva monetarne politike u 2004. godini bio je ograničavanje rasta inozemnog zaduživanja.

U srpnju je uvedena obvezna granična pričuva što je rezultiralo laganim smanjivanjem inozemnih izvora.

Mjera sniženja stope izdvajanja obvezne pričuve s 19 na 18 posto stupila je na snagu u studenom, kako bi se osiguralo povećanje bankovne likvidnosti za kupnju državnih obveznica.

Te su mjere bile predviđene Memorandumom o ekonomskoj financijskoj politici kojega su Vlada i HNB potpisale s MMF-om. Monetarni kriteriji iz toga programa koji se odnose na visinu neto međunarodnih pričuva Središnje banke i neto domaću aktivu Središnje banke uspješno su ispunjeni.

Hrvatska narodna banka svojim će mjerama i dalje nastaviti utjecati na smanjenje zaduživanja prema inozemstvu i na poticanje izvoza, kao i na daljnje zadržavanje čvrstog tečaja.

Gospodarski rast u ovoj godini mogao bi iznositi 3,6 posto, što je manje od prijašnjih očekivanja, kako naglašavaju prognostičari. Iako se očekuje postupni oporavak investicija, nastavak povoljnih kretanja u izvozu roba te ponovno oživljavanje rasta ukupne gospodarske aktivnosti, to vjerojatno neće biti dovoljno da već u ovoj godini stopu rasta vrati na ranije očekivanu razinu od oko 4 posto.

Stopa inflacije u ovoj će godini ostati niska, deficit tekućeg računa platne bilance trebao bi se smanjiti ispod 5 posto BDP-a, rast ukupnog izvoza trebao bi se ubrzati, a stopa nezaposlenosti smanjiti. Nominalne plaće trebale bi porasti u prosjeku za 6 posto.

Analiza poslovanja

Pozitivni trendovi rasta i razvoja Volksbank d.d. iz prethodnih godina nastavljeni su i u 2004. godini. Banka je premašila poslovni plan za 2004. godinu te ostvarila dobit prije oporezivanja od 19,82 milijuna kuna.

Na kraju 2004. godine bilančna suma iznosi 3.516 milijuna kuna i povećana je za 31 posto u odnosu na 2003. godinu.

U prošloj godini plasmani klijentima zabilježili su rast od 42 posto. Depoziti su uvećani za 29 posto, što je značajno nadmašilo prosječni porast depozita u zemlji (8,57 posto) te su na kraju godine iznosili 1.564 milijuna kuna.

Adekvatnost kapitala, prema propisima Hrvatske narodne banke, na dan 31. prosinca 2004. godine, iznosila je 12,26 posto, dok je zakonski minimum 10 posto.

POSLOVANJE S GRAĐANIMA

U poslovanju sa građanima poslovna godina 2004. obilježena je porastom depozita od 27 posto te porastom plasmana od 31 posto, kao i povećanjem broja komitenata za 23,7 posto.

Volumen plasmana kredita na dan 31.12.2004. godine iznosio je 1.566 milijuna kuna.
U depozitnom poslovanju depozit uz valutnu klauzulu ostvaruje i dalje jako dobre rezultate u prodaji.

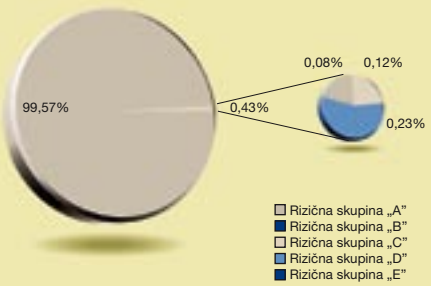
Stambeni krediti, čija je kvaliteta iznimno dobro prepoznata na tržištu, zabilježili su velik porast u kreditnom poslovanju. Posebno dizajnirani stambeni kredit za mlade kao ciljanu skupinu, a vezan valutnom klauzulom na CHF ostvario je veoma dobre rezultate.

U 2004. godini otvorene su još 4 poslovne jedinice, jedna poslovnica u Zagrebu, koja pokriva zapadni dio grada, te poslovnica u Dugom Selu, zatim još poslovnica u Makarskoj te podružnica u Dubrovniku, čime smo zaokružili svoju prisutnost u svim regijama Hrvatske. Kvaliteta i prepoznatljivost usluga i proizvoda Volksbank d.d. veoma su brzo prepoznate i u tim sredinama pa smo i na novim lokacijama postigli iznimne rezultate.

Tijekom godine nastavili smo sa širenjem distribucijskih kanala koristeći resurse Bančinih poslovnih partnera, posebice u suradnji s osiguravajućim kućama. Za slobodne profesije razvili smo posebne, njihovim potrebama prilagođene, proizvode za kupnju i opremanje poslovnih prostora, dok smo liječnicima, stomatolozima, farmaceutima i biokemičarima kao zasebnom segmentu, ponudili posebnu paletu proizvoda.
Uz već tradicionalno dobre i na tržištu dominantne kredite za kupnju motornih vozila u ponudu smo uvrstili i kredit za kupnju motornih vozila uz valutnu klauzulu vezanu na CHF. Banka je ovim proizvodom postigla izuzetne rezultate te ostvarila strateške ciljeve u području kreditiranja automobila. Proširili smo i mrežu

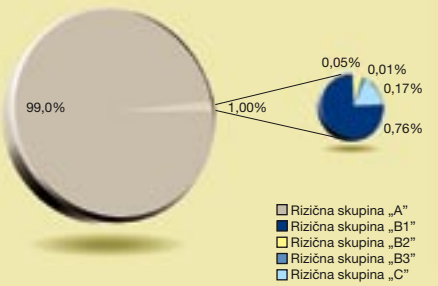
IZLOŽENOST KREDITNOM RIZIKU

2003.



Ukupna izloženost: 2.589 mio. kn

2004.



Ukupna izloženost: 3.616 mio. kn

partnera te dodatno učvrstili svoju poziciju među vodećim bankama na hrvatskom tržištu u tom segmentu poslovanja.

Tijekom godine započeli smo s prvim projektom financiranja izgradnje i prodaje stanova, a u 2005. godini s navedenim načinom financiranja planiramo nastaviti, ali u mnogo većem obujmu.

Uz razvoj novih proizvoda i usluga neprekidno smo usavršavali već postojeće, kako bi bili u potpunosti prilagođeni potrebama klijenata.

POSLOVANJE S PRAVNIM OSOBAMA

Strateška orijentacija odjela *Poslovanje s pravnim osobama* financijski je servis, pružanje potpore i savjetovanje malih i srednjih hrvatskih poduzeća, posebice onih čija je poslovna orijentacija proizvodnja i izvoz. Zahvaljujući svojoj međunarodnoj mreži i svojim partnerima na europskom i svjetskom tržištu, klijentima pružamo ne samo financijsku podršku u Hrvatskoj već im pomažemo u njihovim naporima da se uključe u poslove s inozemstvom.

Valja naglasiti Projektno financiranje kao jedan od važnijih razvojnih segmenata hrvatskog gospodarstva u koje se Banka aktivno uključila, posebice u dijelu izgradnje stanova i objekata za komercijalnu uporabu.

Volksbank d.d. pouzdan je partner svojim klijentima i na taj način aktivan sudionik razvitka hrvatskog gospodarstva i stvaranja novih vrijednosti.

Aktivnosti *Poslovanja s pravnim osobama* u 2004. godini temeljile su se na usavršavanju već postojeće palete proizvoda i usluga, ali i razvoj novih, te akviziciji novih korporativnih klijenata.

Dodatno smo usavršili i kvalitetu operativnog poslovanja, brzinu donošenja odluka kao i jednostavnost uporabe postojećih proizvoda i usluga. Rezultat toga ogleda se u značajnom povećanju korištenja postojećih proizvoda i usluga, posebice u dijelu korištenja elektronskih načina izvršavanja platnih transakcija. Broj korisnika navedenih usluga značajno se povećao.

Pored klijentu prilagođenih kreditnih linija i proizvoda u ponudi Banke su i krediti u suradnji s Ministarstvom gospodarstva, rada i poduzetništva, i to u gotovo svim županijama, te kreditni programi u suradnji s Hrvatskom bankom za obnovu i razvoj.

Kreditni portfelj na dan 31.12. 2004. iznosio je 562 milijuna kuna, što je za 79 posto više u odnosu na prethodnu godinu.

Banka i dalje veliku važnost pridaje kvaliteti kreditnog portfelja, tako da je udio kredita klasificiranih u rizične skupine jedan od najmanjih na tržištu.

Broj deponenata se povećao, pa su tako ukupni depoziti pravnih osoba porasli za 33 posto u odnosu na prethodnu godinu.

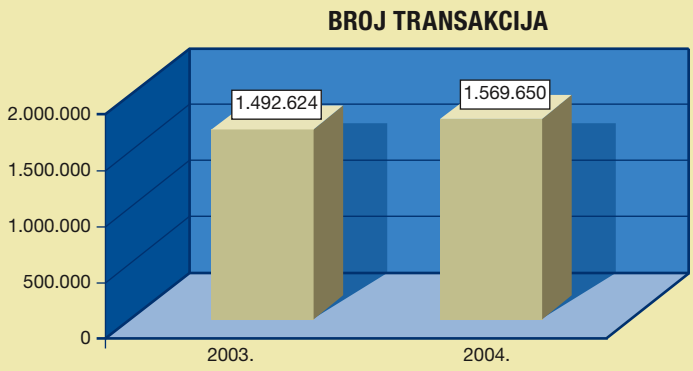
Uz povoljnije uvjete vođenja računa i obavljanja platnog prometa, platni promet u zemlji i platni promet s inozemstvom zabilježili su daljnji rast. Obujam platnog prometa u zemlji u odnosu na 2003. godinu povećan je za 19,2 posto.

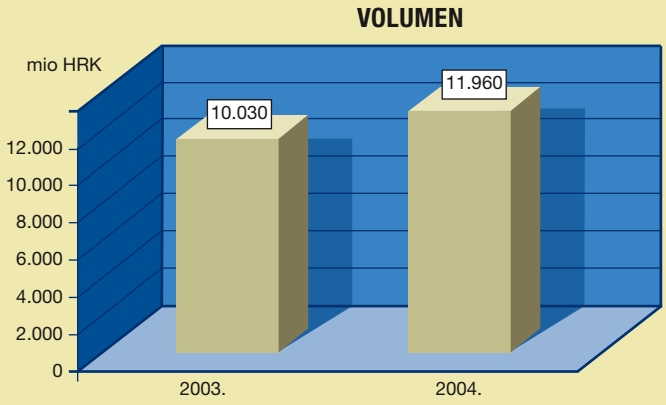
RIZNICA

U 2004. godini *Riznica* je putem akvizicija, ali i u suradnji s odjelom *Poslovanje s pravnim osobama* konstantno povećavala bazu postojećih klijenata, što je rezultiralo povećanjem ostvarenih volumena trgovanja te povećanjem profita u segmentu kupoprodaje deviza za više od 17 posto.

Prodajne aktivnosti u dijelu transakcija s obveznicama potvrdile su veliki potencijal, pa su i tu ostvareni odlični rezultati, poglavito u radu s institucionalnim klijentima Banke.

PLATNI PROMET U ZEMLJI





U idućem razdoblju *Riznica* će značajnije proširiti navedeni segment aktivnosti, koji se i na razini tržišta pokazao kao izrazito profitabilan i u stalnom usponu, u skladu s približavanjem Hrvatske Europskoj uniji.

Unatoč značajnoj volatilnosti na tržištu *Riznica* je uspjela zadržati status aktivnog *market makera* na lokalnom tržištu novca kao i na deviznom tržištu, a sve uz zadržavanje odgovarajućeg nivoa profitabilnosti i povećanje volumena trgovanja.

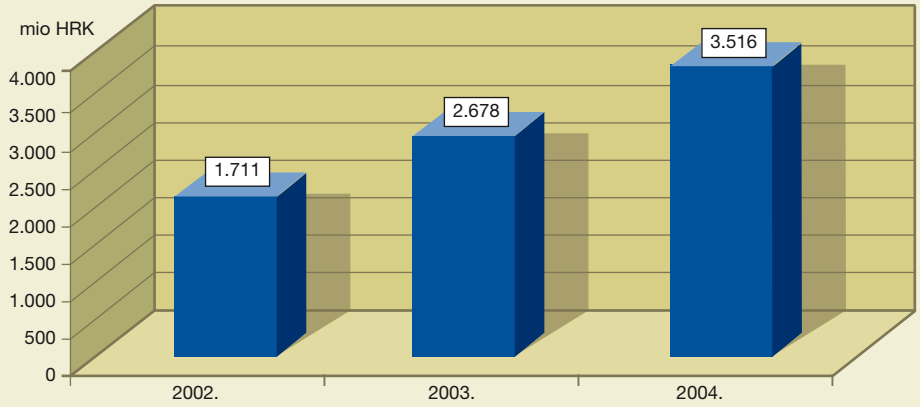
Krajem godine Volksbank d.d. aplicirala je za primitak u članstvo Zagrebačke i Varaždinske burze vrijednosnica, što je ubrzo i ostvarila. Početak je to razvitka brokerskih aktivnosti Banke kojima će se upravljati u sektoru *Riznice*.

Tijekom 2004. godine organizacija *Riznice* kontinuirano je usavršavana, te je učinkovitost i profesionalnost poslovanja *Riznice* u cjelini uvećana.

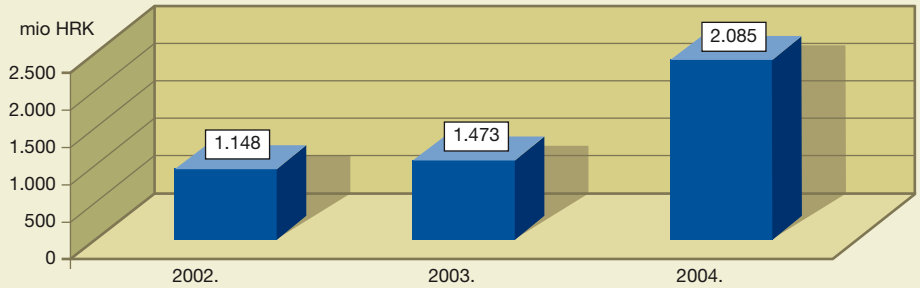
Rast obujma poslovanja u protekloj godini pratio je i rast broja zaposlenika, pa je na kraju 2004. godine u Banci bilo zaposleno 286 djelatnika. Oni su svojim znanjem i zalaganjem pridonijeli uspjehu Banke. Stalna nadogradnja znanja i edukacija, timski rad, razvoj osobnih i prodajnih vještina glavne su odrednice politike upravljanja ljudskim potencijalima.

Volksbank d.d. prepoznatljiva je na hrvatskom tržištu, ne samo po kvaliteti usluga i proizvoda već i po stručnom timu zadovoljnih i motiviranih djelatnika u koje klijenti Banke zaista mogu imati povjerenja.

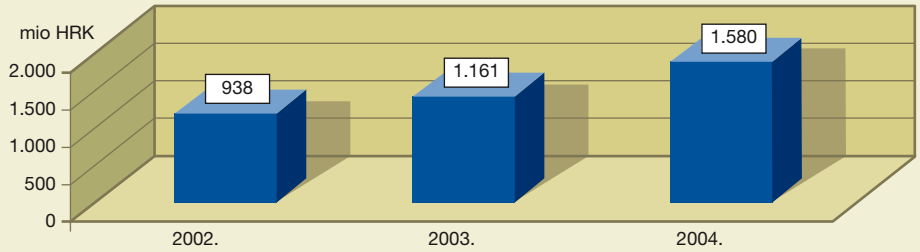
BILANČNA SUMA



ZAJMOVI I PREDUJMOVI KLIJENTIMA



DEPOZITI KLIJENATA



(svi iznosi izraženi u tisućama kuna, osim tamo gdje je drugačije navedeno)

BILANCA NA DAN 31. PROSINCA 2004

	Bilješka	31. prosinca 2004.	31. prosinca 2003.
SREDSTVA			
Gotovina i sredstva kod Hrvatske narodne banke	13	565.604	368.026
Plasmani drugim bankama	14	767.787	429.719
Vrijednosnice raspoložive za prodaju	15	67.741	386.458
Zajmovi i predujmovi klijentima	16	2.085.276	1.473.369
Dugotrajna materijalna i nematerijalna imovina	17	21.369	14.104
Ostala imovina	18	8.075	6.016
Ukupno sredstva		**3.515.852**	**2.677.692**
OBVEZE			
Depoziti drugih banaka	19	43.592	15.618
Depoziti klijenata	20	1.564.185	1.208.028
Uzeti zajmovi	21	1.580.167	1.160.571
Ostale obveze	22	56.646	32.469
Podređene obveze	23	73.152	72.913
Rezerviranja za potencijalne obveze	24	1.931	1.003
Ukupno obveze		**3.319.673**	**2.490.602**
KAPITAL			
Dionički kapital	25	140.200	140.200
Dobit za godinu		15.360	14.508
Zadržana dobit		21.790	21.790
Rezerve	26	18.829	10.592
Ukupno kapital		**196.179**	**187.090**
Ukupno kapital i obveze		**3.515.852**	**2.677.692**

Ove financijske izvještaje prikazane od 16 do 35 stranice, odobrila je Uprava na dan 9. ožujka 2005., te ih potpisuju:

Tomasz Jerzy Taraba	Andrea Kovacs	Dieter Hornbacher
Predsjednik Uprave	*Član Uprave*	*Član Uprave*

(svi iznosi izraženi u tisućama kuna, osim tamo gdje je drugačije navedeno)

RAČUN DOBITI I GUBITKA
ZA GODINU KOJA JE ZAVRŠILA 31. PROSINCA 2004.

	Bilješke	za godinu završenu 31. prosinca 2004.	2003.
Prihodi od kamata i slični prihodi	4	204.560	162.568
Rashodi od kamata i slični rashodi	5	(79.545)	(56.811)
Neto prihodi od kamata		**125.015**	**105.757**
Prihodi od naknada i provizija	6	23.037	17.885
Rashodi od naknada i provizija	6	(6.467)	(7.276)
Neto prihodi od naknada i provizija		**16.570**	**10.609**
Neto dobici od tečajnih razlika	7	10.379	5.481
Ostali prihodi iz poslovanja	8	2.949	2.080
Prihodi iz redovitog poslovanja		**154.913**	**123.927**
Troškovi poslovanja	9	(127.354)	(106.077)
Troškovi umanjenja vrijednosti i rezerviranja	11	(7.743)	1.542
Dobit iz redovitog poslovanja		**19.816**	**19.392**
Porez na dobit	12	(4.456)	(4.884)
Neto dobit za godinu		**15.360**	**14.508**

(svi iznosi izraženi u tisućama kuna, osim tamo gdje je drugačije navedeno)

IZVJEŠTAJ O PROMJENAMA NA KAPITALU
ZA GODINU KOJA JE ZAVRŠILA 31. PROSINCA 2004.

	Dionički kapital	Premije na emitirane dionice	Rezerve	Zadržana dobit	Ukupno
Stanje 1. siječnja 2003.	70.200	-	10.592	26.164	106.956
Isplata dividende	-	-	-	(4.374)	(4.374)
Nova emisija dionica	30.435	39.565	-	-	70.000
Dobit tekuće godine	-	-	-	14.508	14.508
Stanje 31. prosinca 2003.	**100.635**	**39.565**	**10.592**	**36.298**	**187.090**
Prijenos u rezerve	-	-	8.237	(8.237)	-
Isplata dividende	-	-	-	(6.271)	(6.271)
Dobit tekuće godine	-	-	-	15.360	15.360
Stanje 31. prosinca 2004.	**100.635**	**39.565**	**18.829**	**37.150**	**196.179**

IZVJEŠTAJ O NOVČANOM TOKU
ZA GODINU KOJA JE ZAVRŠILA 31. PROSINCA 2004.

	Bilješke	2004.	2003.
Neto novčani tok iz poslovnih aktivnosti			
Dobit prije oporezivanja		19.816	19.392
Smanjenje odgođenog poreznog sredstva		862	1.546
Trošak vrijednosnih usklađenja		7.743	(1.542)
Otpisi i tečajne razlike		240	17
Amortizacija		4.926	5.712
Plaćeni porez na dobit		(3.338)	(3.258)
Poslovni rezultat prije promjena na poslovnim sredstvima i obvezama		**30.249**	**21.867**
Promjene na poslovnim sredstvima i obvezama:			
Povećanje obvezne rezerve kod HNB		(236.656)	(95.575)
Kupnja vrijednosnih papira s dospijećem preko 3 mjeseca		137	(20.311)
Povećanje zajmova klijentima		(618.216)	(324.172)
(Povećanje) / smanjenje na ostalim sredstvima		(2.059)	6.311
Povećanje depozita drugih banaka		27.974	13.231
Povećanje depozita klijenata		356.157	270.351
Povećanje / (smanjenje) na ostalim obvezama		23.256	(3.895)
Neto novčani tok iz poslovnih aktivnosti		**(419.158)**	**(132.194)**
Novčani tok iz investicijskih aktivnosti			
Kupnja imovine i opreme		(12.191)	(2.127)
Neto novčani tok iz investicijskih aktivnosti		**(12.191)**	**(2.127)**
Novčani tok iz financijskih aktivnosti			
Isplata dividende		(6.271)	(4.374)
Uplaćeni kapital		-	70.000
Povećanje uzetih zajmova		419.596	606.152
Neto novčani tok iz financijskih aktivnosti		**413.325**	**671.778**
Efekti tečajnih razlika na novac i novčane ekvivalente		(117)	1.665
Neto (smanjenje) / povećanje novca i novčanih ekvivalenata		**(18.141)**	**539.123**
Novac i novčani ekvivalenti na početku godine		**908.555**	**369.432**
Novac i novčani ekvivalenti na kraju godine	28	**890.414**	**908.555**

Bilješke uz financijske izvještaje

ZA GODINU KOJA JE ZAVRŠILA 31. PROSINCA 2004.

BILJEŠKA 1 - OPĆI PODACI

VOLKSBANK d.d., Zagreb („Banka”) je osnovana u Republici Hrvatskoj. Registrirana je pri Trgovačkom sudu u Zagrebu 21. veljače 1997. godine. Sjedište Banke je u Zagrebu, Varšavska 9.

BILJEŠKA 2 - OSNOVE ZA PRIPREMU

Financijski izvještaji pripremljeni su u skladu s Međunarodnim standardima financijskog izvještavanja (MSFI). Financijski izvještaji izrađeni su primjenom metode povijesnog troška, uz promjene uslijed revalorizacije financijske imovine raspoložive za prodaju i derivativnih instrumenata.

Financijski izvještaji pripremljeni su u kunama („kn”) zaokruženim na najbližu tisuću.

Sastavljanje financijskih izvještaja sukladno Međunarodnim standardima financijskog izvještavanja zahtijeva upotrebu procjena i pretpostavki koje utječu na iznose iskazane imovine i obveza u financijskim izvještajima, na objavljivanje nepredviđene imovine i obveza na dan sastavljanja financijskih izvještaja, te na prihode i troškove u toku izvještajnog razdoblja. Iako se procjene temelje na najboljim saznanjima menadžmenta o tekućim događajima i aktivnostima, stvarni rezultati se mogu razlikovati od tih procjena.

BILJEŠKA 3 - RAČUNOVODSTVENE POLITIKE

Prihodi i rashodi od kamata
Prihodi i rashodi od kamata priznaju se u računu dobiti i gubitka za obračunsko razdoblje na koje se odnose, uzimajući u obzir efektivnu kamatnu stopu imovine. Prihodi i rashodi od kamata uključuju amortizaciju svakog diskonta ili premije ili drugih razlika između inicijalne knjigovodstvene vrijednosti kamatonosnog financijskog instrumenta i iznosa po dospijeću, uz primjenu efektivne kamatne stope.

Naknade za odobravanje zajmova su također uključene u prihode od kamata i priznate kao usklađenje efektivne kamatne stope zajma.

Prihodi od naknada i provizija
Prihodi od naknada i provizija sastoje se uglavnom od naknada klijenata za pretvorbe stranih valuta, platni promet i ostale usluge koje pruža Banka. Naknade se priznaju kao prihod po pružanju usluge.

Transakcije u stranim valutama
Transakcije u stranim valutama pretvorene su u kune po tečaju važećem na dan transakcije. Monetarna aktiva i obveze izražene u stranim valutama na dan bilance pretvorene su u kune prema tečaju važećem na taj dan. Tečajne razlike priznaju se u računu dobiti i gubitka.

Financijski instrumenti
Klasifikacija
Dani zajmovi i potraživanja koje je kreirala Banka jesu financijska imovina koju je stvorila Banka pružajući novac izravno dužniku. Ova kategorija ne uključuje financijsku imovinu koja je izvorno namijenjena za prodaju u kratkom roku. Dani zajmovi i potraživanja koje je kreirala Banka uključuju zajmove koje je odobrila komitentima i drugim bankama.

Imovina raspoloživa za prodaju je ona financijska imovina koja ne pripada imovini namijenjenoj trgovanju ili imovini koja se drži do dospijeća ili koju je kreirala Banka. Ova kategorija uključuje određene dužničke i vlasničke vrijednosnice.

Priznavanje
Financijsku imovinu raspoloživu za prodaju Banka priznaje u trenutku nastanka obveze za kupnju te imovine. Od tog trenutka priznaju se svi dobici i gubici proizašli iz promjena fer ili tržišne vrijednosti imovine.

Dani zajmovi i potraživanja koje je kreirala Banka priznaju se u trenutku prijenosa sredstava od strane Banke.

Vrednovanje
Financijska imovina se početno vrednuje po trošku nabave uvećanom za transakcijske troškove. Nakon inicijalnog vrednovanja sva financijska imovina raspoloživa za prodaju iskazuju se prema tržišnoj ili fer vrijednosti.

Sve financijske obveze kojima se ne trguje, dani zajmovi i potraživanja koje je kreirala Banka vrednuju se po metodi amortiziranog troška ulaganja, umanjenog za smanjenja vrijednosti. Amortizirani trošak se izračunava metodom efektivne kamatne stope. Premije i diskonti, uključujući inicijalne transakcijske troškove uključuju se u knjigovodstvenu vrijednost instrumenta i amortiziraju se uz korištenje efektivne kamatne stope instrumenta.

Principi mjerenja po fer vrijednosti
Fer vrijednost financijske imovine utvrđuje se na temelju cijene kotirane na tržištu na dan bilance, ne uključujući umanjenja za transakcijske troškove. Ako tržišna cijena nije dostupna, fer vrijednost imovine se procjenjuje metodom diskontiranih novčanih tokova.

Dobici i gubici vezani uz naknadna mjerenja
Dobici i gubici nastali zbog promjene fer ili tržišne vrijednosti imovine raspoložive za prodaju priznaju se u računu dobiti i gubitka.

BILJEŠKA 3 - RAČUNOVODSTVENE POLITIKE (nastavak)

Financijski instrumenti (nastavak)

Umanjenje vrijednosti financijske imovine
Financijska imovina pregledava se na svaki datum bilance kako bi se utvrdilo da li postoje objektivne naznake umanjenja vrijednosti. Ukoliko postoje naznake umanjenja vrijednosti financijske imovine, procjenjuje se njezina nadoknadiva vrijednost.

Objektivne naznake umanjenja vrijednosti su rezultat jednog ili više događaja koji su nastupili nakon inicijalnog priznavanja sredstva i koji imaju utjecaj na procijenjene buduće novčane tokove od financijskog sredstva koji se mogu pouzdano procijeniti. Objektivne naznake umanjenja vrijednosti financijskog sredstva uključuju podatke dostupne Banci vezane uz sljedeće događaje nastanka gubitka:

(i) značajne financijske poteškoće dužnika;
(ii) nepoštivanje ugovora, poput neplaćanja ili zakašnjenja u otplati kamata ili glavnice;
(iii) postaje vjerojatno da će dužnik otići u stečaj ili drugo financijsko restrukturiranje.

Nadoknadiva vrijednost danih zajmova i potraživanja koje je kreirala Banka i imovine koja se drži do dospijeća izračunava se kao sadašnja vrijednost očekivanih budućih novčanih tokova, diskontiranih po originalno ugovorenoj efektivnoj kamatnoj stopi instrumenta. Kratkoročna financijska imovina se ne diskontira.

Zajmovi komitentima u bilanci se prikazuju u iznosu nenaplaćene glavnice umanjene za rezervacije za umanjenje vrijednosti. Rezerviranje za umanjenje vrijednosti formira se za knjigovodstvenu vrijednost zajmova komitenata za koje je identificirano umanjenje vrijednosti tijekom redovnog pregleda nadoknadive vrijednosti zajmova komitentima. Iznos rezerviranja predstavlja razliku između knjigovodstvenog i nadoknadivog iznosa, koji predstavlja sadašnju vrijednost očekivanih novčanih tokova, uključujući nadoknadive iznose po garancijama i kolateralima, diskontiranima na temelju prvobitne efektivne kamatne stope zajmova. Očekivani novčani tokovi za portfelje pojedinih skupina imovine procjenjuju se temeljem prethodnih iskustava i uzimajući u obzir kreditnu sposobnost pojedinih komitenata i kašnjenja plaćanja potraživanja po redovnim i zateznim kamatama te opomenama. Promjene rezervacija za umanjenje vrijednosti priznaje se u računu dobiti i gubitka.

U trenutku spoznaje da više ne postoji mogućnost naplate zajma, da su sve pravne mogućnosti naplate iscrpljene, i iznos ukupnog gubitka je utvrđen, zajam se direktno otpisuje. Ako se naknadno iznos umanjenja vrijednosti smanji i smanjenje se objektivno veže uz događaj koji je nastao nakon otpisa, smanjenje iznosa umanjenja se evidentira u računu dobiti i gubitka.

Prestanak priznavanja financijske imovine
Financijska imovina raspoloživa za prodaju se prestaje priznavati kada isteknu prava na primitak novčanih tokova od financijske imovine ili tamo gdje je Banka prenijela na treću stranu sve bitne rizike i koristi vlasništva.

Pojedini instrumenti
Dužničke vrijednosnice klasificiraju se kao imovina raspoloživa za prodaju.

Zajmovi komitentima se klasificiraju kao dani zajmovi i potraživanja koje je kreirala Banka. Zajmovi komitentima prikazani su u bilanci u iznosu nenaplaćene glavnice umanjene za rezervacije u svrhu prezentiranja procijenjene nadoknadive vrijednosti.

Ulaganja u pridružena društva iskazuju se po metodi udjela, umanjeno za trajno smanjenje vrijednosti. Pridruženo društvo je ono u kojem Banka ima 20% - 50% ulaganja i značajan utjecaj sudjelovanjem u donošenju financijskih i poslovnih odluka, ali ne i kontrolu nad njim.

Ostale vlasničke vrijednosnice su klasificirane kao imovina raspoloživa za prodaju. Te vrijednosnice predstavljaju Bančina ulaganja do 20% glasačkih prava u društvu u koje se ulaže, ali bez ostvarivanja značajnog utjecaja ili kontrole.

Derivativni financijski instrumenti
Derivativni financijski instrumenti uključuju forward ugovore u stranoj valuti i originalno se priznaju u bilanci po trošku, a naknadno mjere po njihovoj fer vrijednosti. Fer vrijednosti se određuju prema burzovnim tržišnim cijenama ili putem cjenovnih modela, ako je to primjenjivo. Svi derivati se vode kao sredstvo kad je njihova fer vrijednost pozitivna, te kao obveza kad im je fer vrijednost negativna.

Ovi derivati ne zadovoljavaju uvjete računovodstva zaštite kako je određeno specifičnim odredbama MRS-a 39 i zbog toga se tretiraju kao derivati koji se drže radi trgovanja čiji se dobici ili gubici od svođenja na fer vrijednost iskazuju u računu dobiti i gubitka.

Materijalna imovina
Sva materijalna imovina je izražena po nabavnoj vrijednosti umanjenoj za akumuliranu amortizaciju.

Amortizacija se obračunava linearnom metodom, tako da se nabavna vrijednost imovine otpisuje kroz njezin procijenjeni vijek trajanja prema sljedećim godišnjim stopama:

BILJEŠKA 3 - RAČUNOVODSTVENE POLITIKE (nastavak)

Materijalna imovina (nastavak)

	%
Zgrade	2,5
Kompjuteri	25,0
Namještaj	5,0 - 10,0
Ulaganja na tuđoj imovini	10,0 - 50,0, ili tijekom razdoblja najma, ako je manje od 10 godina
Ostala materijalna imovina	7,0 - 33,3

Materijalna imovina se pregledava u pogledu postojanja umanjenja vrijednosti uvijek kad događaji ili promjene uvjeta naznačavaju da knjigovodstvena vrijednost može biti nenadokadiva. Knjigovodstvena vrijednost imovine se odmah otpisuje do njene nadoknadive vrijednosti ako je knjigovodstvena vrijednost sredstva veća od procijenjene nadoknadive vrijednosti. Nadoknadiva vrijednosti je veća vrijednosti između fer vrijednosti sredstva umanjene za troškove prodaje i između upotrebne vrijednosti sredstva.

Nematerijalna imovina
Nematerijalna imovina se uglavnom sastoji od računalnih programa i licenci, koji su evidentirani po trošku nastalom za kupnju i dovođenje u rad specifičnih programa. Ti troškovi se amortiziraju korištenjem linearne metode, a temeljeno na procijenjenom korisnom vijeku trajanja (do četiri godine).

Oporezivanje
Banka obračunava porez na dobit u skladu s hrvatskim zakonima.

Porezni rashod sastoji se od tekućeg poreza i odgođenog poreza. Tekući porez predstavlja poreznu obvezu obračunanu na oporezivi iznos dobiti za poslovnu godinu, sukladno poreznim stopama važećim na dan bilance, kao i sva usklađenja porezne obveze iz prethodnih razdoblja.

Iznos odgođenog poreza izračunava se metodom bilančne obveze, pri čemu se uzimaju u obzir privremene razlike između knjigovodstvenih vrijednosti aktive i pasive koje se koriste za potrebe financijskog izvještavanja i iznosa koji se koristi za potrebe izračuna poreza. Iznos odgođenog poreza temelji se na pretpostavljenom načinu realizacije ili namire knjigovodstvene vrijednosti aktive i obveza po stopama važećim na dan bilance.

Odgođena porezna imovina priznaje se u visini u kojoj je vjerojatno da će se ostvariti buduća oporeziva dobit na teret koje se može iskoristiti privremena razlika. Odgođena porezna imovina umanjuje se za iznos za koji više nije vjerojatno da će se moći iskoristiti kao porezna olakšica.

Dividenda
Dividenda se priznaje nakon što je prihvaćena na Godišnjoj skupštini.

Dionički kapital i rezerve
Dionički kapital je iskazan u kunama po nominalnoj vrijednosti. Nakon raspoređivanja, ostatak dobiti prenosi se u rezerve.

Rezerviranja za potencijalne obveze i troškove
Rezerviranja se priznaju kad Banka ima sadašnju, zakonsku ili izvedenu, obvezu koja je rezultat prošlih događaja, kad je vjerojatno da će za podmirenje obveze biti potreban odljev sredstava koji utjelovljuju ekonomske koristi, te je moguće pouzdano procijeniti iznos obveze.

Događaji nakon datuma bilance
Efekti događaja koji su se desili između datuma bilance i datuma potpisivanja financijskih izvještaja uključuju se u financijske izvještaje u slučaju kad ti događaji daju dodatni dokaz o uvjetima koji su postojali na datum bilance.

Efekti značajnih događaja koji se dese nakon datuma bilance, a prije potpisivanja financijskih izvještaja te koji ukazuju na činjenice koje su se pojavile nakon datuma bilance se objavljuju, ali ne provode u financijskim izvještajima.

Novac i novčani ekvivalenti
Za potrebe izvještaja o novčanom toku, novac i novčani ekvivalenti uključuju slijedeće stavke s originalnim rokom dospijeća kraćim od 90 dana: gotovinu u blagajnama, uključujući instrumente u postupku naplate, tekući račun kod Centralne banke, plasmane drugim bankama, trezorske zapise i slične vrijednosne papire prvoklasnih izdavatelja.

Usporedbe
Tamo gdje je bilo potrebno, usporedni podaci su reklasificirani kako bi se postigla dosljednost u prikazivanju podataka s podacima tekuće financijske godine i ostalim podacima.

(svi iznosi izraženi u tisućama kuna, osim tamo gdje je drugačije navedeno)

BILJEŠKA 4 - PRIHODI OD KAMATA I SLIČNI PRIHODI

a) Analiza prema izvoru	2004.	2003.
Hrvatska narodna banka	5.973	7.689
Druge banke	13.565	4.227
Poduzeća	36.375	23.912
Stanovništvo	141.520	121.820
Ostali	7.127	4.920
	204.560	**162.568**
b) Analiza prema produktu		
Zajmovi i predujmovi klijentima	179.419	146.714
Vrijednosnice raspoložive za prodaju	5.884	7.539
Plasmani bankama	19.257	8.315
	204.560	**162.568**

BILJEŠKA 5 - RASHODI OD KAMATA I SLIČNI RASHODI

a) Analiza prema izvoru	2004.	2003.
Poduzeća	10.529	5.570
Stanovništvo	27.353	21.615
Banke	37.462	26.793
Ostalo	4.201	2.833
	79.545	**56.811**
b) Analiza prema produktu		
Uzeti zajmovi	34.238	23.075
Depoziti	42.874	31.054
Podređene obveze	2.433	2.682
	79.545	**56.811**

BILJEŠKA 6 - PRIHODI I RASHODI OD NAKNADA I PROVIZIJA

	2004.	2003.
Prihodi od naknada i provizija		
Prihodi od provizija od poduzeća	14.717	11.891
Prihodi od provizija od banaka	728	604
Prihodi od provizija od stanovništva	7.592	5.390
	23.037	**17.885**
Rashodi po naknadama i provizijama		
Rashodi od provizija od poduzeća	(1.438)	(2.085)
Rashodi od provizija od banaka	(1.177)	(1.027)
Rashodi od provizije Fine za domaći platni promet	(3.852)	(4.164)
	(6.467)	**(7.276)**

BILJEŠKA 7 - NETO DOBICI OD TEČAJNIH RAZLIKA

	2004.	2003.
Dobici od trgovanja valutama	9.018	9.411
Neto dobit/ (gubitak) od tečajnih razlika nastalih revalorizacijom monetarne imovine i obveza	1.361	(3.930)
	10.379	**5.481**

(svi iznosi izraženi u tisućama kuna, osim tamo gdje je drugačije navedeno)

BILJEŠKA 8 - OSTALI PRIHODI IZ POSLOVANJA

	2004.	2003.
Nerealizirani dobici umanjeni za gubitke od financijskih instrumenata raspoloživih za prodaju	1.129	1.362
Realizirani dobici umanjeni za gubitke od financijskih instrumenata raspoloživih za prodaju	931	40
Nerealizirani dobici umanjeni za gubitke od financijskih derivata	423	-
Ostali prihodi	466	678
	2.949	**2.080**

BILJEŠKA 9 - TROŠKOVI POSLOVANJA

	2004.	2003.
Troškovi osoblja (Bilješka 10)	47.161	38.692
Troškovi amortizacije	4.926	5.712
Troškovi poslovnog prostora	18.090	15.104
Troškovi operativnog najma opreme i namještaja	8.175	6.120
Troškovi marketinga i reprezentacije	5.331	4.579
Troškovi savjetovanja	18.987	16.009
Troškovi osiguranja štednih uloga	2.918	2.956
Troškovi materijala i usluga	7.684	6.297
Troškovi informatike (uključujući savjetovanje i održavanje)	7.008	7.080
Rezerviranja za moguće kazne (Bilješka 27)	2.144	-
Ostali troškovi	4.930	3.528
	127.354	**106.077**

BILJEŠKA 10 - TROŠKOVI OSOBLJA

	2004.	2003.
Plaće	23.883	19.623
Troškovi obveznih doprinosa za mirovinsko osiguranje	7.791	6.397
Troškovi obveznih doprinosa za zdravstveno osiguranje	6.078	4.992
Troškovi obveznih doprinosa za zapošljavanje	667	547
Porezi i prirezi lokalnoj upravi po osnovi plaća	7.420	6.079
Ostali troškovi osoblja	1.322	1.054
	47.161	**38.692**

Broj zaposlenih na dan 31.prosinca 2004. bio je 286 (2003.: 239).

BILJEŠKA 11 - TROŠKOVI UMANJENJA VRIJEDNOSTI I REZERVIRANJA

	Bilješke	2004.	2003.
Zajmovi klijentima	16	9.471	3.150
Ostala sredstva	18	532	168
Potencijalne obveze	24	1.615	1.099
		11.618	**4.417**
Manje: naplaćeni ili oslobođeni iznosi			
Zajmovi klijentima	16	(3.054)	(3.774)
Ostala sredstva	18	(134)	(163)
Potencijalne obveze	24	(687)	(2.022)
		7.743	**(1.542)**

(svi iznosi izraženi u tisućama kuna, osim tamo gdje je drugačije navedeno)

BILJEŠKA 12 - POREZ NA DOBIT

Usklađenje između dobiti prije oporezivanja iznosa poreza na dobit je kako slijedi:

	2004.	2003.
Dobit prije poreza	19.816	19.392
Porezno nepriznati troškovi	7.135	5.261
Neoporezivi prihodi	(7.406)	(6.788)
Poticaji školovanja	(1.577)	(1.175)
Porezna osnovica	17.968	16.690
Porezna stopa 20% (2003.: 20%)	3.594	3.338
Odgođeni porezni rashod	862	1.546
Ukupni porezni rashod u računu dobiti i gubitka	**4.456**	**4.884**

Banka priznaje odgođenu poreznu imovinu na porezno nepriznata rezerviranja u računu dobiti i gubitka iz prethodnih i tekuće godine. Promjene na odgođenoj poreznoj imovini su kako slijedi:

	2004.	2003.
Stanje 1. siječnja	1.545	3.091
Odgođeni porezni prihod / (rashod)	(862)	(1.546)
Stanje 31. prosinca (bilješka 18)	**683**	**1.545**

Do sada porezna uprava nije vršila kontrolu prijave poreza na dobit Banke. U skladu sa zakonskim propisima, porezna uprava može u bilo koje doba obaviti inspekcijski nadzor poslovnih knjiga i evidencija Banke u razdoblju od 3 godine nakon isteka godine u kojoj je podnesena porezna prijava, te može uvesti dodatne porezne obaveze i kazne. Uprava Banke nije upoznata sa okolnostima koje bi mogle dovesti do potencijalnih značajnih obveza u tom pogledu.

BILJEŠKA 13 - GOTOVINA I SREDSTVA KOD HRVATSKE NARODNE BANKE

	2004.	2003.
Gotovina u blagajni	30.639	23.058
Instrumenti u postupku naplate	20	25
Ukupno gotovina	**30.659**	**23.083**
Tekući račun kod Hrvatske narodne banke	86.985	123.639
Obvezna rezerva u kunama	186.530	133.381
Obvezna rezerva u stranoj valuti	205.944	77.923
Granična obvezna rezerva	55.486	-
Ostali depoziti kod Hrvatske narodne banke	-	10.000
Ukupno sredstva kod Hrvatske narodne banke	**534.945**	**344.943**
Sveukupno gotovina i sredstva kod Hrvatske narodne banke	**565.604**	**368.026**

Obvezna rezerva predstavlja iznos koji mora biti položen kod Hrvatske narodne banke („HNB”).

Obvezna rezerva se sastoji od kunskog i deviznog dijela te se obračunava na mjesečnoj osnovi.

Obvezna rezerva za kunske izvore sredstava iznosi 18% (2003: 19%) od njihovog prosječnog dnevnog stanja u promatranom razdoblju te se izdvaja u kunama na računu kod HNB. Na sredstva izdvojenog kunskog dijela obvezne rezerve HNB plaća naknadu po stopi od 1,25% godišnje (2003: 1,25%).

Obvezna rezerva za devizne izvore sredstava iznosi 18% (2003: 19%) od njihovog prosječnog dnevnog stanja u promatranom razdoblju te se 42% izdvaja u kunama, a 58% u stranoj valuti, kod HNB. Na sredstva izdvojenog kunskog dijela obvezne rezerve HNB plaća naknadu po stopi od 1,25% godišnje. Na sredstva izdvojenog deviznog dijela obvezne rezerve HNB plaća naknadu po stopi jednakoj 75% od U.S. Federal Funds Target Rate za USD i 75% od ECB Minimum Bid Refinance Rate za EUR.

Granična obvezna rezerva uvedena je tijekom 2004. godine. Osnovica za izračun granične obvezne rezerve jednaka je pozitivnoj razlici između prosječnog dnevnog stanja izvora sredstava od nerezidenata te pravnih osoba u posebnom odnosu s bankom u promatranom obračunskom razdoblju i prosječnog dnevnog stanja prethodno navedenih izvora sredstava u početnom obračunskom razdoblju (lipanj 2004.). Stopa granične obvezne rezerve na 31. prosinca 2004. godine je iznosila 24% te se izdvaja kod HNB u EUR ili USD. Na sredstva izdvojene granične obvezne rezerve HNB ne plaća nikakvu naknadu.

(svi iznosi izraženi u tisućama kuna, osim tamo gdje je drugačije navedeno)

BILJEŠKA 14 - PLASMANI DRUGIM BANKAMA

	2004.	2003.
Tekući računi kod drugih banaka		
- denominirani u stranoj valuti	21.288	24.489
Krediti i oročeni depoziti kod drugih banaka		
- denominirani u stranoj valuti	603.936	248.955
- denominirani u kunama	142.130	156.000
- ostala potraživanja od banaka	433	275
	767.787	**429.719**

BILJEŠKA 15 - VRIJEDNOSNICE RASPOLOŽIVE ZA PRODAJU

	2004.	2003.
Dužničke vrijednosnice raspoložive za prodaju		
Trezorski zapisi Ministarstva Financija	4.983	8.863
Mjenice lokalne uprave	-	1.644
Blagajnički zapisi Hrvatske narodne banke		
- denominirani u stranoj valuti	-	313.251
Državne obveznice	7.865	52.330
Obveznice poduzeća	11.614	-
Mjenice poduzeća	42.059	9.970
Ukupno dužničke vrijednosnice raspoložive za prodaju	**66.521**	**386.058**
Vlasničke vrijednosnice raspoložive za prodaju	**1.220**	**400**
Ukupno vrijednosnice raspoložive za prodaju	**67.741**	**386.458**
Vrijednosnice koje kotiraju na burzi	19.479	52.330
Vrijednosnice koje ne kotiraju na burzi	48.262	334.128
	67.741	**386.458**

Vlasničke vrijednosnice uključuju ulaganja u dva leasing društva u Hrvatskoj u sastavu ÖVAG Grupe, te članske uloge u Zagrebačkoj burzi, Varaždinskoj burzi i Hrvatskom registru obveza po kreditima.

BILJEŠKA 16 - ZAJMOVI I PREDUJMOVI KLIJENTIMA

a) Analiza kreditnog portfelja

	2004.	2003.
Stanovništvo	1.565.592	1.195.127
Poduzeća	517.145	244.036
Ostala društva	44.672	70.031
Bruto zajmovi i predujmovi	**2.127.409**	**1.509.194**
Umanjenje za vrijednosna usklađenja i rezerviranja	(42.133)	(35.825)
	2.085.276	**1.473.369**

Zajmovi su uglavnom osigurani posebnim zalozima na nekretnine, materijalnu i nematerijalnu imovinu i zalihe. Za neke izloženosti Banka ima dodatnu garanciju Österreichische Volksbanken AG (Bilješka 34).

b) Promjene na rezervacijama

	2004.	2003.
Stanje 1. siječnja	35.825	36.718
Nova rezerviranja (Bilješka 11)	9.471	3.150
Naplaćeni i oslobođeni iznosi (Bilješka 11)	(3.054)	(3.774)
Otpisi	(91)	(266)
Tečajne razlike	(18)	(3)
Stanje 31. prosinca	**42.133**	**35.825**

(svi iznosi izraženi u tisućama kuna, osim tamo gdje je drugačije navedeno)

BILJEŠKA 16 - ZAJMOVI I PREDUJMOVI KLIJENTIMA (nastavak)

c) Koncentracija kreditnog rizika

Banka ima diverzificiran kreditni portfelj koji pokriva različite industrije, a najveća koncentracija je u stanovništvu, gdje je iznosila 73,6% (2003: 79,2%) ukupnog kreditnog portfelja na kraju godine.

Koncentracija rizika po gospodarskim sektorima u okviru portfelja zajmova klijentima je kako slijedi:

	2004.		2003.	
		%		%
Stanovništvo	1.565.592	73,6%	1.195.127	79,2%
Trgovina	286.593	13,5%	129.240	8,5%
Industrija	142.545	6,7%	78.077	5,2%
Transport, skladištenje i komunikacije	9.674	0,4%	11.423	0,8%
Poslovanje nekretninama i poslovne usluge	33.932	1,6%	14.696	1,0%
Ostale usluge	89.073	4,2%	80.631	5,3%
	2.127.409	**100,0%**	**1.509.194**	**100,0%**

BILJEŠKA 17 - MATERIJALNA I NEMATERIJALNA IMOVINA

	Zgrade	Kompjuteri	Namještaj	Ulaganja na tuđoj imovini	Software i licence	Ulaganja u pripremi	Ukupno
Nabavna vrijednost							
Stanje 1. siječnja 2004.	-	14.620	6.601	9.975	7.615	1.138	39.949
Povećanja	-	-	-	-	-	12.195	12.195
Prijenosi	1.579	96	-	1.330	169	(3.174)	-
Otuđivanje i rashodovanje	-	(656)	-	-	-	-	(656)
Stanje 31. prosinca 2004.	**1.579**	**14.060**	**6.601**	**11.305**	**7.784**	**10.159**	**51.488**
Amortizacija							
Stanje 1. siječnja 2004.	-	10.631	3.683	4.111	7.420	-	25.845
Trošak za godinu	7	2.495	1.022	1.247	155	-	4.926
Otuđivanje i rashodovanje	-	(652)	-	-	-	-	(652)
Stanje 31. prosinca 2004.	**7**	**12.474**	**4.705**	**5.358**	**7.575**	**-**	**30.119**
Neto knjigovodstvena vrijednost							
Stanje 31. prosinca 2004.	**-**	**3.989**	**2.918**	**5.864**	**195**	**1.138**	**14.104**
Stanje 31. prosinca 2003.	**1.572**	**1.586**	**1.896**	**5.947**	**209**	**10.159**	**21.369**

BILJEŠKA 18 - OSTALA SREDSTVA

	2004.	2003.
Provizije i naknade	641	38
Unaprijed plaćeni troškovi	1.938	2.992
Potraživanja od osiguravajućih društava	898	1.370
Pozitivna fer vrijednost derivata	1.115	-
Odgođena porezna imovina (bilješka 12)	683	1.545
Ostala sredstva	3.414	329
	8.689	**6.274**
Umanjeno za rezerviranja:	(614)	(258)
	8.075	**6.016**

a) Promjene na rezervacijama

	2004.	2003.
Stanje 1. siječnja	258	253
Nova rezerviranja (Bilješka 11)	532	168
Naplaćeni iznosi (Bilješka 11)	(134)	(163)
Otpisi	(40)	-
Tečajne razlike	(2)	-
Stanje 31. prosinca	**614**	**258**

(svi iznosi izraženi u tisućama kuna, osim tamo gdje je drugačije navedeno)

BILJEŠKA 18 - OSTALA SREDSTVA (nastavak)

b) Derivativni financijski instrumenti

Banka koristi forwarde u stranoj valuti, ali ne u svrhu zaštite. Forwardi u stranoj valuti predstavljaju obvezu kupnje deviza i domaće valute.

Fer vrijednost derivativnih instrumenata dana je niže:

		Fer vrijednost	
	Ugovorena vrijednost	Imovina	Obveze (bilješka 22)
Derivati koji se drže radi trgovanja			
31. prosinca 2004.			
Derivati u stranoj valuti			
Forwardi u stranoj valuti	**66.882**	**1.115**	**(1.103)**

Na dan 31. prosinca 2003. nije bilo ovih derivativnih financijskih instrumenata

BILJEŠKA 19 - DEPOZITI DRUGIH BANAKA

	2004.	2003.
Depoziti po viđenju		
- denominirani u kunama	2.180	2.244
- denominirani u stranoj valuti	2.767	2.771
Ukupno depoziti po viđenju	**4.947**	**5.015**
Oročeni depoziti		
- denominirani u kunama	10.030	4.012
- denominirani u stranoj valuti	28.615	6.591
Ukupno oročeni depoziti	**38.645**	**10.603**
Ukupno depoziti drugih banaka	**43.592**	**15.618**

BILJEŠKA 20 - DEPOZITI KLIJENATA

	2004.	2003.
Tekući računi		
Stanovništvo	140.812	129.735
Poduzeća	237.635	172.919
Ostala društva	14.069	12.636
Ukupno tekući računi	**392.516**	**315.290**
Depoziti po viđenju		
Stanovništvo	**58.539**	**45.761**
Oročeni depoziti		
Stanovništvo	734.461	557.340
Poduzeća	312.097	193.107
Ostali	66.572	96.530
Ukupno oročeni depoziti	**1.113.130**	**846.977**
Ukupno depoziti klijenata	**1.564.185**	**1.208.028**

BILJEŠKA 21 - UZETI ZAJMOVI

	2004.	2003.
Denominirani u kunama	46.687	70.587
Denominirani u stranoj valuti	1.533.480	1.089.984
	1.580.167	**1.160.571**

Tijekom 2004. nisu uzimani dugoročni zajmovi iz domaćih izvora. Kratkoročne pozajmice u kunama od domaćih banaka na novčanom tržištu su na datum bilance imale prosječnu kamatnu stopu od 4,83%.

Nove pozajmice su uzete od stranih banaka u švicarskim francima uz 3-mjesečni LIBOR za švicarski franak + 0,65% i u eurima uz 3-mjesečni EURIBOR + 0,65%. Glavnina svih uzetih zajmova u stranim valutama je od Österreichische Volksbanken AG.

BILJEŠKA 22 - OSTALE OBVEZE

	2004.	2003.
Obveze prema dobavljačima	6.744	5.969
Obveze prema ÖVAG-u	29.217	14.993
Obveze za plaće prema zaposlenicima	6.979	5.365
Rezerviranja za moguće kazne	2.144	-
Obveze za premije osiguranja	3.683	526
Negativna fer vrijednost derivata (Bilješka 18(b))	1.103	-
Ostale obveze	6.776	5.616
	56.646	**32.469**

BILJEŠKA 23 - PODREĐENE OBVEZE

Tijekom 2001. Banka je primila tri neosigurana subordinirana zajma od Volksbank International AG, Vienna u ukupnom iznosu od 9,5 milijuna EUR. Glavnica dospijeva na naplatu 2011. Kamatna stopa po zajmu je tromjesečni EURIBOR uvećan za 1,25% godišnje i otplaćuje se tromjesečno.

BILJEŠKA 24 - REZERVIRANJA ZA POTENCIJALNE OBVEZE

	2004.	2003.
Stanje 1. siječnja	1.003	1.916
Nova rezerviranja (Bilješka 11)	1.615	1.099
Smanjenja (Bilješka 11)	(687)	(2.022)
Tečajne razlike	-	10
Ukupno (Bilješka 27(b))	**1.931**	**1.003**

BILJEŠKA 25 - DIONIČKI KAPITAL

	2004.	2003.
Redovne dionice (nominalna vrijednost dionice 1.000 kuna)	77.414	77.414
Participativne dionice (nominalna vrijednost dionice 1.000 kuna)	23.221	23.221
Kapitalna dobit	39.565	39.565
	140.200	**140.200**

Svaka redovna dionica daje pravo na jedan glas po dionici, dok participativne dionice ne donose pravo glasa.

Participativne dionice nisu kumulativne i daju pravo na dividendu za 1% veću od dividende na redovne dionice.

Temeljem suglasnosti Nadzornog Odbora Banke, dana 08.09.2003. Uprava Banke je donijela Odluku o povećanju temeljnog kapitala Banke izdavanjem novih redovnih dionica serije „C" i novih povlaštenih dionica serije „D" po osnovi odobrenog kapitala, i to na iznos od 30.435.000 HRK. Upisnici nove emisije dionica su Volksbank International AG, Banca Popolare di Vicenza, EM.RO Popolare S.P.A i Banca Monte dei Paschi di Siena S.P.A

Sve novo emitirane dionice su upisane i uplaćene, s time da je za svaku dionicu u nominalnom iznosu od 1.000 HRK uplaćen iznos od 2.300 HRK pri čemu je ostvarena kapitalna dobit u iznosu 39.565 tisuća kuna. Rješenjem Trgovačkog suda u Zagrebu od 07. studenog 2003. temeljni kapital se povećao na iznos od 100.635 tisuća kuna.

Nije bilo promjena u registriranom dioničkom kapitalu tijekom 2004. godine.

Sljedeći dioničari posjedovali su više od 5% registriranih običnih dionica s pravom glasa na dan 31. prosinca 2004.g:

	% udio	
	2004.	**2003.**
Volksbank International AG, Austria	92,13	86,96

BILJEŠKA 26 - REZERVE

	2004.	2003.
Zakonske rezerve	5.032	3.510
Ostale rezerve	13.797	7.082
Ukupno rezerve 31. prosinca	**18.829**	**10.592**

Promjene na rezervama su bile kako slijedi:

Zakonske rezerve

	2004.	2003.
Stanje 1. siječnja	3.510	3.510
Raspored iz neto dobiti za godinu	1.522	-
Stanje 31. prosinca	**5.032**	**3.510**

Zakonske rezerve predstavljaju akumulirane rasporede iz neto dobiti sukladno hrvatskom Zakonu o trgovačkim društvima. Zakon o trgovačkim društvima zahtijeva da se najmanje 5% Bančine neto dobiti rasporedi u neraspodjeljive zakonske rezerve, sve dok one ne dosegnu 5% registriranog dioničkog kapitala.

Ostale rezerve

	2004.	2003.
Stanje 1. siječnja	7.082	7.082
Raspored iz neto dobiti za godinu	6.715	-
Stanje 31. prosinca	**13.797**	**7.082**

Ostale rezerve predstavljaju akumulirane rasporede iz neto dobiti sukladno Statutu Banke. Te rezerve su raspodjeljive sukladno odlukama dioničara na Skupštini.

BILJEŠKA 27 - POTENCIJALNE I PREUZETE OBVEZE

a) Moguće kazne

Sa 31. prosincem 2004. Banka je napravila rezerviranja za moguće kazne protiv Banke. Rezerviranja za vjerojatne kazne iznose 2.144 tisuće kuna (2003.: 0) - Bilješka 22. Rezerviranja su napravljena temeljem profesionalnog pravnog savjeta, te Uprava smatra da neće nastati drugi značajniji troškovi.

Nije bilo tužbi protiv Banke (2003: nije bilo tužbi).

b) Garancije i neiskorišteni krediti

Ukupan iznos garancija, akreditiva i neiskorištenih okvirnih kredita na kraju godine bio je kako slijedi:

	2004.	2003.
Garancije u domaćoj valuti	42.819	28.510
Garancije u stranoj valuti	13.190	10.952
Akreditivi	3.099	2.012
Neiskorišteni krediti	92.463	46.264
Ostalo	1.713	-
	153.284	**87.738**
Umanjeno za rezervacije (Bilješka 24)	(1.931)	(1.003)
	151.353	**86.735**

c) Obveze za operativni najam poslovnih prostora:

	2004.	2003.
Obveze sa rokom dospijeća do godinu dana	11.553	8.958
Obveze sa rokom dospijeća od jedne do 5 godina	29.870	21.118
Obveze sa rokom dospijeća dužim od 5 godina	25.096	21.972
	66.519	**52.048**

BILJEŠKA 28 - NOVAC I NOVČANI EKVIVALENTI

Novac i novčani ekvivalenti sadrže slijedeće stavke s preostalim rokom dospijeća kraćim od 3 mjeseca:

	2004.	2003.
Računi i depoziti kod HNB-a	86.985	133.639
Gotovina u blagajni	30.639	23.058
Novac u tranzitu i postupku naplate	20	25
Blagajnički zapisi HNB-a u devizama	-	313.251
Plasmani bankama	767.787	429.719
Dužničke vrijednosnice izdane od središnje države	4.983	8.863
	890.414	**908.555**

BILJEŠKA 29 - UPRAVLJANJE RIZICIMA

U ovoj bilješci izneseni su detalji o izloženosti Banke rizicima i opisane su metode koje poslovodstvo koristi za kontrolu rizika. Najznačajnije vrste financijskih rizika kojima je Banka izložena su kreditni rizik, rizik likvidnosti i tržišni rizik. Tržišni rizik uključuje rizik promjene tečaja, rizik promjene kamatnih stopa i rizik promjene tržišne cijene kotirajućih vlasničkih ili dužničkih vrijednosnica.

U Banci je razvijen cjeloviti sustav upravljanja rizicima uvođenjem politika i procedura te uspostavljanjem limita za razine rizika koje su prihvatljive Banci. Razvijaju se metode i modeli upravljanja operativnim rizicima.

a) Kreditni rizik

Banka je izložena kreditnom riziku kroz aktivnosti kreditiranja i investiranja, te u slučajevima u kojima Banka nastupa kao posrednik zastupajući interese komitenata ili treće strane.

Rizik prestanka otplaćivanja obveza, koji postoji kod pojedinih strana u transakcijama s financijskim instrumentima, stalno se prati. Za upravljanje razinom kreditnog rizika, Banka nastoji poslovati s komitentima dobre kreditne sposobnosti, a tamo gdje je to potrebno, traže se dodatna osiguranja.

Primarna izloženost Banke kreditnom riziku temeljena je na zajmovima komitentima. Iznos izloženosti kreditnom riziku predstavlja knjigovodstvenu vrijednost imovine u bilanci. Uz to, Banka je izložena i kreditnom riziku po izvanbilančnim stavkama, kroz obveze po neiskorištenim zajmovima i izdanim garancijama, što je prikazano u bilješci 27.

Izloženošću kreditnom riziku upravlja se u skladu s politikama Banke. Kreditna izloženost po portfeljima i pojedinim grupama redovito se provjerava u skladu s postavljenim limitima. O prekoračenjima se izvještavaju odgovarajuća tijela i autorizirano osoblje Banke koje ih može odobriti. Ovlaštene osobe autoriziraju svako značajnije povećanje u kreditnoj izloženosti. Odjel Upravljanja komercijalnim rizicima prati promjene u kreditnom statusu izloženosti i pregledava gubitke po umanjenju vrijednosti. Procjena kreditnog rizika kontinuirano se prati i izvještava, kako bi se omogućila rana identifikacija umanjenja vrijednosti u portfelju zajmova. Banka kontinuirano primjenjuje razborite metode i modele koji se koriste u procesu procjene kreditnih rizika.

Kreditni rizik osigurava se instrumentima osiguranja i to uglavnom hipotekama nad nekretninama adekvatne vrijednosti, depozitima, garancijama, vrijednosnicama i drugim vrstama osiguranja.

b) Rizik likvidnosti

Rizik likvidnosti pojavljuje se u financiranju aktivnosti Banke i u upravljanju pozicijama. Uključuje i rizik nesposobnosti financiranja imovine u prikladnim rokovima i kamatama i rizik nesposobnosti likvidacije imovine po razumnoj cijeni i u prikladnom vremenskom okviru.

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

Banka nastoji održavati ravnotežu između kontinuiteta financiranja i fleksibilnosti kroz upotrebu obveza s različitim dospijećima. Banka kontinuirano procjenjuje rizik likvidnosti identificirajući i prateći promjene u financiranju 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 obzirom na rizik likvidnosti sukladno zakonskim odredbama i internim politikama održavanja rezervi likvidnosti, usklađenosti aktive i pasive te limitima i ciljanim pokazateljima likvidnosti. Banka dnevno upravlja rezervama likvidnosti osiguravajući Banci zadovoljenje potreba njenih klijenata.

c) Rizik promjene tečaja

Banka je izložena riziku promjene tečaja kroz transakcije u stranim valutama i kroz ulaganja u operacije u inozemstvu. Izloženost valutnom riziku proizlazi iz kreditnih, depozitnih i investicijskih aktivnosti i aktivnosti trgovanja, a kontrolira se dnevno prema zakonskim i interno utvrđenim limitima po pojedinim valutama, te za aktivu i pasivu denominiranu u stranim valutama ili uz valutnu klauzulu.

Banka upravlja rizikom promjene tečaja kroz postavljanje limita i praćenje izloženosti u odnosu na limite. Svoje poslovne aktivnosti Banka usmjerava primarno nastojeći minimalizirati neusklađenost između stavki aktive i pasive denominiranih u stranoj valuti ili uz valutnu klauzulu, održavajući redovno poslovanje u granicama maksimalnog potencijalnog gubitka mjerenog Value-at- Risk metodama. Postavke metoda redovito se testiraju sukladno kretanjima tečaja i korelaciji valuta.

BILJEŠKA 29 - UPRAVLJANJE RIZICIMA (nastavak)

d) Kamatni rizik

Operacije Banke su pod utjecajem rizika promjene kamatnih stopa u onoj mjeri u kojoj kamatonosna aktiva i obveze dospijevaju ili im se mijenjaju kamatne stope u različitim trenucima ili u različitim iznosima.
Kod varijabilnih kamatnih stopa, imovina i obveze Banke podložni su i baznom riziku, koji predstavlja razliku u načinu određivanja cijena raznih indeksa varijabilnih kamatnih stopa 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.
Izloženost riziku promjene kamatnih stopa nadzire se primjenom analize neusklađenosti aktive i pasive obzirom na mogućnost promjene kamatnih stopa, modelima simulacije utjecaja promjene kamatnih stopa na neto prihode i procjene ekonomskog vrednovanja bilance.

BILJEŠKA 30 - RIZIK LIKVIDNOSTI

Iznos ukupne aktive i ukupne pasive analiziran prema preostalom dospijeću od dana Bilance do ugovornog dospijeća:

	Do 1 mjesec	1 do 3 mjeseca	Od 3 do 12 mj.	Od 1 do 5 godina	Preko 5 godina	Nespeci-ficirano	Total
Sredstva							
Gotovina i sredstva kod Hrvatske narodne banke	565.604	-	-	-	-	-	565.604
Plasmani drugim bankama	567.863	199.924	-	-	-	-	767.787
Vrijednosnice raspoložive za prodaju	16.181	18.587	12.515	7.716	11.522	1.220	67.741
Zajmovi i predujmovi klijentima	72.089	85.502	244.460	801.172	882.053	-	2.085.276
Dugotrajna materijalna i nematerijalna imovina	-	-	-	-	-	21.369	21.369
Ostala imovina	7.392	-	-	683	-	-	8.075
Ukupno sredstva	**1.229.129**	**304.013**	**256.975**	**809.571**	**893.575**	**22.589**	**3.515.852**
Obveze							
Depoziti drugih banaka	4.893	38.699	-	-	-	-	43.592
Depoziti klijenata	842.949	225.328	342.268	146.410	7.230	-	1.564.185
Uzeti zajmovi	19.000	5.434	163.425	855.949	536.359	-	1.580.167
Rezerviranja za potencijalne obveze	231	-	427	1.273	-	-	1.931
Ostale obveze	51.541	2.961	2.144	-	-	-	56.646
Podređene obveze	-	7	-	-	73.145	-	73.152
Ukupno obveze	**918.614**	**272.429**	**508.264**	**1.003.632**	**616.734**	**-**	**3.319.673**
Neusklađenost ročne strukture	**310.515**	**31.584**	**(251.289)**	**(194.061)**	**276.841**	**22.589**	**196.179**
31. prosinac 2003.							
Ukupno imovina	293.859	912.167	125.877	776.902	554.383	14.504	2.677.692
Ukupno obveze	407.388	510.961	328.074	887.915	356.264	-	2.490.602
Neusklađenost ročne strukture	(113.529)	401.206	(202.197)	(111.013)	198.119	14.504	187.090

BILJEŠKA 31 - KAMATNI RIZIK

Banka je izložena različitim rizicima povezanima s efektima koje promjene kamatnih stopa na tržištu imaju na njihovu financijsku poziciju i novčani tok. Sljedeća tablica prikazuje procjenu poslovodstva o kamatnom riziku Banke na dan 31. prosinca 2004. godine, te nije nužno indikativna za poziciju u drugom razdoblju. Tablica pokazuje određenu osjetljivost zarade Banke na kretanja kamatnih stopa.

	do 3 mjeseca	3 mj. do 1 godine	1 do 5 godina	preko 5 godina	Beskamatno	Ukupno
Sredstva						
Gotovina i sredstva kod Hrvatske narodne banke	478.974	-	-	-	86.630	565.604
Plasmani drugim bankama	766.882	-	-	-	905	767.787
Vrijednosnice raspolož. za prodaju	34.526	12.515	7.716	11.522	1.462	67.741
Zajmovi i predujmovi klijentima	1.995.674	51.317	19.827	5.998	12.460	2.085.276
Dugotrajna materijalna i nematerijalna imovina	-	-	-	-	21.369	21.369
Ostala imovina	-	-	-	-	8.075	8.075
Ukupno sredstva	**3.276.056**	**63.832**	**27.543**	**17.520**	**130.901**	**3.515.852**
Obveze						
Depoziti drugih banaka	38.605	-	-	-	4.987	43.592
Depoziti klijenata	1.532.608	8.567	3.236	-	19.774	1.564.185
Uzeti zajmovi	1.506.376	41.080	-	32.277	434	1.580.167
Rezerviranja za potencijalne obveze	-	-	-	-	1.931	1.931
Ostale obveze	-	-	-	-	56.646	56.646
Podređene obveze	73.145	-	-	-	7	73.152
Ukupno obveze	**3.150.734**	**49.647**	**3.236**	**32.277**	**83.779**	**3.319.673**
Neusklađenost osjetljivosti na kamatni rizik	**125.322**	**14.185**	**24.307**	**(14.757)**	**47.122**	**196.179**
31. prosinac 2003.						
Ukupno sredstva	2.499.208	65.700	526	53.479	58.779	2.677.692
Ukupno obveze	2.338.858	59.065	-	-	92.679	2.490.602
Neusklađenost osjetljivosti na kamatni rizik	160.350	6.635	526	53.479	(33.900)	187.090

Niže u tablici sažeto su prikazane prosječne kamatne stope za pojedine financijske instrumente:

	2004. %	2003. %
Sredstva		
Gotovina i sredstva kod Hrvatske narodne banke	1,19	1,43
Dužničke vrijednosnice raspoložive za prodaju	2,24	1,84
Plasmani drugim bankama	2,20	3,69
Zajmovi i predujmovi klijentima	8,51	9,40
Obveze		
Depoziti drugih banaka	2,19	2,07
Depoziti klijenata	3,14	2,90
Uzeti zajmovi	2,46	2,67
Podređene obveze	3,35	3,38

BILJEŠKA 32 - VALUTNI RIZIK

Na dan 31. prosinca 2004. Banka je imala sljedeće devizne pozicije. Banka ima veliki broj kunskih ugovora s valutnom klauzulom čija je kunska vrijednost (glavnice i kamate) određena kretanjem tečaja valute uz koju su vezani. Stanja takvih glavnica i kamata koje nose rizik promjene tečaja uključena su u sljedeću tablicu. Najznačajnije valute uz koje su vezani takvi ugovori su EUR, CHF i USD.

	EUR	EUR valutna klauzula	CHF	CHF valutna klauzula	USD	USD valutna klauzula	Ostale valute	HRK	Total
Sredstva									
Gotovina i sredstva kod HNB	203.295	-	752	-	70.744	-	279	290.534	565.604
Plasmani drugim bankama	586.981	-	11.713	-	24.024	-	2.526	142.543	767.787
Vrijednosnice raspoložive za prodaju	19.480	-	-	-	-	-	-	48.261	67.741
Zajmovi i predujmovi klijentima	205.444	1.326.041	7.273	317.107	14.205	4.217	-	210.989	2.085.276
Materijalna i nematerijalna imovina	-	-	-	-	-	-	-	21.369	21.369
Ostala imovina	965	-	-	-	-	-	-	7.110	8.075
Ukupno sredstva	**1.016.165**	**1.326.041**	**19.738**	**317.107**	**108.973**	**4.217**	**2.805**	**720.806**	**3.515.852**
Obveze									
Depoziti drugih banaka	20.971	-	1.153	-	9.247	-	10	12.211	43.592
Depoziti klijenata	605.304	418.691	3.535	-	92.999	-	1.910	441.746	1.564.185
Uzeti zajmovi	1.191.737	12.614	329.608	-	12.135	-	-	34.073	1.580.167
Rezerviranja za potencijalne obveze	312	-	-	-	-	-	-	1.619	1.931
Ostale obveze	31.467	-	-	-	-	-	13	25.166	56.646
Podređene obveze	73.152	-	-	-	-	-	-	-	73.152
Ukupno obveze	**1.922.943**	**431.305**	**334.296**	**-**	**114.381**	**-**	**1.933**	**514.815**	**3.319.673**
Neto bilančna devizna pozicija	**(906.778)**	**894.736**		**317.107**	**(5.408)**	**4.217**	**872**	**205.991**	**196.179**
Potencijalne i preuzete obveze	**50.147**	**-**	**8.311**	**-**	**1.410**	**-**	**-**	**93.416**	**153.284**
31. prosinca 2003.									
Ukupno sredstva	743.943	1.252.529	587	-	104.632	5.071	4.740	566.190	2.677.692
Ukupno obveze	1.774.720	175.362	513	-	109.943	-	4.007	426.057	2.490.602
Neto bilančna devizna pozicija	**(1.030.777)**	**1.077.167**	**74**	**-**	**(5.311)**	**5.071**	**733**	**140.133**	**187.090**
Potencijalne i preuzete obveze	**30.077**	**-**	**-**	**-**	**962**	**-**	**-**	**56.699**	**87.738**

BILJEŠKA 33 - FER VRIJEDNOST FINANCIJSKE IMOVINE I OBVEZA

Fer vrijednost predstavlja iznos za koji se može razmijeniti neko sredstvo ili podmiriti neka obveza u najboljem interesu svih zainteresiranih i dobro obaviještenih strana u transakciji pred pogodbom.

Financijski instrumenti koji su raspoloživi za prodaju iskazuju se po fer vrijednosti. Zajmovi i potraživanja koje je kreirala Banka mjere se po amortiziranom trošku, a poslovodstvo ocjenjuje da se knjigovodstvena vrijednost tih instrumenata ne razlikuje značajno od njihove fer vrijednosti.

U nastavku slijedi sažetak glavnih metoda i pretpostavki korištenih u procjeni fer vrijednosti financijskih instrumenata.

Zajmovi

Fer vrijednost zajmova izračunava se temeljem diskontiranih očekivanih budućih gotovinskih tokova temeljem glavnice i kamate. Za zajmove koji nemaju fiksni datum otplate, otplata se procjenjuje temeljem iskustva u prijašnjim razdobljima u slučajevima u kojima su kamatne stope bile slične kao što su sadašnje, usklađene za sve razlike u očekivanim kretanjima kamatnih stopa. Očekivani budući gotovinski tokovi procjenjuju se uzimajući u obzir kreditne rizike i sve pokazatelje umanjenja vrijednosti. Očekivani budući novčani tokovi za homogene kategorije zajmova procjenjuju se na bazi portfelja i diskontiraju se po trenutnim stopama koje su važeće za slične zajmove novim komitentima sa sličnim kreditnim profilom. Procijenjene fer vrijednosti zajmova odražavaju promjene u kreditnom statusu od kad su zajmovi odobreni, odnosno promjene kamatnih stopa u slučaju zajmova koji imaju fiksnu kamatnu stopu. Obzirom na to da Banka ima vrlo ograničeni portfelj zajmova s fiksnom kamatnom stopom i dužim dospijećem, fer vrijednost zajmova ne razlikuje se značajno od njihove knjigovodstvene vrijednosti.

Depoziti banaka i komitenata

Za depozite po viđenju i depozite koji nemaju definirano dospijeće, fer vrijednost je iznos plativ po viđenju na dan bilance. Procijenjena fer vrijednost depozita s fiksnim dospijećem temelji se na očekivanim gotovinskim tokovima diskontiranim trenutačno važećim kamatnim stopama za depozite sličnog preostalog dospijeća. Vrijednost dugoročnih odnosa s deponentima ne uzima se u obzir kod procjene fer vrijednosti. Obzirom na to da većina depozita Banke ima promjenljivu stopu, ne postoji znatna razlika između fer vrijednosti tih depozita i njihove knjigovodstvene vrijednosti.

Uzeti zajmovi

Kako većina dugoročnih uzetih zajmova Banke ima promjenjivu kamatu, koja se redovno plaća, ne postoji znatna razlika između knjigovodstvene i fer vrijednosti.

BILJEŠKA 34 - TRANSAKCIJE S POVEZANIM STRANAMA

Sljedeća tablica daje sažeti prikaz stanja sredstava i obveza na dan bilance s matičnim društvom Volksbank International AG (VBI), Österreichische Volksbanken AG (ÖVAG), ostalim članicama grupe i povezanim stranama:

	2004.	2003.
Sredstva		
Österreichische Volksbanken AG - plasmani bankama	14.396	1.784
Österreichische Volksbanken AG - ostala sredstva	10	979
VB leasing d.o.o. - ostala sredstva	670	2
VB leasing d.o.o. - ulaganja	665	-
Volksbank CZ - plasmani bankama	20	-
Volksbank - Ljudska banka - plasmani bankama	301	13
Ludova banka - plasmani bankama	8	96
DZ Bank - plasmani bankama	10.014	1.103
DZ Bank - ostala sredstva	11	-
Victoria d.o.o. - ostala sredstva	222	63
Pet plus leasing d.o.o. - ostala sredstva	1	-
Pet plus leasing d.o.o. - ulaganja	400	400
Magyaroszagi Volksbank RT - plasmani bankama	166	1.032
Volksbank AD Beograd - ostala sredstva	-	34
Prokuristi banke - zajmovi i predujmovi klijentima	533	341
	27.417	**5.847**

BILJEŠKA 34 - TRANSAKCIJE S POVEZANIM STRANAMA (nastavak)

Obveze		
Österreichische Volksbanken AG - uzeti zajmovi	1.530.362	1.081.608
Österreichische Volksbanken AG - obračunate kamate	366	14.419
Österreichische Volksbanken AG - depoziti banaka	7.255	17.349
Österreichische Volksbanken AG - ostale obveze	29.217	14.993
Volksbank International AG - podređene obveze	73.145	72.913
VB leasing d.o.o. - depoziti klijenata	3.071	3.085
Volksbank BH - depoziti banaka	54	1.309
Magyarorszagy Volksbank RTĐ depoziti banaka	122	706
Volksbank Ljudska banka - depoziti banaka	41	-
Volksin d.o.o. - depoziti klijenata	17.603	10.542
Volksin d.o.o. - obračunate kamate	-	127
Pet plus leasing d.o.o. - depoziti klijenata	3.187	3.126
ALB-EDV Service GmbH - ostale obveze	825	3.545
VB Victoria za zastupanje u osiguranju - depoziti klijenata	305	160
Prokuristi banke - depoziti klijenata	107	127
	1.665.660	**1.224.009**

Tablica u nastavku daje sažeti pregled izloženosti koje su pokrivene garancijom i depozitima Österreichische Volksbanken AG:

	2004.	2003.
Zajmovi i predujmovi	25.135	13.079
Odobreni neiskorišteni krediti	-	18.764
	25.135	**31.843**
Garancije dobivene od Österreichische Volksbanken AG	(11.472)	(25.702)
	13.663	**6.141**

Sljedeća tablica daje sažeti prikaz prihoda i rashoda ostvarenih tijekom 2004. godine s matičnim društvom Volksbank International AG (VBI), Österreichische Volksbanken AG (ÖVAG) i ostalim članicama grupe:

	VBI	ÖVAG	Ostali	Ukupno 2004.	Ukupno 2003.
Prihodi od kamata	-	44	6	50	54
Ostali prihodi	-	-	108	108	1.004
Ukupno prihodi	**-**	**44**	**114**	**158**	**1.058**
Troškovi kamata	2.483	30.935	187	33.605	24.630
Troškovi najamnina	-	-	15.594	15.594	13.544
Ostali rashodi	-	16.197	3.043	19.240	18.690
Ukupni rashodi	**2.483**	**47.132**	**18.824**	**68.439**	**56.864**

Izvješće Revizora

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers d.o.o.
Alexandera von Humboldta 4
HR-10000 Zagreb
CROATIA
Telefon: (385 1) 63 28 888
Fax: (385 1) 61 11 556

IZVJEŠĆE REVIZORA

DIONIČARIMA VOLKSBANK D.D., ZAGREB

Obavili smo reviziju priložene bilance VOLKSBANK d.d. (Banka) na dan 31. prosinca 2004. godine, pripadajućeg računa dobiti i gubitka, izvještaja o novčanom toku te izvještaja o promjenama dioničke glavnice za godinu koja je tada završila. Za ove financijske izvještaje prikazane na stranicama 16 do 35 odgovorna je Uprava Banke. Naša je odgovornost izraziti mišljenje o tim financijskim izvještajima na osnovu naše revizije.

Reviziju smo obavili sukladno Međunarodnim revizijskim standardima. Ovi standardi zahtijevaju planiranje i provođenje revizije kako bi se s razumnom mjerom sigurnosti utvrdilo da su financijski izvještaji bez materijalno značajnih grešaka. Revizija uključuje i ispitivanja, temeljem provjere podataka, koja potkrepljuju iznose i bilješke uz financijske izvještaje. Revizija isto tako uključuje i ocjenu primijenjenih računovodstvenih politika i značajnijih procjena koje je definirala Uprava, kao i ocjenu ukupnog prikaza financijskih izvještaja. Uvjereni smo da obavljena revizija daje razumnu osnovu za izražavanje našeg mišljenja.

Prema našem mišljenju, financijski izvještaji prikazuju realno i objektivno, u svim značajnim aspektima, financijsko stanje Banke na dan 31. prosinca 2004. godine, rezultate njenog poslovanja i promjene novčanih tokova za godinu koja je tada završila i pripremljeni su sukladno Međunarodnim standardima financijskog izvještavanja.

PricewaterhouseCoopers d.o.o.
Zagreb, 9. ožujka 2005.

Darko Tučar
Ovlašteni revizor

Izvješće Nadzornog odbora

Nadzorni odbor je tijekom 2004. godine održao 4 sjednice na kojima je potvrđena zakonitost, ispravnost i efikasnost vođenja poslova u Volksbank d.d. Zagreb.

Nadzorni odbor je na svojoj sjednici održanoj u travnju 2004. godine usvojio financijska izvješća za 2003. i to Bilancu stanja na dan 31.12.2003., Račun dobiti i gubitka za 2003., Izvješće o novčanom tijeku za 2003., te prihvatio prijedlog Uprave o upotrebi dobiti.

Nadzorni odbor je u 2004. godini redovno informiran o stanju u Banci na sjednicama Nadzornog odbora, izvješćima Uprave danim izvan sjednica Nadzornog odbora i izravnim izvješćima Interne revizije.

Volksbank d.d. u cijelosti djeluje u skladu sa zakonom i aktima Banke te odlukama Glavne Skupštine.

Financijska izvješća za 2004. godinu revidirala je tvrtka PricewaterhouseCoopers d.o.o. Zagreb, te su izrazili pozitivno mišljenje o njihovom realnom i objektivnom prikazu rezultata i poslovanja Banke.

Financijska izvješća za 2004. godinu napravljena su u skladu sa stanjem u poslovnim knjigama Volksbank d.d. i ispravno pokazuju imovinsko i poslovno stanje Banke.

Nadzorni odbor je na svojoj sjednici održanoj u travnju 2005. godine usvojio financijska izvješća za 2004. i to Bilancu stanja na dan 31.12.2004., Račun dobiti i gubitka za 2004., Izvješće o novčanom tijeku za 2004., te prihvatio prijedlog Uprave o upotrebi dobiti.

Nadzorni odbor predlaže Glavnoj Skupštini Banke usvajanje predložene Odluke o upotrebi dobiti.

Nadzorni odbor zahvaljuje zaposlenicima Volksbank d.d. Zagreb na trudu, te Upravi Banke na izvrsnoj suradnji i uspješnom radu tijekom poslovne godine.

Zagreb, 18.03.2005.

Predsjednik Nadzornog odbora
Wolfgang Perdich

IVANA VIDOVIĆ

Grad, 2000. / Oil on canvas / 110 x 90
City, 2000. / Oil on canvas / 110 x 90

Ivana Vidović was born on July 30, 1977 in Zagreb. After completing the class for graphic design at the School for Applied Art and Design in 1996, she enrolled in the Academy of Fine Arts in Zagreb. Ivana Vidović graduated in 2002 in the class of prof. Ljubomir Stahov.

ONE-MAN EXHIBITIONS:

2001 - SC Gallery, Zagreb
2002 - Močvara Gallery, “SOBA” (“ROOM”)
2002 - Gallery “Vladimir Nazor”, Zagreb
2003 - Exhibition of paintings and drawings, Rab

ANNUAL REPORT 2004

04

Austria

Bosnia and Herzegovina

CROATIA

Czech Republic

Hungary

Italy

Malta

Romania

Serbia and Montenegro

Slovakia

Slovenia

Report of the Chairman

Dieter Hornbacher, Member of the Managing Board
Andrea Kovacs, Member of the Managing Board
Tomasz Jerzy Taraba, Chairman of the Managing Board

Ladies and Gentlemen, Esteemed Shareholders and Business Partners,

It is a great pleasure and honour for me to present, on behalf of the Managing Board of Volksbank d.d., the financial results achieved by the Bank in 2004.

Last year was marked by investments in development, an expanded and improved offer of financial products and services on the Croatian financial market, and the Bank's stronger, wider presence in all regions of Croatia.

Continuing the upward trend in its business, the Bank achieved very good results, recording a before-tax profit of HRK 19.82 million.

Total assets at the end of 2004 were 31% higher than in the previous year, and amounted to HRK 3,516 million.

Compared to 2003, the Bank recorded a 29% increase in deposits by private and corporate customers alike, thus proving the confidence which the Bank enjoys from both previous and newly-acquired customers.

Thanks to the more favourable conditions for account management and payment transaction processing that we offered customers in 2004, both domestic and foreign payment transactions showed further growth, with the volume of domestic payment transactions increasing by 19.2%.

In 2004 the Bank widened its area of operations and strengthened its business network with four new branch offices: two in Zagreb County (one in Ilica Street, covering the western part of Zagreb, and the other one in Dugo Selo), as well as branches in Makarska and in Dubrovnik.

The principal guidelines for the Bank's business activities remain development of a range of new products and improvement of existing ones, as well as improving the quality of services, i.e. an orientation toward the "open branch concept", and continuing development of partnership with customers based on mutual trust. Further proof that we are on the right road is the "Award for Consumer-friendly Interest Rates" that we received at the First meeting of consumer protection organizations in the Republic of Croatia, held under the high patronage of the European Commission and the Ministry of Economy, Labour and Enterprise.

Our results constitute an obligation to continue pursuing our strategic goals in the coming years as well. This year we shall strive once again to justify our customers' confidence in us by maintaining a flexible approach and offering fast, high-quality services, as well as to ensure a further strengthening of our market position.

We thank all our customers and business partners for their confidence and support, and our employees for their exceptional dedication in our common efforts to ensure that Volksbank d.d. truly remains, in its eighth year of activity in Croatia, a qualified financial advisor and reliable partner to its customers - just as our slogan says: "United in Trust".

Tomasz Taraba
Chairman of the
Managing Board
Zagreb, 9 March 2005

KEY FIGURES

IN HRK THOUSAND	2002	2003	2004
Total assets	1,710,608	2,677,692	3,515,852
Clients' payables	937,677	1,195,796	1,548,656
Clients' receivables	1,148,306	1,464,530	2,067,990
Operating profits	109,434	123,927	153,863
Operating costs	90,866	106,077	127,354
Earnings from ordinary activities	15,718	19,392	19,816
Number of employees	205	239	286
Number of branches	7	9	13

International Network

VOLKSBANK d.d. has been successfully active on the Croatian market since 1997. The bank's main shareholder is Volksbank International AG (a subsidiary of Österreichische Volksbanken-AG).

Österreichische Volksbanken-AG (ÖVAG) was founded in 1922 by commercial lending cooperatives and is majority-owned by more than 60 independent Austrian "Volksbanken" (co-operative banks). The bank is the central institute of one of the most important banking groups in Austria and an international commercial bank. Already in 1991 ÖVAG was one of the first banks to begin its expansion into the challenging markets of Central and Eastern Europe.

Volksbank International AG (VBI) - located in Vienna, Austria - now heads a successful and expanding network in Central and Eastern Europe. By the end of 2004 Volksbank International AG`s network consisted of 150 branches in eight Central and Eastern European countries. VBI`s subsidiaries are located in the Slovak Republic, Czech Republic, Hungary, Slovenia, Croatia, Bosnia-Herzegovina, Serbia and Romania. Their total assets have grown by 52% from EUR 2.3 billion in 2002 to EUR 3.5 billion in 2004. Around 2,500 employees offer private and corporate clients the full range of modern bank products and services. Via highly specialised companies personalised services in the fields of leasing, real estate, fund management, insurance and investment banking are provided. In addition, Österreichische Volksbanken-AG has a subsidiary in Malta as well as representative offices in Italy and France.

In 2004 Volksbank International AG intensified cooperation with its German and French partners. Minority stakes of 24.5% are held by both DZ BANK / WGZ-Bank and the French Banque Fédérale des Banques Populaires each. In accordance with VBI`s motto "Extending borders" this fresh capital will enable us to further enlarge our network and improve the range of services for our clients.

Via its co-operation with the Confédération Internationale des Banques Populaires, which has a network of 30,000 banking outlets in the member states in Europe, North Africa, Argentina, Canada and Japan VOLKSBANK d.d. is able to offer its clients a presence in all major financial centres worldwide.

However size isn`t everything! Our commitment of being a special partner for our clients has proved very successful. Personal contact with our clients, mutual trust and reliability are of primary importance to us. The professional quality of our services and the long term relationship we build with our clients in order to ensure business success are the most important criteria for us. Thus our international clients are supported in their mother tongue in each of our international by "International Desks" so that they feel "at home" doing business abroad.

Governing Bodies

SUPERVISORY BOARD

CHAIRMAN

Mag. Wolfgang Perdich
Member of the Management Board
Österreichische Volksbanken-AG
Vienna

DEPUTY CHAIRMAN

Mag. Gerhard Wöber
Memeber of the Management Board
Volksbank International AG
Vienna

MEMBERS

Dir. Mag. Hans Janeschitz
Head of Division Corporate Service
and Participation Management
Österreichische Volksbanken-AG
Vienna

Mag. Herbert Hartl
Head of International Finacial Department
Österreichische Volksbanken-AG
Vienna

Dr. Fausto Maritan
Manager International Relations
and Correspondent Banking
Banca Popolare di Vicenza
Vicenza

Denis Le Moullac
Head of Foreign Relations Department
Banque Fédérale des Banques Populaires
Paris

MANAGEMENT BOARD

Tomasz Jerzy Taraba
Chairman
Volksbank d.d.
Zagreb

Andrea Kovacs
Member
Volksbank d.d.
Zagreb

Dieter Hornbacher
Member
Volksbank d.d.
Zagreb

Economic Trends in Croatia

2004 IN REVIEW AND PROSPECTS FOR 2005

With positive economic trends on the European market and a stable macroeconomic climate, characterized by low inflation and a stable rate of exchange, on the domestic market, Croatia achieved positive economic development in 2004, albeit at a somewhat slower pace than in previous years.

The most significant indicators of positive trends in the Croatian economy last year were the faster rate of growth of exports over imports and less dynamic growth of the foreign trade deficit, which, together with a growth in service revenues, contributed to an improved balance of payments, as well as slower growth of Croatia's foreign debt and higher overall economic activity. The positive avis on European Union membership which Croatia received in the middle of the year had a great impact on this good outlook. Negotiations on EU membership should begin in the first quarter of this year.

Real GDP growth continued last year, albeit somewhat more slowly than in previous years, achieving a rate of around 3.7%. Several other factors contributed to slower economic growth in 2004 compared to the three preceding years, the most important of these being the decline in construction activity and the stagnation in road-building. This was substantially reflected in a slowing of investment, while the growth of both personal and public consumption was stable, such that the effect on real growth was neutral.

The ongoing trend toward a year-on-year increase in foreign trade continued during the past year as well. The value of exported commodities amounted to more than USD 8 billion, while imports totalled USD 16.5 billion. As a consequence, the foreign trade deficit remained high, amounting to USD 8.56 billion. Nevertheless, this was the first time that more dynamic growth of exports than imports has been recorded.

The rate of registered unemployment was 18.2% which is one percent lower than during the same period in the previous year. Average net wages grew by 6.6% compared to 2003, amounting to HRK 4,312 kuna.

At the end of the year Croatia's growth of foreign debt amounted to USD 30.2 billion, or 80.2% of GDP.

Industrial production grew by 3.7% compared to 2003, more than had been anticipated.

Basic inflation totalled 2.3%, i.e. somewhat higher than in the previous year, yet still ensuring Croatia its place among low-inflation countries.

By the end of 2004 total placements by commercial banks had reached HRK 128.77 billion, representing a growth of 13.10%. Of this total, placements with private citizens represented HRK 65.28 billion, for a dynamic growth of 18.07%. Placements with enterprises reached HRK 53.4 billion, a growth of 7.9%.

Total deposits by commercial banks reached HRK 127.81 billion last year, of which HRK 104.22 billion represented term deposits and savings deposits. The growth rate for deposits in 2004 was 8.57%. Deposits in kunas grew faster than deposits in foreign currency, so that by the end of the year foreign currency deposits were just 3.63 times higher than kuna deposits. This trend toward a more rapid increase in kuna deposits is expected to continue this year as well.

One of the key goals of monetary policy in 2004 was limiting the growth of foreign obligations. In July 2004 a marginal reserve was introduced, resulting in a slight decrease in borrowings from abroad. A reduction in the requirement rate of obligatory reserves from 19 to 18% came into effect in November, so as to ensure increased bank liquidity for the purchase of government bonds.

These measures were foreseen by the Memorandum of Economic and Financial Policies which the Government of Croatia and the Croatian National Bank (CNB) signed with the IMF. The monetary criteria of this program pertaining to the amount of the Central bank's net international reserves and net domestic assets have been successfully fulfilled.

The Croatian National Bank will continue to apply measures aimed at reducing foreign obligations and stimulating exports, as well as further maintaining a stable exchange rate.

This year economic growth could reach 3.6%, which, as analysts point out, is less than previously expected. While a gradual recovery of investment, continuing favourable trends in commodities exports, and renewed growth activity in the economy as a whole are expected, it is unlikely that this will be enough to restore the growth rate to its previously anticipated level of around 4% during this year.

The inflation rate will remain low this year, the current account deficit should fall to below 5% of GDP, the growth of total exports should accelerate, and the rate of unemployment should decrease. Nominal wages should grow at an average of 6%.

Analysis of Business Operation

The positive growth and development trends of previous years continued at Volksbank d.d. in 2004. The Bank surpassed its planned goals for the year 2004, creating a before-tax profit of HRK 19.82 million.

Total assets at the end of 2004 amounted to HRK 3,516 million, representing an increase of 31% over 2003.

Last year loans to customers achieved a growth of 42%. Deposits increased by 29%, thereby considerably surpassing the average growth in domestic deposits (8.57%) and totalling HRK 1,564 million at the end of the year.

According to regulations of Croatian National Bank, Capital adequacy at the December 31 was 12.26% and legal minimum is 10%.

RETAIL BANKING

In the retail banking area, a 27% increase in deposits and a 31% increase in placements were recorded during the 2004 business year, as well as a 23.7% increase in the number of customers.

As of 31 December 2004 the volume of loans amounted to HRK 1,566 million.

In the deposit segment, deposits with a foreign currency clause continued to achieve very good sales results. Within the credit segment, the Bank's housing loans, whose quality is extremely well-regarded on the market, recorded large-scale growth. The specially-designed housing loans targeted at young people, and featuring a foreign currency clause in CHF, have achieved very good results.

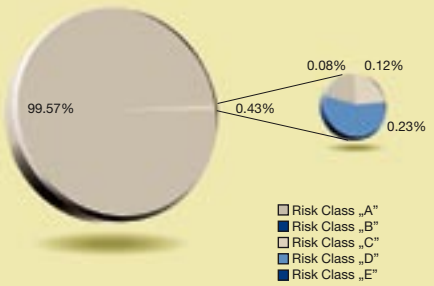
Four new branch offices were opened in 2004: one in Zagreb, covering the western part of the city, as well as branch offices in Dugo Selo, Makarska and Dubrovnik. The Bank has thus realized its plans for a market presence in all regions of Croatia. The quality and recognizability of Volksbank d.d. products and services were quickly perceived in its new surroundings, and so the Bank has been achieving exceptional results in these locations as well.

During 2004 the Bank continued to expand its distribution channels, drawing on the resources of its business partners, especially with insurance companies. For independent professions the Bank developed products for purchasing and equipping business premises, while the Bank offered especially designed range of products for doctors, dentists, pharmacists and biochemists.

Alongside its car loans, which traditionally hold a dominant position on the market, the Bank has introduced car loans with a foreign currency clause in CHF, thereby achieving exceptional results and meeting its strategic goals in the car loan area. It also expanded its partner network and further strengthened its position among the leading banks on the Croatian market in this business segment.

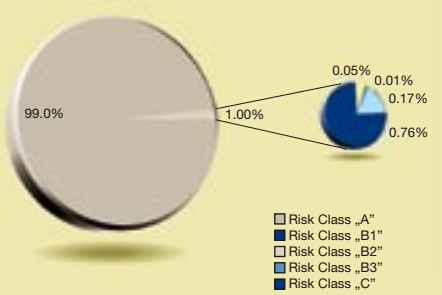
RISK EXPOSURE

2003



Total Risk Exposure: HRK 2,588,903 Tsd.

2004



Total Risk Exposure: HRK 3,616,000 Tsd.

During 2004 the Bank launched its first program for financing the construction and sale of apartments, and plans to continue this type of financing on a much larger scale in 2005.

Besides developing new products and services, the Bank has been continually improving its currently existing ones, so as to adjust them completely to customers' needs.

CORPORATE BANKING

The strategic orientation of the Corporate Banking division is to provide financial servicing, support and advising for small and medium-sized Croatian enterprises, especially those oriented toward production and export. Thanks to its international network and partners on the European and world markets, Volksbank d.d. not only provides clients with financial support in Croatia but also aids them in their efforts to penetrate foreign markets.

The Bank's Project Financing deserves special mention, as one of the most important development segments of the Croatian economy into which it has actively entered, especially in the area of construction residential and commercial buildings.

Volksbank d.d. is a reliable partner to its clients, and thus an active participant in the development of the Croatian economy and the creation of new values.

In 2004 the activities of the Corporate Banking division were based on improving its existing range of products and services and developing new ones, as well as acquiring new corporate clients.

In addition, the quality of its operative activities was improved, decision-making times were speeded up, and use of existing products and services was simplified. The result of all of this was seen in a significant increase in the use of these products and services, especially in the area of electronic payment transactions, with the number of users of such services growing considerably.

Besides offering clients tailor-made lines of credit, the Bank's range of products also includes loans issued in cooperation with the Ministry of the Economy, Labour and Enterprise in nearly all of Croatia's counties, as well as loan programs in cooperation with the Croatian Bank for Reconstruction and Development.

As of 31 December 2004 the Bank's corporate loan portfolio totalled HRK 562 million, which represents a 79% increase over the previous year. The Bank continues to regard the quality of its loan portfolio as a matter of great importance, and thus its share of loans classified in the high-risk category is among the lowest on the market.

The number of depositors increased in 2004, with overall deposits by corporate clients rising by 33% compared to the previous year.

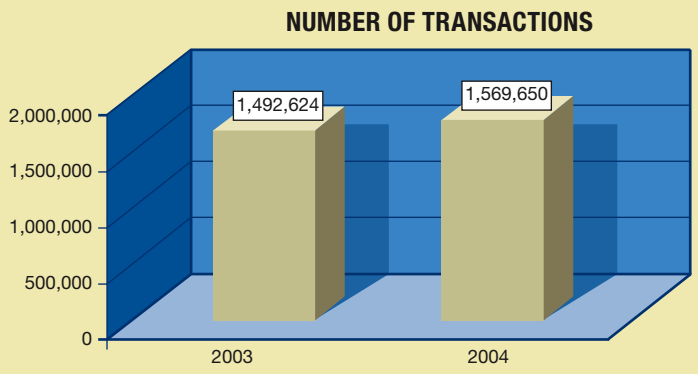
Given more favourable conditions for account management and the processing of payment transactions, the upward trend in both domestic and foreign payment transactions has continued. The volume of domestic payment transactions increased by 19.2% compared to 2003.

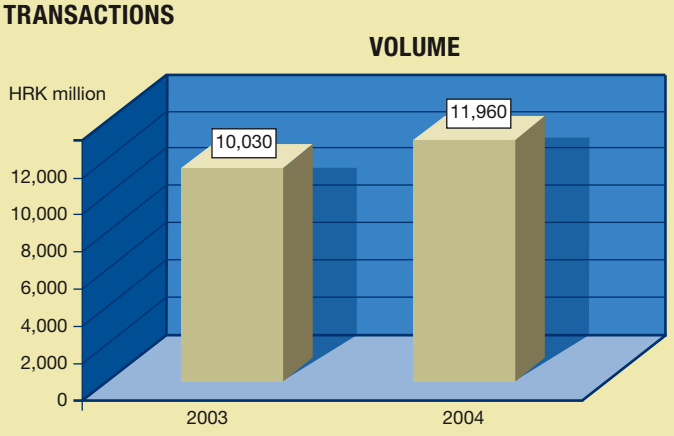
TREASURY

In 2004 the Treasury constantly increased its potential client base by means of acquisitions and cooperation with the Corporate Banking division, resulting in a higher volume of sales activities and a 17-percent increase in the profit from its foreign currency trading activities.

Sales activities in the area of bond transactions have confirmed their great potential and achieved excellent results, particularly in working with the Bank's institutional clients. During the forthcoming period, in harmony with Croatia's process of association with the

DOMESTIC PAYMENT TRANSACTIONS





European Union, the Treasury will considerably expand this segment of activities, which has proved especially profitable and shown a continuous upward trend on a market level as well.

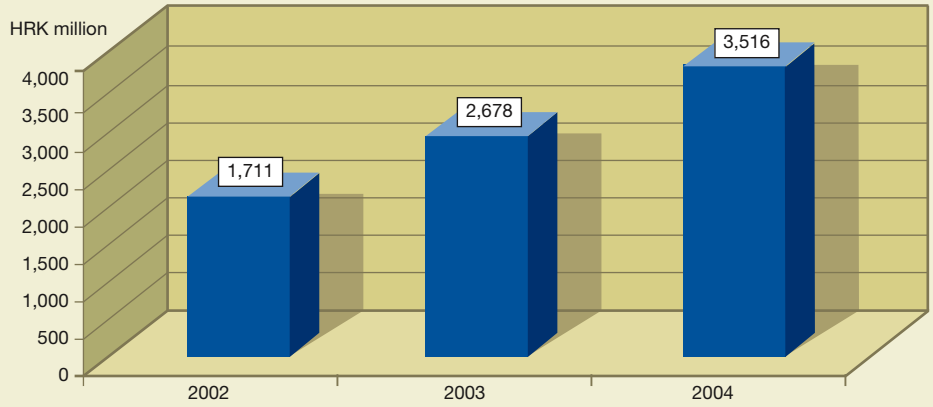
Despite considerable volatility on the market, the Treasury has succeeded in maintaining its status as an active market maker on both the domestic money market and the FX market, at the same time maintaining an appropriate level of profitability and increasing its volume of sales.

At the end of the year Volksbank d.d. applied for membership in the Zagreb and Varaždin stock exchanges, and was soon accepted. This marks the beginning of the development of the Bank's brokerage activities, which will be managed by the Treasury division. During 2004 the Treasury's organization was continually improved, and the overall efficiency and professionalism of its business activities was heightened.

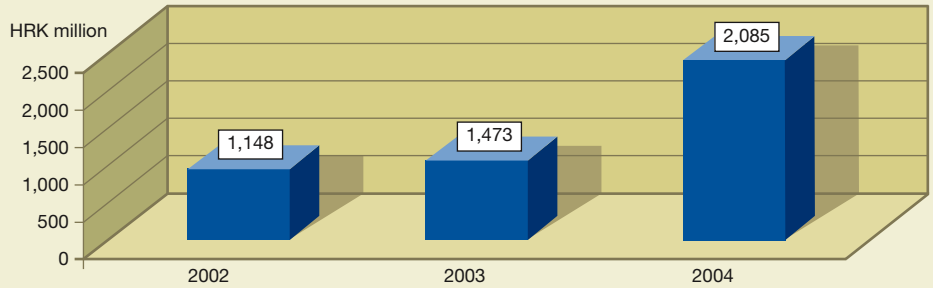
The growth in the volume of business operations last year was accompanied by a growth in the number of employees as well. At the end of 2004 the Bank had 286 employees, whose knowledge and dedication contributed to its success. The ongoing cultivation of knowledge and education, teamwork, and the development of personal and sales skills are the primary guidelines of the Bank's policy for managing its human resource potential.

Volksbank d.d. is recognized on the Croatian market not only for the quality of its services and products but also for its professional team of satisfied, motivated employees, in whom the Bank's customers can truly place their confidence.

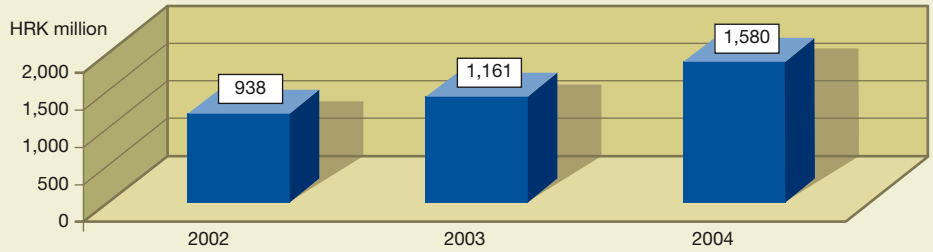
BALANCE SHEET SUM



LOANS AND ADVANCES TO CUSTOMERS



DEPOSITS FROM CUSTOMERS



(All amounts in HRK thousands unless otherwise stated)

BALANCE SHEET
AS AT 31 DECEMBER 2004

	Notes	At 31 December 2004	At 31 December 2003
ASSETS			
Cash and balances with Central bank	13	565,604	368,026
Placements with banks	14	767,787	429,719
Available for sale securities	15	67,741	386,458
Loans and advances to customers	16	2,085,276	1,473,369
Tangible and intangible assets	17	21,369	14,104
Other assets	18	8,075	6,016
Total assets		**3,515,852**	**2,677,692**
LIABILITIES			
Deposits from banks	19	43,592	15,618
Deposits from customers	20	1,564,185	1,208,028
Other borrowed funds	21	1,580,167	1,160,571
Other liabilities	22	56,646	32,469
Subordinated liabilities	23	73,152	72,913
Provision for off balance sheet items	24	1,931	1,003
Total liabilities		3,319,673	2,490,602
SHAREHOLDERS' EQUITY			
Share capital	25	140,200	140,200
Profit for the year		15,360	14,508
Retained earnings		21,790	21,790
Reserves	26	18,829	10,592
Total shareholders' equity		196,179	187,090
Total liabilities and shareholders' equity		**3,515,852**	**2,677,692**

These financial statements set out on pages 48 to 69 were approved by the Managing Board on 9 March 2005 and were signed on its behalf by:

Tomasz Taraba
President of the Managing Board

Andrea Kovacs
Member of the Managing Board

Dieter Hornbacher
Member of the Managing Board

(All amounts in HRK thousands unless otherwise stated)

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2004

	Notes	2004	2003
Interest and similar income	4	204,560	162,568
Interest expense and similar charges	5	(79,545)	(56,811)
Net interest income		**125,015**	**105,757**
Fee and commission income	6	23,037	17,885
Fee and commission expense	6	(6,467)	(7,276)
Net fee and commission income		**16,570**	**10,609**
Net foreign exchange gain	7	10,379	5,481
Other operating income	8	2,949	2,080
Operating income		**154,913**	**123,927**
Operating expenses	9	(127,354)	(106,077)
Impairment losses and provisions	11	(7,743)	1,542
Profit before tax		**19,816**	**19,392**
Income tax expense	12	(4,456)	(4,884)
Net profit for the year		**15,360**	**14,508**

(All amounts in HRK thousands unless otherwise stated)

STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2004

	Share capital	Share premium	Reserves	Retained earnings	Total
Balance at 1 January 2003	70,200	-	10,592	26,164	106,956
Dividend paid	-	-	-	(4,374)	(4,374)
New issue of shares	30,435	39,565	-	-	70,000
Net profit for the year	-	-	-	14,508	14,508
Balance at 31 December 2003	**100,635**	39,565	**10,592**	**36,298**	**187,090**
Transfer to reserves	-	-	8,237	(8,237)	-
Dividend paid	-	-	-	(6,271)	(6,271)
Net profit for the year	-	-	-	15,360	15,360
Balance at 31 December 2004	**100,635**	**39,565**	**18,829**	**37,150**	**196,179**

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2004

	Notes	2004	2003
Net cash flow from operating activities			
Profit before tax		19,816	19,392
Decrease in deferred tax asset		862	1,546
Impairment provisions		7,743	(1,542)
Write offs and exchange differences		240	17
Depreciation		4,926	5,712
Income taxes paid		(3,338)	(3,258)
Operating results before changes in operating assets and liabilities		**30,249**	**21,867**
Changes in operating assets and liabilities:			
Increase in obligatory reserve with Central bank		(236,656)	(95,575)
Purchase of securities with more than 3 months maturity		137	(20,311)
Increase in loans and advances to clients		(618,216)	(324,172)
(Increase)/decrease in other assets		(2,059)	6,311
Increase in deposits from other banks		27,974	13,231
Increase in deposits from clients		356,157	270,351
Increase / (decrease) in other liabilities		23,256	(3,895)
Net cash flow from operating activities		(419,158)	(132,194)
Cash flow from investing activities			
Purchase of fixed assets and equipment		(12,191)	(2,127)
Net cash flow from investing activities		(12,191)	(2,127)
Cash flow from financing activities			
Dividend paid		(6,271)	(4,374)
Issue of ordinary shares		-	70,000
Increase in other borrowed funds		419,596	606,152
Net cash flow from financing activities		413,325	671,778
Effect of exchange rate changes on cash and cash equivalents		(117)	1,665
Net (decrease) / increase in cash and cash equivalents		**(18,141)**	**539,123**
Cash and cash equivalents at the beginning of the year		908,555	369,432
Cash and cash equivalents at the end of the year	**28**	**890,414**	**908,555**

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2004

NOTE 1 - GENERAL INFORMATION

VOLKSBANK d.d., Zagreb ("the Bank") was founded in the Republic of Croatia. It was registered at the Commercial Court in Zagreb on 21 February 1997. The Bank's headquarters is in Zagreb, Varšavska 9.

NOTE 2 - BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). These financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets available-for-sale and derivative contracts.

The financial statements are presented in HRK, rounded to the nearest thousand.

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

NOTE 3 - SPECIFIC ACCOUNTING POLICIES

Interest income and expense
Interest income and expense is recognised in the income statement as it accrues, taking into account the effective yield of the asset. Interest income and expense includes 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.

Loan origination fees are also included under interest income and recognised as an adjustment to the effective yield on the loan.

Fee and commission income
Fee and commission income comprises mainly fees receivable from customers for foreign currency and payment transactions and other services provided by the Bank. Fees are credited to income when the related service is performed.

Foreign currency transactions
Transactions in foreign currencies are translated into HRK at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into HRK at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

Financial instruments
Classification
Originated loans and receivables are loans and receivables created by the Bank providing money to a debtor other than those created with the intention of short-term profit taking. Originated loans and receivables comprise loans and advances to banks and customers.

Available for sale assets are financial assets that are not held for trading purposes, originated by the Bank or held to maturity. Available for sale instruments, include debt and equity securities.

Recognition
The Bank recognises financial assets available for sale on the date it commits to purchase the assets. From this date any gains and losses arising from changes in fair value of the assets are recognised.

Originated loans and receivables are recognised on the date the funds are transferred by the Bank.

Measurement
Financial instruments are measured initially at cost, including transaction costs. Subsequent to initial recognition all available for sale assets are measured at fair value.

All non trading financial liabilities, originated loans and receivables are measured at amortised cost less impairment losses. Amortised cost is calculated on the effective interest rate method. Premiums and discounts, including initial transaction costs, are included in the carrying amount of the related instrument and amortised based on the effective interest rate of the instrument.

Fair value measurement principles
Fair value of financial instruments is based on their quoted market price at the balance sheet date without any deduction for transaction costs. If a quoted market price is not available, the fair value of the instrument is estimated using discounted cash flow techniques.

Gains and losses on subsequent measurement
Gains and losses arising from a change in the fair value of available for sale assets are recognised in the income statement.

NOTE 3 - SPECIFIC ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment of financial assets
Financial assets are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such indication exists, the asset's recoverable amount is estimated.

Objective evidence of impairment is a result of one of more events that occurred after the initial recognition of the asset and that has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Objective evidence that a financial asset is impaired includes observable data that comes to the attention of the Bank about the following loss events:

(i) significant financial difficulty of the debtor:
(ii) a breach of contract, such as a default or delinquency in interest or principal payments;
(iii) it becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

The recoverable amount of originated loans and advances is calculated as the present value of the expected future cash flows, discounted at the instrument's original effective interest rate. Short-term balances are not discounted.

Loans and advances are presented net of impairment provisions for uncollectibility. Impairment provisions are made against the carrying amount of loans and advances that are identified as being impaired based on regular reviews of outstanding balances to reduce these loans and advances to their recoverable amounts. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows, including amounts recoverable from guarantees and collateral, discounted at the original effective interest rate of loans. The expected cash flows for portfolios of similar assets are estimated based on previous experience and considering the credit rating of the underlying customers and late payments of interest or penalties. Changes in the provision account are recognised in the income statement.

When a loan is known to be uncollectible, all the necessary legal procedures have been completed, and the final loss has been determined, the loan is written off directly. If in a subsequent period the amount of impairment loss decreases and the decrease can be linked objectively to an event occurring after the write down, the write-down or provision is reversed through the income statement.

Derecognition
Financial assets available for sale are derecognised when the rights to receive cash flows from the financial assets have expired or where the Bank has transferred substantially all risk and rewards of ownership.

Specific instruments
All debt securities are classified as available for sale assets.

Loans and advances originated by the Bank are classified as originated loans and receivables. Loans and advances are presented net of impairment provisions to reflect the estimated recoverable amounts.

Investments in associates are accounted for under the equity method of accounting, reduced for permanent diminution in value. Associates are entities over which the Bank has between 20% and 50% of the voting rights, or over which the Bank has significant influence, but which it does not control.

Other equity securities are classified as available for sale assets. These equity securities are the Bank's participating interests up to 20% of the voting rights of the investee, but without significant influence or control.

Derivative financial instruments
Derivative financial instruments include forward foreign exchange rate contracts and are initially recognised in the balance sheet at cost and subsequently remeasured at their fair value. Fair values are obtained from quoted market prices or pricing models as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

These derivatives do no qualify for hedge accounting under the specific rules in IAS 39 and are therefore treated as derivatives held for trading with fair value gains and losses reported in income statement.

Tangible assets
All tangible assets are stated at cost, net of accumulated depreciation.

Depreciation is provided on a straight line basis so as to write off the cost of the assets over their estimated useful lives at the following annual rates:

NOTE 3 - SPECIFIC ACCOUNTING POLICIES (continued)

Tangible assets (continued)

	%
Buildings	2,5
Computers	25,0
Furniture	5,0 - 10,0
Leashold improvements	10,0 - 50,0 or over the period of lease if less than 10 years
Other tangible assets	7,0 - 33,3

Tangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is higher of the asset's fair value less costs to sell and value in use.

Intangible assets
Intangible assets mainly comprise of computer software and licences. They are recorded at cost incurred to acquire and bring to use the specific software. These costs are amortised using the straight-line method based on the expected useful lives (up to four years).

Taxation
The Bank provides for current taxation on profits in accordance with Croatian law.

Tax expense comprises current and deferred tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised where it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reduced to the extent that it is not probable that the related tax benefit will be realised.

Dividends
Dividends are recognised when it is declared on the Annual General Meeting.

Share capital and reserves
Share capital is stated in HRK at nominal value. Any profit for the year after appropriations is transferred to reserves.

Provisions for contingent liabilities and charges
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.

Subsequent events
The effects of events, which occurred between the balance sheet date and the date of signing the financial statements, are reflected in the financial statements in the case that these events provide further evidence of conditions, which existed at the balance sheet date.

Where significant events occurs subsequent to the balance sheet date prior to signing of the financial statements, which are indicative of conditions, which arose subsequent to the balance sheet date, the effects of these events are disclosed, but are not themselves reflected in the financial statements.

Cash and cash equivalents
For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than 3 months maturity from the date of acquisition including: cash in hand including items in course of collections, current account with central bank, placements with banks, treasury bills and other eligible bills.

Comparatives
Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

(All amounts in HRK thousands unless otherwise stated)

NOTE 4 - INTEREST AND SIMILAR INCOME

A) ANALYSIS BY SOURCE

	2004	2003
Croatian National Bank	5,973	7,689
Other banks	13,565	4,227
Enterprises	36,375	23,912
Individuals	141,520	121,820
Other	7,127	4,920
	204,560	**162,568**

B) ANALYSIS BY PRODUCT

	2004	2003
Loans and advances to customers	179,419	146,714
Available for sale debt securities	5,884	7,539
Placements with banks	19,257	8,315
	204,560	**162,568**

NOTE 5 - INTEREST EXPENSE AND SIMILAR CHARGES

A) ANALYSIS BY SOURCE

	2004	2003
Corporates	10,529	5,570
Individuals	27,353	21,615
Banks	37,462	26,793
Other	4,201	2,833
	79,545	**56,811**

B) ANALYSIS BY PRODUCT

	2004	2003
Borrowings	34,238	23,075
Deposits	42,874	31,054
Subordinated liabilities	2,433	2,682
	79,545	**56,811**

NOTE 6 - FEE AND COMMISSION INCOME AND EXPENSE

	2004	2003
Fee and commission income		
Commission income from enterprises	14,717	11,891
Commission income from banks	728	604
Commission income from individuals	7,592	5,390
	23,037	**17,885**
Fee and commission expense		
Commission expense from enterprises	(1,438)	(2,085)
Commission expense from banks	(1,177)	(1,027)
Commission expense from domestic payments service agency	(3,852)	(4,164)
	(6,467)	**(7,276)**

(All amounts in HRK thousands unless otherwise stated)

NOTE 7 - NET FOREIGN EXCHANGE GAIN

	2004	2003
Foreign exchange trading gain	9,018	9,411
Net foreign exchange gain / (loss) on revaluation of monetary assets and liabilities	1,361	(3,930)
	10,379	**5,481**

NOTE 8 - OTHER OPERATING INCOME

	2004	2003
Unrealised gains less losses on financial instruments available for sale	1,129	1,362
Realised gains less losses on financial instruments available for sale	931	40
Unrealised gains less losses on financial derivatives	423	-
Other income	466	678
	2,949	**2,080**

NOTE 9 - OPERATING EXPENSES

	2004	2003
Staff costs (note 10)	47,161	38,692
Depreciation	4,926	5,712
Expenses for business premises	18,090	15,104
Operating lease for equipment and furniture	8,175	6,120
Marketing and representation	5,331	4,579
Consultancy fees	18,987	16,009
Deposit insurance premium	2,918	2,956
Material and services	7,684	6,297
Electronic data processing costs (including consultancy and maintenance)	7,008	7,080
Provisions for penalties (note 27)	2,144	-
Other expenses	4,930	3,528
	127,354	**106,077**

NOTE 10 - STAFF COSTS

	2004	2003
Salaries	23,883	19,623
Expenses from compulsory pension insurance	7,791	6,397
Expenses from compulsory health insurance	6,078	4,992
Expenses from new employment contributions	667	547
Salaries related taxes and surtaxes to local authorities	7,420	6,079
Other staff costs	1,322	1,054
	47,161	**38,692**

The number of employees as at 31 December 2004 was 286 (2003: 239).

(All amounts in HRK thousands unless otherwise stated)

NOTE 11 - IMPAIRMENT LOSSES AND PROVISIONS

	Notes	2004	2003
Loans and advances to customers	16	9,471	3,150
Other assets	18	532	168
Off balance sheet items	24	1,615	1,099
		11,618	**4,417**
Less: collected amounts			
Loans and advances to customers	16	(3,054)	(3,774)
Other assets	18	(134)	(163)
Off balance sheet items	24	(687)	(2,022)
		7,743	**(1,542)**

NOTE 12 - INCOME TAX EXPENSE

Reconciliation of the Bank's profit before tax and income tax charge is as follows:

	2004	2003
Profit before tax	19,816	19,392
Non deductible expenses	7,135	5,261
Non-taxable income	(7,406)	(6,788)
Education incentives	(1,577)	(1,175)
Tax base	17,968	16,690
Tax charge at 20% (2003: 20%)	**3,594**	**3,338**
Deferred tax charge	862	1,546
Total income tax charge in income statement	**4,456**	**4,884**

The Bank recognises a deferred tax asset on tax disallowed provisions recognised in the income statement of current and previous years. The movement on the deferred income tax account is as follows:

	2004	2003
At beginning of year	1,545	3,091
Deferred tax credit / (charge)	(862)	(1,546)
At end of year (note 18)	**683**	**1,545**

To date, the tax authorities have not carried out a full scope audit of the Bank's income tax returns. In accordance with local regulations, the tax authorities may at any time inspect the Bank's books and records within 3 years subsequent to filing the tax return, 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.

(All amounts in HRK thousands unless otherwise stated)

NOTE 13 - CASH AND BALANCES WITH CENTRAL BANK

	2004	2003
Cash in hand	30,639	23,058
Items in the course of collection	20	25
Total cash	**30,659**	**23,083**
Current account with the Croatian National Bank	86,985	123,639
Obligatory reserve in HRK	186,530	133,381
Obligatory reserve in foreign currency	205,944	77,923
Obligatory reserve on excess of foreign funding limits	55,486	-
Other deposits with the Croatian National Bank	-	10,000
Total assets with the Croatian National Bank	**534,945**	**344,943**
Total cash and balances with the Croatian National Bank	**565,604**	**368,026**

The obligatory reserve represents amounts required to be deposited with the Croatian National Bank ('CNB').

Obligatory reserve requirement consist of two parts, HRK and foreign exchange **calculated on the monthly basis.**

On the HRK sources of funds the obligatory reserve represents 18% (2003: 19%) of the average daily balance in the monitoring period and it must be allocated in HRK deposit held in CNB. The remuneration rate on the HRK component of reserve requirement is 1.25% p.a. (2003: 1.25%).

On the foreign exchange sources of funds the obligatory reserve represents 18% (2003: 19%) on the average daily balance in the monitoring period and it must be allocated in CNB 42% in HRK and 58% in foreign currency. The interest rate on the HRK component is 1.25% p.a. Interest on the foreign exchange part is 75% of the US Federal Funds Target rate for the funds allocated in USD and 75% of the ECB Minimum Bid Refinance Rate for the funds allocated in EUR.

Obligatory reserve on excess of foreign funding was introduced in 2004. The calculation base equals a positive difference between the average daily balance of sources of funds from non-residents and legal entities which are related parties to the Bank in a particular calculation period and the initial calculation period (June 2004). Reserve requirement rate on 31 December 2004 was 24% and it must be held with CNB in EUR or USD. There is no interest on these assets.

NOTE 14 - PLACEMENTS WITH BANKS

	2004	2003
Current accounts with banks		
- denominated in foreign currency	21,288	24,489
Loans and time deposits with banks		
- denominated in foreign currency	603,936	248,955
- denominated in HRK	142,130	156,000
- other receivables from banks	433	275
	767,787	**429,719**

(All amounts in HRK thousands unless otherwise stated)

NOTE 15 - AVAILABLE FOR SALE SECURITIES

	2004	2003
Available for sale debt securities		
Treasury bills issued by the Ministry of Finance	4,983	8,863
Bills of exchange of local authorities	-	1,644
Treasury bills issued by the Croatian National Bank		
- denominated in foreign currency	-	313,251
Government bonds	7,865	52,330
Corporate bonds	11,614	-
Corporate bills of exchange	42,059	9,970
Total available for sale debt securities	66,521	386,058
Available for sale equity securities	1,220	400
Total available for sale securities	**67,741**	**386,458**
Listed	19,479	52,330
Unlisted	48,262	334,128
	67,741	**386,458**

Available for sale equity securities include investments in two ÖVAG leasing companies in Croatia and membership participating investments in Zagreb Stock Exchange, Varazdin Stock Exchange and Croatian Register of Borrowers.

NOTE 16 - LOANS AND ADVANCES TO CUSTOMERS

a) Analysis of lending portfolio

	2004	2003
Citizens	1,565,592	1,195,127
Enterprises	517,145	244,036
Other	44,672	70,031
Gross loans and advances	2,127,409	1,509,194
Less impairment provisions	(42,133)	(35,825)
	2,085,276	**1,473,369**

Loans are generally secured with specific charges on properties, fixed assets and stock. In addition some exposures are guaranteed by Österreichische Volksbanken AG (Note 34).

b) Changes in provisions

	2004	2003
Balance at 1 January	35,825	36,718
New provisions (note 11)	9,471	3,150
Collected amounts (note 11)	(3,054)	(3,774)
Write offs	(91)	(266)
Exchange differences	(18)	(3)
Balance at 31 December	**42,133**	**35,825**

(All amounts in HRK thousands unless otherwise stated)

NOTE 16 - LOANS AND ADVANCES TO CUSTOMERS (continued)

c) Concentration of credit risk

The Bank has a diversified lending portfolio that covers various industries, with the largest concentration being with citizens, which represents 73.6% (2003: 79.2%) of the credit portfolio at the year end.

The risk concentration in economic sectors within the portfolio of client loans is as follows:

	2004		2003	
		%		%
Citizens	1,565,592	73.6%	1,195,127	79.2%
Trade	286,593	13.5%	129,240	8.5%
Industry	142,545	6.7%	78,077	5.2%
Transport, storage and communications	9,674	0.4%	11,423	0.8%
Property operations and business services	33,932	1.6%	14,696	1.0%
Other services	89,073	4.2%	80,631	5.3%
	2,127,409	**100.0%**	**1,509,194**	**100.0%**

NOTE 17 - TANGIBLE AND INTANGIBLE ASSETS

	Buildings	Computer equipment	Furniture	Leasehold improve-ments	Software and licences	Assets in course of construction	Total
Cost							
At 1 January 2004	-	14,620	6,601	9,975	7,615	1,138	39,949
Additions	-	-	-	-	-	12,195	12,195
Transfers	1,579	96	-	1,330	169	(3,174)	-
Disposals/write offs	-	(656)	-	-	-	-	(656)
At 31 December 2004	1,579	14,060	6,601	11,305	7,784	10,159	51,488
Depreciation							
At 1 January 2004	-	10,631	3,683	4,111	7,420	-	25,845
Charge for the year	7	2,495	1,022	1,247	155	-	4,926
Disposals/write off	-	(652)	-	-	-	-	(652)
At 31 December 2004	7	12,474	4,705	5,358	7,575	-	30,119
Net book value							
At 31 December 2003	**-**	**3,989**	**2,918**	**5,864**	**195**	**1,138**	**14,104**
At 31 December 2004	**1,572**	**1,586**	**1,896**	**5,947**	**209**	**10,159**	**21,369**

NOTE 18 - OTHER ASSETS

	2004	2003
Commissions and fees	641	38
Payments in advance	1,938	2,992
Receivables from insurance companies	898	1,370
Positive fair value of derivatives	1,115	-
Deferred tax asset (note 12)	683	1,545
Other assets	3,414	329
	8,689	6,274
Less provisions:	(614)	(258)
	8,075	**6,016**

(All amounts in HRK thousands unless otherwise stated)

NOTE 18 - OTHER ASSETS (continued)

a) Changes in provisions

	2004	2003
Balance at 1 January	258	253
New provisions (note 11)	532	168
Collected amounts (note 11)	(134)	(163)
Write offs	(40)	-
Exchange differences	(2)	-
Balance at 31 December	**614**	**258**

NOTE 18 - OTHER ASSETS

b) Derivative financial instruments

The Bank uses currency forwards for non-hedging purposes. Currency forwards represent commitments to purchase foreign and domestic currency.

The fair values of derivative instruments held are as set out below.

	Contractual amount	Fair values Assets	Fair values Liabilities (Note 22)
Derivatives held for trading			
Year ended 31 December 2004			
Foreign exchange derivatives			
Currency forwards	66,882	1,115	(1,103)

There were no such derivatives at 31 December 2003.

NOTE 19 - DEPOSITS FROM BANKS

	2004	2003
Demand deposits		
- denominated in HRK	2,180	2,244
- denominated in foreign currency	2,767	2,771
Total demand deposits	**4,947**	**5,015**
Time deposits		
- denominated in HRK	10,030	4,012
- denominated in foreign currency	28,615	6,591
Total time deposits	**38,645**	**10,603**
Total deposits from banks	**43,592**	**15,618**

(All amounts in HRK thousands unless otherwise stated)

NOTE 20 - DEPOSITS FROM CUSTOMERS

	2004	2003
Current accounts		
Individuals	140,812	129,735
Enterprises	237,635	172,919
Other	14,069	12,636
Total current accounts	**392,516**	**315,290**
Demand deposits		
Individuals	58,539	45,761
Time deposits		
Individuals	734,461	557,340
Enterprises	312,097	193,107
Other	66,572	96,530
Total time deposits	**1,113,130**	**846,977**
Total deposits from customers	**1,564,185**	**1,208,028**

NOTE 21 - OTHER BORROWED FUNDS

	2004	2003
Denominated in HRK	46,687	70,587
Denominated in foreign currency	1,533,480	1,089,984
	1,580,167	**1,160,571**

During 2004 no long term domestic borrowings were raised, whereas Money Market HRK borrowings from domestic banks had an average interest rate of 4.83% at the year end.

New funds from foreign banks were raised in CHF at 3-month CHF LIBOR+ 0.65%, and in EUR at an interest rate of 3-month EURIBOR + 0.65%. The majority of borrowings in foreign currencies are from Österreichische Volksbanken AG.

NOTE 22 - OTHER LIABILITIES

	2004	2003
Liabilities to suppliers	6,744	5,969
Payables to ÖVAG	29,217	14,993
Salaries	6,979	5,365
Provisions for pending penalties	2,144	-
Insurance premiums payable	3,683	526
Negative fair value of derivatives (note 18(b))	1,103	-
Other liabilities	6,776	5,616
	56,646	**32,469**

NOTE 23 - SUBORDINATED LIABILITIES

During 2001 the Bank received three unsecured subordinated loans from Volksbank International AG, Vienna a total of EUR 9.5 million. The principal is repayable in 2011. The interest rate on the loans is three months EURIBOR plus 1.25% per annum, and is payable quarterly.

NOTE 24 - PROVISIONS FOR OFF-BALANCE SHEET ITEMS

	2004	2003
Balance at 1 January	1,003	1,916
New provisions (note 11)	1,615	1,099
Decrease (note 11)	(687)	(2,022)
Exchange differences	-	10
Total (note 27(b))	**1,931**	**1,003**

NOTE 25 - SHARE CAPITAL

	2004	2003
Ordinary registered shares at HRK 1,000 each	77,414	77,414
Participating registered shares at HRK 1,000 each	23,221	23,221
Share premium	39,565	39,565
	140,200	**140,200**

Each registered ordinary share carries a right to one vote per share, while participating shares are non voting.

Participating shares are not cumulative and carry a right of dividend of 1% above ordinary shares.

In accordance with the Bank's Supervisory Board, as at 8 September 2003, the Bank's Management reached a Decision on the Increase in the Bank's Share Capital up to the amount of HRK 30,435,000, by issuing new ordinary shares of series "C" and new preferred shares of series "D". The subscribers for the new issue of shares were as follows: Volksbank International AG, Banca Popolare di Vicenza, EM.RO Popolare S.P.A and Banca Monte dei Paschi di Siena S.P.A.

All newly issued shares have been subscribed and paid in. For each share with a nominal value of HRK 1,000 an amount of HRK 2,300 was paid in, resulting in a realised share premium of HRK 39,565 thousand. By the Decision of the Commercial Court in Zagreb dated 7 November 2003, the share capital increased to the amount of HRK 100,635 thousand.

There were no changes in registered share capital during 2004.

The following shareholders hold in excess of 5% of the Bank's registered ordinary shares at 31 December 2004:

	Percentage	
	2004	2003
Volksbank International AG, Austria	**92.13**	**86.96**

NOTE 26 - RESERVES

	2004	2003
Statutory reserves	5,032	3,510
Other reserves	13,797	7,082
Total reserves at 31 December	**18,829**	**10,592**

Movements in reserves were as follows:

NOTE 26 - RESERVES (continued)

Statutory reserves

	2004	2003
Balance at 1 January	3,510	3,510
Transfer from net profit for the year	1,522	-
Balance at 31 December	**5,032**	**3,510**

Statutory reserves represent accumulated transfers from retained earnings in accordance with the Croatian Company Law. The Company Law requires a minimum 5% of the Bank's net profit to be transferred to non-distributable statutory reserves until such time as these reserves represent 5% of the Bank's registered share capital.

Other reserves

	2004	2003
Balance at 1 January	7,082	7,082
Transfer from net profit for the year	6,715	-
Balance at 31 December	**13,797**	**7,082**

Other reserves represent accumulated transfers from retained earnings in accordance with the Statute of the Bank. These reserves are distributable following approval by the shareholders in the General Meeting.

NOTE 27 - COMMITMENTS AND CONTINGENCIES

a) Penalties

As at 31 December 2004 the Bank made provisions for pending penalties against the Bank. A provision for likely penalties amounted to HRK 2,144 (2003: nil) - Note 22. The provision made was based on professional legal advice and the Management considers that it is unlikely that any further significant loss will arise.

There are no other claims against the Bank (2003: nil).

b) Guarantees and unused loans

The total amount of guarantees, letters of credit and undrawn loan commitments at the end of the year was as follows:

	2004	2003
Guarantees in HRK	42,819	28,510
Guarantees in foreign currency	13,190	10,952
Letters of credit	3,099	2,012
Undrawn commitments	92,463	46,264
Other	1,713	-
	153,284	**87,738**
Less provisions (note 24)	(1,931)	(1,003)
	151,353	**86,735**

c) Commitments for operating leases of business premises:

	2004	2003
Commitments due within one year	11,553	8,958
Commitments due in period longer than 1 but not later than 5 years	29,870	21,118
Commitments due in period longer than 5 years	25,096	21,972
	66,519	**52,048**

NOTE 28 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following issues with a maturity up to 3 months:

	2004	2003
Current accounts with the CNB	86,985	133,639
Cash in hand	30,639	23,058
Items in the course of collection	20	25
Treasury bills of the CNB in foreign currencies	-	313,251
Placements with banks	767,787	429,719
Debt securities issued by the Government	4,983	8,863
	890,414	**908,555**

NOTE 29 - RISK MANAGEMENT

This note provides details of the Bank's exposure to risk and describes the methods used by management to control risk. The most important types of financial risk to which the Bank is exposed are credit risk, liquidity risk and market risk. Market risk includes currency risk, interest rate risk and equity price risk.

An integrated system of risk management has been established by introducing a set of policies and procedures, determining the limits of risk levels acceptable to the Bank. Methodology and models for managing operational risk have been developed.

a) Credit risk

The Bank is subject to credit risk through its lending and investing activities and in cases where it acts as an intermediary on behalf of customers or other third parties.

The risk that counterparties to financial instruments might default on their obligations is monitored on an ongoing basis. To manage the level of credit risk, the Bank deals with counterparties of good credit standing, and when appropriate, obtains collateral.

The Bank's primary exposure to credit risk arises through its loans and advances. The amount of credit exposure in this regard is represented by the carrying amounts of the assets on the balance sheet. In addition the Bank is exposed to off balance sheet credit risk through commitments to extend credit and guarantees issued - refer to note 27.

Exposure to credit risk is managed in accordance with the Bank's policies. Credit exposures to portfolios and individual group exposures are reviewed on a regular basis against the set limits. Breaches are reported to appropriate bodies and personnel authorised to approve it within the Bank. Any substantial increase in credit exposure is approved by authorised persons. Corporate risk management department monitors changes in creditworthiness of credit exposures and reviews proposed impairment losses. Credit risk assessment is continuously monitored and reported, thus enabling an early identification of impairment in the credit portfolio. The Bank has been continually applying prudent methods and models used in the process of the credit risk assessment.

The majority of credit risk exposures are secured with collateral in the form of cash, guarantees, mortgages and other forms of security.

b) 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 Bank strategy. In addition the Bank holds a portfolio of liquid assets as part of its liquidity risk management strategy.

NOTE 29 - RISK MANAGEMENT (continued)
b) Liquidity risk (continued)

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. The Bank manages liquidity reserves daily, ensuring also accomplishment of all customer needs.

c) Currency risk

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

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

The Bank manages its currency risk by setting principles and limits for foreign currency exposures and monitoring against these limits. The Bank directs its business activities trying to minimise the gap between assets and liabilities denominated in or linked to foreign currency, and maintaining the daily business activities within daily potential loss limits measured by Value-at-Risk techniques. The parameters are regularly reviewed in accordance with fluctuations in foreign currency rates and correlations between currencies.

d) Interest rate risk

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 reprice at different times or in differing amounts.

In the case of floating rate assets and liabilities the Bank is also exposed to basis risk, which is the difference in repricing characteristics of the various floating rate indices, 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 repricing maturity gap analysis, net income simulation and economic valuation models.

NOTE 30 - LIQUIDITY RISK

The amount of the total assets and liabilities was analysed according to the remaining maturity from the balance sheet date to the contractual maturity:

	Up to 1 month	Up to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Unspecified	Total
Assets							
Cash and balances with Central bank	565,604	-	-	-	-	-	565,604
Placements with banks	567,863	199,924	-	-	-	-	767,787
Available for sale securities	16,181	18,587	12,515	7,716	11,522	1,220	67,741
Loans and advances to customers	72,089	85,502	244,460	801,172	882,053	-	2,085,276
Tangible and intangible assets	-	-	-	-	-	21,369	21,369
Other assets	7,392	-	-	683	-	-	8,075
Total assets	**1,229,129**	**304,013**	**256,975**	**809,571**	**893,575**	**22,589**	**3,515,852**
Liabilities							
Deposits from banks	4,893	38,699	-	-	-	-	43,592
Deposits from customers	842,949	225,328	342,268	146,410	7,230	-	1,564,185
Borrowings	19,000	5,434	163,425	855,949	536,359	-	1,580,167
Provision for off-balance sheet items	231	-	427	1,273	-	-	1,931
Other liabilities	51,541	2,961	2,144	-	-	-	56,646
Subordinated liabilities	-	7	-	-	73,145	-	73,152
Total liabilities	**918,614**	**272,429**	**508,264**	**1,003,632**	**616,734**	**-**	**3,319,673**
Maturity gap	**310,515**	**31,584**	**(251,289)**	**(194,061)**	**276,841**	**22,589**	**196,179**
31 December 2003							
Total assets	293,859	912,167	125,877	776,902	554,383	14,504	2,677,692
Total liabilities	407,388	510,961	328,074	887,915	356,264	-	2,490,602
Maturity gap	**(113,529)**	**401,206**	**(202,197)**	**(111,013)**	**198,119**	**14,504**	**187,090**

(All amounts in HRK thousands unless otherwise stated)

NOTE 31 - INTEREST RATE RISK

The Bank is exposed to various risks associated with the effect of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The following table is the Management's estimate of the interest rate risk for the Bank at 31 December 2004 and is not necessarily indicative of the positions at other times. The table provides some indication of the sensitivity of the Bank's earnings to movements in interest rates.

	Up to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Non interest bearing	Total
Assets						
Cash and balances with Central bank	478,974	-	-	-	86,630	565,604
Placements with banks	766,882	-	-	-	905	767,787
Available for sale securities	34,526	12,515	7,716	11,522	1,462	67,741
Loans and advances to customers	1,995,674	51,317	19,827	5,998	12,460	2,085,276
Tangible and intangible assets	-	-	-	-	21,369	21,369
Other assets	-	-	-	-	8,075	8,075
Total assets	**3,276,056**	**63,832**	**27,543**	**17,520**	**130,901**	**3,515,852**
Liabilities						
Deposits from banks	38,605	-	-	-	4,987	43,592
Deposits from customers	1,532,608	8,567	3,236	-	19,774	1,564,185
Borrowings	1,506,376	41,080	-	32,277	434	1,580,167
Provision for off-balance sheet items	-	-	-	-	1,931	1,931
Other liabilities	-	-	-	-	56,646	56,646
Subordinated liabilities	73,145	-	-	-	7	73,152
Total liabilities	**3,150,734**	**49,647**	**3,236**	**32,277**	**83,779**	**3,319,673**
Interest sensitivity gap	125,322	14,185	24,307	(14,757)	47,122	196,179
31 December 2003						
Total assets	**2,499,208**	**65,700**	**526**	**53,479**	**58,779**	**2,677,692**
Total liabilities	**2,338,858**	**59,065**	**-**	**-**	**92,679**	**2,490,602**
Interest sensitivity gap	**160,350**	**6,635**	**526**	**53,479**	**(33,900)**	**187,090**

The table below summarises the average interest rates for individual financial instruments:

	2004 %	2003 %
Assets		
Assets with central bank	1.19	1.43
Debt securities available for sale	2.24	1.84
Receivables from other banks	2.20	3.69
Loans and advances to customers	8.51	9.40
Liabilities		
Deposits from banks	2.19	2.07
Liabilities to customers	3.14	2.90
Borrowings	2.46	2.67
Subordinated liabilities	3.35	3.38

NOTE 32 - FOREIGN CURRENCY RISK

As at 31 December 2004 the Bank had the following foreign exchange position. The Bank has a number of contracts which are in HRK, but are linked to foreign currencies. The HRK value of principal balances and related interests are therefore determined by movements in corresponding foreign currencies. The most significant currencies to which such contracts are linked are EUR, CHF and USD.

	EUR	EUR currency clause	CHF	CHF currency clause	USD	USD currency clause	Other currencies	HRK	Total
Assets									
Cash and balances with central bank	203,295	-	752	-	70,744	-	279	290,534	565,604
Placements with banks	586,981	-	11,713	-	24,024	-	2,526	142,543	767,787
Available for sale securities	19,480	-	-	-	-	-	-	48,261	67,741
Loans and advances to customers	205,444	1,326,041	7,273	317,107	14,205	4,217	-	210,989	2,085,276
Tangible and intangible assets	-	-	-	-	-	-	-	21,369	21,369
Other assets	965	-	-	-	-	-	-	7,110	8,075
Total assets	**1,016,165**	**1,326,041**	**19,738**	**317,107**	**108,973**	**4,217**	**2,805**	**720,806**	**3,515,852**
Liabilities									
Deposits from banks	20,971	-	1,153	-	9,247	-	10	12,211	43,592
Deposits from customers	605,304	418,691	3,535	-	92,999	-	1,910	441,746	1,564,185
Borrowings	1,191,737	12,614	329,608	-	12,135	-	-	34,073	1,580,167
Provision for off balance sheet items	312	-	-	-	-	-	-	1,619	1,931
Other liabilities	31,467	-	-	-	-	-	13	25,166	56,646
Subordinated liabilities	73,152	-	-	-	-	-	-	-	73,152
Total liabilities	**1,922,943**	**431,305**	**334,296**	**-**	**114,381**	**-**	**1,933**	**514,815**	**3,319,673**
Net on-balance sheet position	(906,778)	894,736	(314,558)	317,107	(5,408)	4,217	872	205,991	196,179
Credit commitments	50,147	-	8,311	-	1,410	-	-	93,416	153,284
31 December 2003									
Total assets	**743,943**	**1,252,529**	**587**	**-**	**104,632**	**5,071**	**4,740**	**566,190**	**2,677,692**
Total liabilities	**1,774,720**	**175,362**	**513**	**-**	**109,943**	**-**	**4,007**	**426,057**	**2,490,602**
Net on-balance sheet position	**(1,030,777)**	**1,077,167**	**74**	**-**	**(5,311)**	**5,071**	**733**	**140,133**	**187,090**
Credit commitments	**30,077**	**-**	**-**	**-**	**962**	**-**	**-**	**56,699**	**87,738**

NOTE 33 - FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Available for sale financial instruments are measured at fair value. Originated loans and receivables are measured at amortised cost less impairment. Management believes that the carrying value of these instruments is not significantly different from their fair value.

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments.

NOTE 33 - FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Loans and advances

Fair value of loans and advances is calculated based on discounted expected future principal and interest cash flows. For loans that do not have fixed repayment dates or that are subject to prepayment risk, repayments are estimated based on experience in previous periods when interest rates were at levels similar to current levels, adjusted for any differences in interest rate outlook. Expected future cash flows are estimated considering credit risk and any indication of impairment. Expected future cash flows for homogeneous categories of loans are estimated on a portfolio basis and discounted at current rates offered for similar loans to new borrowers with similar credit profiles. The estimated fair values of loans reflect changes in credit status since the loans were made and changes in interest rates in the case of fixed rate loans. As the Bank has a very limited portfolio of loans and advances with fixed rate and longer term maturity, the fair value of loans and advances is not significantly different from their carrying value.

Bank and customer deposits

For demand deposits and deposits with no defined maturities, fair value is taken to be the amount payable on demand at the balance sheet date. The estimated fair value of fixed-maturity deposits is based on discounted cash flows using rates currently offered for deposits of similar remaining maturities. The value of long-term relationships with depositors is not taken into account in estimating fair values. As most of the Bank's deposits are given with variable rate, being market rate, there is no significant difference between the fair value of these deposits and their carrying value.

Borrowings

As majority of the Bank's borrowings bear interest at variable rates reset, and which is paid regularly, there is no significant difference between their carrying and fair value.

NOTE 34 - RELATED PARTY TRANSACTIONS

The following table summarises outstanding balances at the balance sheet date with the parent company Volksbank International AG (VBI), ultimate parent company Österreichische Volksbanken AG (ÖVAG), and with other members of the ÖVAG Group:

	2004	2003
Assets		
Österreichische Volksbanken AG - placements with banks	14,396	1,784
Österreichische Volksbanken AG - other assets	10	979
VB leasing d.o.o. - other receivables	670	2
VB leasing d.o.o. - investments	665	-
Volksbank CZ - placements with banks	20	-
Volksbank - Ljudska banka - placements with banks	301	13
Ludova banka - placements with banks	8	96
DZ Bank - placements with banks	10,014	1,103
DZ Bank - other receivables	11	-
Victoria d.o.o. - other receivables	222	63
Pet plus leasing d.o.o. - other receivables	1	-
Pet plus leasing d.o.o. - investments	400	400
Magyaroszagi Volksbank RT - placements with banks	166	1,032
Volksbank AD Belgrade	-	34
Procurators of the Bank - loans and advances to customers	533	341
	27,417	**5,847**

(All amounts in HRK thousands unless otherwise stated)

NOTE 34 - RELATED PARTY TRANSACTIONS (continued)

Liabilities		
Österreichische Volksbanken AG - borrowings	1,530,362	1,081,608
Österreichische Volksbanken AG - accrued interest	366	14,419
Österreichische Volksbanken AG - deposits from banks	7,255	17,349
Österreichische Volksbanken AG - trade payables	29,217	14,993
Volksbank International AG - subordinated liabilities	73,145	72,913
VB leasing d.o.o. - deposits from customers	3,071	3,085
Volksbank BH - deposits from banks	54	1,309
Magyarorszagy Volksbank RTĐ deposits from banks	122	706
Volksbank Ljudska banka - deposits from banks	41	-
Volksin d.o.o. - deposits from customers	17,603	10,542
Volksin d.o.o. - accrued interest	-	127
Pet plus leasing d.o.o. - deposits from customers	3,187	3,126
ALB-EDV Service GmbH - trade payables	825	3,545
VB Victoria za zastupanje u osiguranju - deposits from customers	305	160
Procurators of the Bank - deposits from customers	107	127
	1,665,660	**1,224,009**

The following table summarises credit exposures guaranteed by Österreichische Volksbanken AG:

	2004	2003
Loans and advances	25,135	13,079
Granted unused credits	-	18,764
	25,135	31,843
Guarantees received from Österreichische Volksbanken AG	(11,472)	(25,702)
	13,663	**6,141**

The following table summarises income and expenses recorded during 2004, by the parent company Volksbank International AG (VBI), ultimate parent company Österreichische Volksbanken AG (ÖVAG), and with other members of the ÖVAG Group:

	VBI	ÖVAG	Affiliates	Total 2004	Total 2003
Interest and similar income	-	44	6	50	54
Other income	-	-	108	108	1,004
Total income	**-**	**44**	**114**	**158**	**1,058**
Interest expense	2,483	30,935	187	33,605	24,630
Rental	-	-	15,594	15,594	13,544
Other expenses	-	16,197	3,043	19,240	18,690
Total expense	**2,483**	**47,132**	**18,824**	**68,439**	**56,864**

Auditor's Report

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers d.o.o.
Alexandera von Humboldta 4
HR-10000 Zagreb
CROATIA
Telephone: (385 1) 63 28 888
Fascimile: (385 1) 61 11 556

FREE TRANSLATION FROM CROATIAN ORIGINAL

REPORT OF THE AUDITORS

TO THE SHAREHOLDERS OF VOLKSBANK d.d., Zagreb

We have audited the accompanying balance sheet of VOLKSBANK d.d. (the "Bank") as at 31 December 2004, and the related statements of income, cash flows and changes in shareholders' equity for the year then ended. These financial statements set out on pages 48 to 69 are the responsibility of the Bank's management. Our responsibility is to express an opinion on these statements based on our audit.

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 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 the Management Board, 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 financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2004, and of the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers d.o.o.
Zagreb, 9 March 2005

Report of the Supervisory Board

The Supervisory Board held 4 meetings during the year 2004 in which the lawfulness, correctness and efficiency of business operating of Volksbank d.d. Zagreb were determined.

The Supervisory Board, on its meeting held in April 2004, approved the financial reports for 2003, the balance sheet as per December 31, 2003, the Profit and Loss account for 2003, the Report on cash flow for 2003, and approved the proposal of the Management Board on return usage.

In 2004, the Supervisory Board was regularly informed of the situation in the Bank in meetings of the Supervisory Board, through reports of the Management Board given outside of the meetings of the Supervisory Board and through direct reports of the Internal Audit.

Volksbank d.d. operates to the fullest in accordance with the law, with documents of the Bank and with the decisions of the General Meeting.

The financial reports for 2004 have been revised by the company PricewaterhouseCoopers d.o.o. Zagreb, and they provided their positive opinion on the real and objective presentation of results and business operating of the Bank.

The financial reports for the year 2004 have been generated in accordance with the accounting records of Volksbank d.d. and they show the actual state of the assets and business of the Bank.

The Supervisory Board, on its meeting held in April 2005 approved the financial reports for 2004, the balance sheet as per December 31, 2004, the Profit and Loss account for 2004, the Report on cash flow for 2004, and approved the proposal of the Management Board on return usage.

It is the proposal of the Supervisory Board to the General Meeting to accept the proposed Decision on return usage.

The Supervisory Board wishes to thank all of the employees of Volksbank d.d. Zagreb on their efforts, and to the Management Board on excellent cooperation and successful work during the last business year.

Wolfgang Perdich
President of the Supervisory Board
Volksbank d.d. Zagreb
18. 03. 2005.

IVANA VIDOVIĆ

Grad, 2000. / Oil on canvas / 150 x 110,5
City, 2000. / Oil on canvas / 150 x 110,5

SERVICE

04

Austria

Bosnia and Herzegovina

CROATIA

Czech Republic

Hungary

Italy

Malta

Romania

Serbia and Montenegro

Slovakia

Slovenia

Naša mreža / Our Network

SJEDIŠTE / HEAD OFFICE

Zagreb

Varšavska 9

HR -10 000 Zagreb

tel : 00385 1 4801 300

fax : 00385 1 4801 365

PODRUŽNICE / BRANCHES

Zagreb

Varšavska 9
HR -10 000 Zagreb
tel : 00385 1 4801 312
fax : 00385 1 4801 367

Poljička 5
HR - 10 000 Zagreb
tel : 00385 1 6001 213
fax :00385 1 6001 298

Franje Račkoga 9
HR - 10 000 Zagreb
tel : 00385 1 4695 500
fax : 00385 1 4695 599

Maksimirska 120
HR - 10 000 Zagreb
tel : 00385 1 2362 700
fax : 00385 1 2362 710

Ilica 304
10000 Zagreb
tel : 00385 1 3909 000
fax : 00385 1 3909 570

Dugo Selo

Zagrebačka 15
HR - 10370 Dugo Selo
tel : 00385 1 2781 300
fax : 00385 1 2781 329

Čakovec

Otokara Keršovanija 1
HR - 40000 Čakovec
tel : 00385 40 329 250
ax : 00385 40 329 260

Varaždin

Ivana Kukuljevića 6
HR - 42 000 Varaždin
tel : 00385 42 321 011
fax : 00385 42 321 015

Pula

Trg Portarata 6
HR - 52 100 Pula
tel : 00385 52 375 920
fax : 00385 52 375 975

PODRUŽNICE / BRANCHES

Rijeka

Riva 8
HR - 51 000 Rijeka
tel: 00385 51 339 670
fax: 00385 51 339 671

Andrije Medulića 8
(at St. Vitus Cathedral)
51000 Rijeka
tel: 00385 51 317 630
fax: 00385 51 317 650

Makarska

Kralja Zvonimira 7a
HR - 21300 Makarska
tel: 00385 21 695 640
fax: 00385 21 695 650

Split

Kneza Ljudevita Posavskog 17
HR- 21 000 Split
tel : 00385 21 406 300
fax : 00385 21 342 222

Stobreč

Put Vrbovnika bb, TTTS
HR- 21311 Stobreč
tel : 00385 21 456 123
fax : 00385 21 456 124

Osijek

Hrvatske Republike 45
HR - 31 000 Osijek
tel : 00385 31 229 700
fax : 00385 31 229 729

Vinkovci

Duga ulica 25
HR - 32 000 Vinkovci
tel : 00385 32 337 337
fax : 00385 32 337 336

Pula

Trg Portarata 6
HR - 52100 Pula
tel: 00385 52 375 920
fax: 00385 52 375 975

Dubrovnik

Vukovarska 36
HR - 20000 Dubrovnik
tel: 00385 20 358 900
fax: 00385 20 358 910

UDJELI / SHAREHOLDINGS

VB Leasing

Žitnjak bb
HR - 10000 Zagreb
tel : 00385 1 2484 111
fax : 00385 1 2484 100

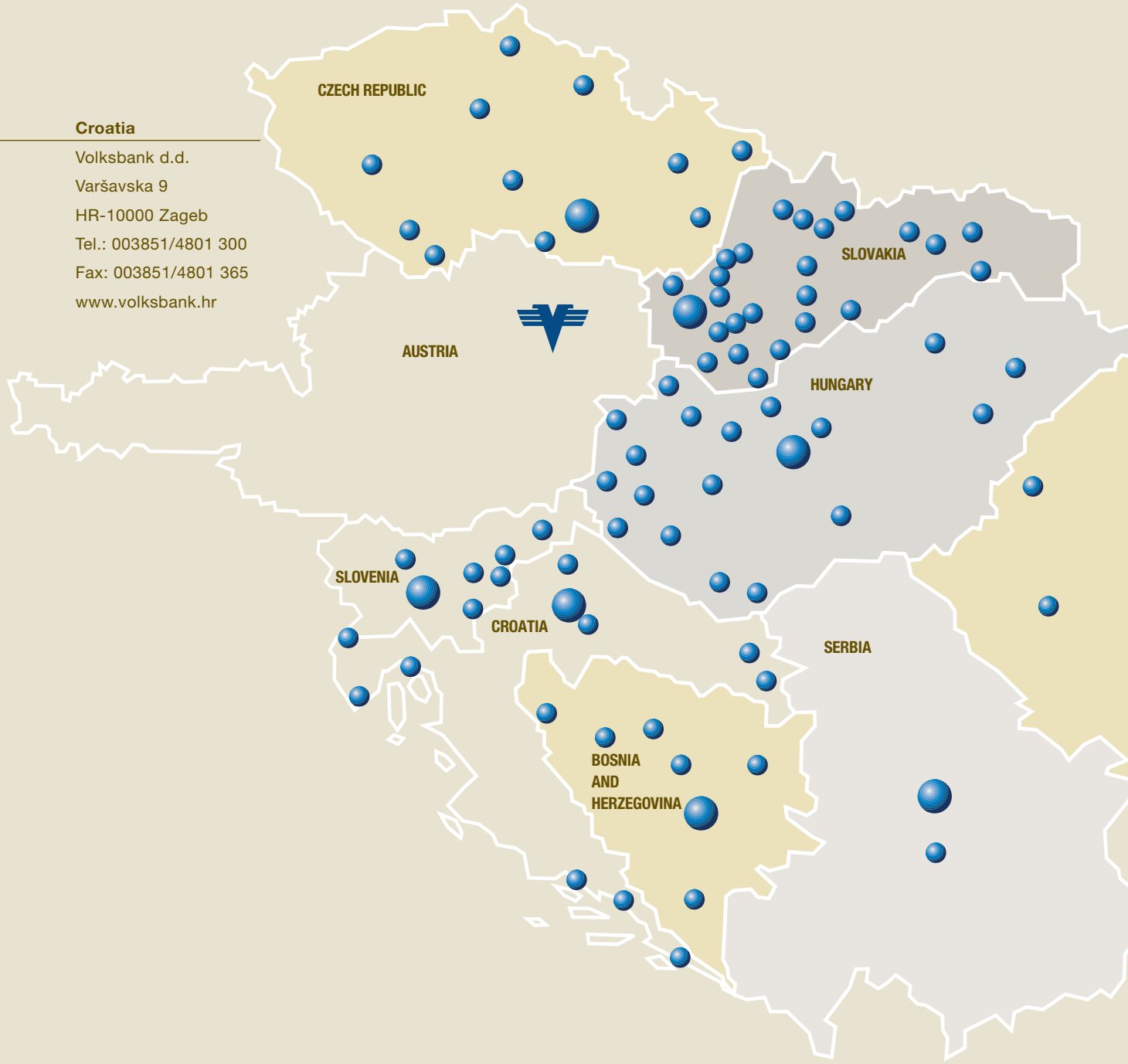
VB Victoria

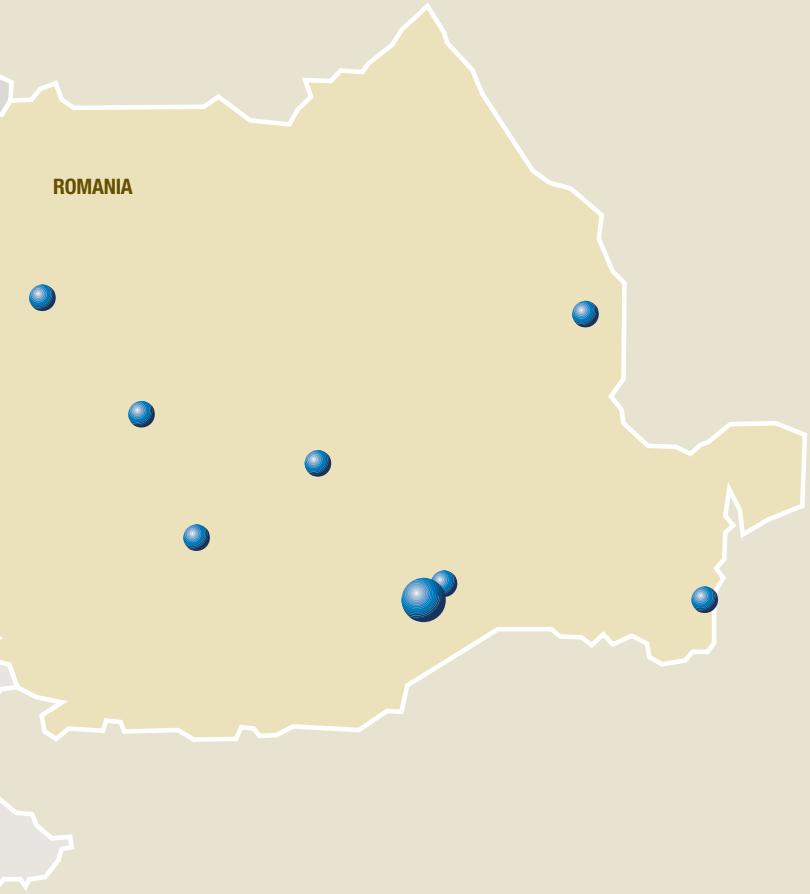
Savska 66
HR - 10 000 Zagreb
tel : 00385 1 6009 524
fax : 00385 1 6009 840

VOLKSBANK INTERNATIONAL AG in Central and Eastern Europe

Croatia

Volksbank d.d.
Varšavska 9
HR-10000 Zageb
Tel.: 003851/4801 300
Fax: 003851/4801 365
www.volksbank.hr





Austria

Volksbank
International AG
Peregringasse 3
A-1090 Vienna
Tel.: 00431/313 40-0
Fax: 00431/313 40-3905
www.vbi.at

Bosnia-Herzegovina

Volksbank BH d.d.
Fra Andela
Zvizdovića 1
BH-71000 Sarajewo
Tel.: 00387/33 295 601
Fax: 00387/33 263 832
www.volksbank.ba

Czech Republic

Volksbank CZ, a.s.
M-Palác, Herspická 5
CZ-658 26 Brno
Tel.: 004205/43 52 51 11
Fax: 004205/43 52 55 55
www.volksbank.cz

France

Österreichische
Volksbanken-AG
Bureau de Liaison Paris
45, rue Saint-Dominique
F-75007 Paris
Tel.: 0033/1/44 18 98 75
Fax: 0033/1/45 51 40 76

Hungary

Magyarországi
Volksbank Rt.
Rákóczi út 7
H-1088 Budapest
Tel.: 00361/328 6666
Fax: 00361/328 6660
www.volksbank.hu

Italy

Österreichische
Volksbanken-AG,
sede italiana
Via Fermi 11
I-37125 Verona
Tel.: 0039/045/969 5851
Fax: 0039/045/969 5899
www.oevag-volksbank.it

Malta

Volksbank Malta Ltd.
53 Dingli Street
SLM-09 Sliema
Tel.: 00356/23/494 000
Fax: 00356/21/336 090
www.volksbank.com.mt

Romania

Volksbank Romania S.A.
Str. Coltei 8, Sector 3
RO-030244 Bukarest
Tel.: 00401/303 93 04
Fax: 00401/303 93 93
www.vbr.ro

Serbia

Volksbank a.d.,
Bulevar umetnosti 16a
SCG-11070 Beograd
Tel.: 00381/11/311 4787
Fax: 00381/11/130 159

Slovakia

L'udová Banka, a.s.
Vysoká 9
SK-810 00 Bratislava
Tel.: 00421/2/5965 1111
Fax: 00421/2/5441 2453
www.luba.sk

Slovenia

Volksbank-Ljudska Banka d.d.
Dunajska 128a
SLO-1000 Ljubljana
Tel.: 003861/530 74 00
Fax: 003861/530 75 50
www.volksbank.si

IVANA VIDOVIĆ

Priroda 3, 2001. / Ulje na platnu / 115 x 90
Nature 3, 2001. / Oil on Canvas / 115 x 90

Izdavač:

Volksbank d.d.

Zagreb, Varšavska 9

IMPRESSUM

Fotografije:

CCN images

Produkcija:

HAND design studio

Zagreb, Šeferova 2

VOLKSBANK

IVANA VIDOVIĆ

Priroda 3, 2001. / Ulje na platnu / 115 x 90
Nature 3, 2001. / Oil on Canvas / 115 x 90