UniCredit Bank

Make it simple. It's *easy* with UniCredit.

2009 Annual Report

We UniCredit people are committed to generating value for our customers.

As a leading European bank, we are dedicated to the development of the communities in which we live, and to being a great place to work.

We aim for excellence and we consistently strive to be easy to deal with.

These commitments will allow us to create sustainable value for our shareholders.

UniCredit Bank

Times change, but commitments do not. We emerged from 2009 with a renewed sense of purpose and direction. What was important to us before is even more important today. Namely, our customers.

Accordingly, we developed a new mission statement in 2009 to reinforce those principles and practices that we believe to be drivers of greater customer centricity. Emphasized in this mission is the desire to make banking as easy as possible for our customers by offering the kind of simple, straightforward solutions that can assist them in achieving their financial goals reliably and efficiently.

This is what we call “real-life banking”. It means providing our clients with more than just financial services by giving them the right support at the right time and in the right way. It is about looking our customers in the eye, working closely with them to assess their real-life needs, and then using our expertise to deliver effective solutions through smooth and easy interactions.

We believe that our rigorous dedication to simplicity and transparency will continue to advance excellence in all that we do. It will also maintain and grow the trust of our customers - a trust that is exemplified in the following pages.

This year’s report features photographs and personal stories from UniCredit Group customers across Europe, highlighting the concrete role that our company has played in their lives. Each of these individuals, who represent the foundation upon which we are structuring our shared future, has told us about a time we made their life easier.

2009 Annual Report

Dragan Škoro,
Automerc Škoro d.o.o. Kiseljak
Corporate Banking Client
Bosnia and Herzegovina

«In my five years of doing business with UniCredit, I can say that my business and, by extension, my private life, have been made easier from one year to the next. By listening to and understanding the true needs of my company and offering a quality service model, UniCredit has provided me assistance and delivered straightforward solutions every time - supporting our growth and development from a firm of two employees into a successful company of 30 people.»

It's easy with UniCredit.

Contents

This version of our report is a translation from the original, which was prepared in Croatian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over translation.

Director's report

Dear clients, shareholders and business partners,

It is my pleasure to present UniCredit Bank d.d. Mostar (hereinafter, the Bank) 2009 performance results.

In the previous two years, financial markets and banking industry faced numerous challenges worldwide, including Bosnia and Herzegovina (BH). Despite of this, Bank's membership in UniCredit Group further enhanced stability and strength of the Bank in these demanding conditions.

In 2009, the Bank continued improving its position of a reliable business partner to individuals, corporates and the State. We managed to maintain good capital base and solid liquidity, while enhancing continuously the quality of our services provided to our clients.
In respect of the last year financial results, net profit before tax reached BAM 34.5 million, total income BAM 180.7 million. Assets exceeded BAM 3.4 billion. The loan portfolio amounted to BAM 2,257 million. Out of this amount, retail loans made BAM 1,259 million and corporate loans BAM 998 million. Total deposits amounted to BAM 2,626 million.

At the year end, the Bank had 96 branches in BH, and its client service offer, apart from loans, guarantees, letters of credit and deposits for corporate clients, as well as loans and savings for retail clients, included also SMS service, m-ba mobile banking, standing order, Western Union and MoneyGram money transfers, as well as money market and internet banking transactions.

Retail Banking

The Bank is distinguished from other market players in BH by quality of its wide offer of products and services, but also by focusing on clients and their needs.

We established a unique system of service quality, which was under regular monitoring and constant improvement. In 2009, the result of Client Satisfaction Surveys was impressive 92, which created the market standard in service excellence.

We maintained our leading position in creating innovative products by being the first bank to offer m-ba mobile banking service. Now, our clients are enabled to carry out their financial transactions and receive relevant information from the Bank via mobile devices, at any time and any place, irrespective of their mobile operator.

Furthermore, our clients were recognising on daily basis the benefits of JES! account package, a unique product of UniCredit Bank, which combined a wide range of banking and non-banking services, thus enriching their everyday life and simplifying business. At the year end, there were more than 62,000 satisfied clients.

In card-related business, even higher quality standards were established. The focus was on creating premium products and innovative solutions customised to meet clients' needs. MasterCard revolving card with Miles & More mileage collection function was an example of this. As a supplement to the existing revolving card functions, this flexible and practical product enabled clients to earn award miles for their daily spending. This way, we took advantage of the internationally successful combination of a revolving card with the largest European frequent flyer award programme.

The Bank confirmed its position of a key player in the card market tough competition, by increasing the number of its card holders and volume of payments via credit, debit and deferred payment cards.

In 2009, we continued expanding our ATM and POS network, so that at the year end the Bank had 199 installed ATMs and more than 5,000 EFT POS devices at our business partners' points of sale. UniCredit Bank ATM network was the greatest one in BH, and it provided clients with 24/7 instant access to their accounts.
Through the network of 96 branches in the territory of BH, the Bank services more than 930,000 clients.

Corporate Banking

In corporate banking segment, UniCredit Bank maintained excellent performance results in 2009, thus confirming its leadership in BH market.

By reacting timely to growing demand for financing and finding adequate business solutions, through our sales network of ten business centres, last year we approved over BAM 438 million loans and issued more than BAM 132 million worth guarantees. These facilities resulted from successful acquisition of new clients and parallel intensifying of cooperation with the existing clients.

With the strong support from our parent UniCredit Group and by improving our product and service offer combined with our available advice and service quality, we continued supporting our corporate clients to maintain their business level in the dynamic and challenging market environment.

Investment Banking and Financial Markets

Capital market in BH, compared to other markets in Europe and worldwide, was recovering with slow progress. A certain increase of liquidity and trade volume was reported, however still insufficient compared to previous years.

In 2009, the Investment Banking and Financial Markets Division of UniCredit Bank supported the first syndicated loan in BH in the amount of BAM 153 million approved to the Federation of BH for the purpose of budget maintenance. The Bank led this syndicate and acted as the Bank Agent, whereas we took the leading position by being the greatest individual creditor in the transaction.

Activities related to the first syndicated loan and to the 2008 issue of Bank's corporate bonds in the value of BAM 100 million showed the strategy and intention of the Investment Banking and Financial Markets Division to become the number one institution in BH capital and money market.

Risks

Last year from risk management perspective, especially loan risk, was one of the most challenging in the Bank history. More precisely, our economy was greatly affected by the global economic crisis, first in the segment of real estate and stock prices, and after that in export-oriented industries. This also resulted in reduced economic activities and decreased demand for final goods, which affected the State budget and caused a new impact wave to non-essential industries. Due to these changes in economic activity, many companies faced problems of business drop, difficulties in maintenance of current liquidity and settlement of liabilities to financial institutions, which made Bank portfolio management more complex. In such context, various measures were taken in view of daily monitoring of Bank's business relationship with clients, intensified collection efforts as well as enhanced focusing on timely debt restructuring for the businesses evaluated as sustainable in long-term. For preventive purposes, the Bank enhanced its market risk management through introducing practices of on-going stress testing of interest, liquidity and FX risks and it successfully met all legally required limits. In the field of operative risk management, continuing improvements and preventive measures were taken in order minimise effects of the primary sources of this type of risk.

Andreas Schmidt,
Bayerische Börse AG
Corporate Banking Client
Germany

«We have frequent personal contact with our relationship manager, whom we can easily reach anytime. We set great store by the offers we receive from him that are precisely tailored to our needs. We value the expertise and many product offerings we find at HypoVereinsbank - UniCredit Group. Our interactions with the bank go quickly and smoothly. We have been a loyal and satisfied customer for many years.»

It's easy with UniCredit.

UniCredit Group

Behind UniCredit Bank there is the largest banking group in Central and East Europe (CEE). With more than 30 years of experience in CEE markets, UniCredit Group is able to offer custom-made solutions designed to satisfy client's needs and through UniCredit Bank it offers the easiest way for clients to access international capital markets. Our membership in this unique network allows us in UniCredit Bank to see our Bank as capable of bringing quality solutions to the local market for all our clients and partners, including state-of-the-art products and services, as well as best possibilities to initiate development of the community where we operate. Our crucial values are reflected in our professional and committed staff efforts, throughout the Group and the country, to create better future today by activating powerful human and social potential of our local community and empowering optimism of our clients and partners. By living through the values contained in our Integrity Charter: Fairness, Transparency, Respect, Reciprocity, Freedom to Act and Trust, our employees participate in creating better quality future for each of our clients. For our clients, we really want to be the Bank which changes uncertainty into safety, through our success and quality, and we want to keep our leading position in the market in sustainable value adding for all society segments.

Due to global processes, development and liberalisation of national markets, UniCredit Group continues improving its business in all countries, where it operates through its member banks. The Group is present in 22 countries, with the greatest presence in Italy, Austria and Germany, plus representative offices in 27 more markets, including 10,000 branches and over 168,000 employees. In Bosnia and Herzegovina, in 2009 there were two banks operating as UniCredit Group members - UniCredit Bank d.d. Mostar and UniCredit Bank Banja Luka a.d.

Expectations for 2010

In the beginning of 2010, we adopted new mission on the Group level. Our mission, reason of UniCredit existence, underscores the commitment and involvement of all our colleagues in creating value for our customers.

As a leading European Bank, we shall stay committed to development of our local communities in which we work offering excellence, as our standard in everything we do.

Key factor which informs all our activities is customer centricity and all our projects and activities should be driven by it.

In the future, UniCredit Bank will remain a key engine of growth and economic development of BH, as a development country, and all its citizens. By developing the country's economy, our goal is to ensure better life for all its citizens

To all our clients, as well as to all shareholders and business partners, I would like to thank sincerely for their trust they give us on daily basis. My special gratitude goes to all UniCredit Bank employees for their commitment and professional approach to their work, as well as wholehearted contribution to Bank's successful results.

We set out to pursue our mission, accomplish new ideas and bring even more productive approach to our business, while remaining the bank of the first choice for our clients!

I am sure you will remain with us!

Berislav Kutle
Chief Executive Officer

Economic Environment in BH

In Bosnia and Herzegovina ("BH"), just like worldwide, financial markets and banking industry were facing numerous challenges. Although we were operating in an extremely dynamic economic environment, our business remained stable, we achieved considerable results and maintained positive prospects for the future.

Macroeconomic Situation

Effects of the global economic developments and financial crisis did not avoid BH. However, it was characteristic for BH that the crises started first in the real economy and after that gradually overflowed into the financial branch. This directly implied a conclusion that the crisis in BH was partly caused by global effects, but the most part of it was a result of the internal situation in the country. According to available indicators, the macroeconomic situation is stagnating and according to forecasts the country's economy will recover slowly.

Reduced consumption, restrictive fiscal policy, low demand for loans, high unemployment, decreased investments were among the factors which marked the year of 2009 and which implicitly turned the real GDP into negative direction.

According to all macroeconomic projections, this trend will continue through the next year in a less severe form, which implies that BH economy will recover from recession consequences slowly.

Overall industry production in FBH for the period from January to November 2009 was reduced by 11.8% compared to the same period 2008, while in RS it was greater by 18.8% due to resumed production in Brod Oil Refinery.

BH foreign trade deficit in the period from January to November 2009 amounted to BAM 6.2 billion. In the first eleven months of 2009, the value of the foreign trade deficit was reduced by 30% compared to the same period last year, as a result of reduced export (by 19.3%) and reduced import (by 25.7%). A decrease of internal consumption and demand caused drastic decline of import, which was the key accelerator of reducing the foreign trade deficit. The country's major trade partners were Croatia and Germany.

Inflation figures showed clearly a slowdown in economic activities. In November 2009, monthly inflation was 0.1% and annual deflation 0.7%.

One of mitigating factors for BH in 2009 was a **Stand-by Agreement signed with IMF.** IMF approved a three-year stand-by arrangement to BH in the value of EUR 1.2 billion (600% of the country's quota). BH has been a member of IMF since 1992 and its quota is 169.1 million of the Special Drawing Rights (SDR), i.e. approximately USD 261.5 million. In the first half of July 2009, CBBH account was credited for the first tranche of the IMF stand-by arrangement in the amount of EUR 201.6 million. The second tranche is expected early in 2010, after BH meets all requirements defined for this purpose. Some of these commitments the country has undertaken in order to realise the arrangement include transfer of public consumption into capital investments and encouraging private investments, reform of social expenses in order to protect the most vulnerable population group (which is one of key recommendations of the World Bank Representative Office in BH), support to improved bank liquidity and capital structure, as well as reduced financing of the public entities.

Macroeconomic indicators

	2006	2007	2008	2009
Real GDP (%)	6.9	6.0	5.4	-3.0*
Industry Production Ratio – FBH	110.4	108.6	107.9	88.2**
Industry Production Ratio – RS	119.1	101.4	116.8	118.8**
Consumer Price Index	104.6	104.9	103.8	99.3***
Export (BAM million)	5,164	5,937	6,714	5,540
Import (BAM million)	11,389	13,898	16,287	12,204
BAM / EUR exchange rate	1.96	1.96	1.96	1.96
Official Unemployment Rate (%)	44.2	42.9	40.6	42.4****

Source: CBBH, BH Statistics Agency, Federal Statistics Institute, RS Statistics Institute; Labour and Employment Agency of BH

* Real GDP in 2009 according to UniCredit Group macroeconomic projections
** Industry Production Ratio for the period January-November 2009
*** Consumer Price Index in November 2009
**** Unemployment Rate for the period January-November 2009

Dace Markeviča
Uralchem Trading Sia
Corporate Banking Client - Latvia

«Uralchem Trading has the assurance that every time, even when it comes to fairly simple banking transactions like payments, UniCredit Bank will look for and find mutually beneficial solutions. The bank's professional staff always offers helpful advice on successful business operations, thereby laying the foundation for mutual trust and a long-term partnership.»

It's easy with UniCredit.

Financial System and Monetary Regulations

The structure of Bosnia and Herzegovina financial system is relatively complex due to the complex state organisation, where some parts of institutions fall under the competence of the state's two entities and one district, while other parts belong to the centralised state competence, whose budget is generated both directly and indirectly from the above-mentioned administrative units.

Monetary policy of Bosnia and Herzegovina is under exclusive competence of CBBH, while its independence and ban of financing government deficit are defined by the law.

The country is under the Currency Board regime, with fixed BAM/EUR ratio.

During eleven years of its operation, CBBH has managed to accomplish its mission, i.e. to protect monetary and financial stability in the country, including price level stability. This has been achieved through consistent implementation of the monetary policy via Currency Board arrangement.

The Convertible Mark (BAM) is a stable currency compared to EUR and it enjoys full trust of the population, whereas free convertibility of the currency is ensured both in the country and abroad, and each BAM in circulation is covered by a convertible foreign currency.

Global financial crisis affected the capital market in BH as well. In 2009, Sarajevo Stock Exchange overall trade volume reached BAM 219 million or 62.3% of the country's total stock exchange business, which was by 54% less than in the previous year. Banja Luka Stock Exchange trade volume in 2009 amounted to BAM 180.5 million or 35% less than in the previous year.

Banking sector

Banking industry in Bosnia and Herzegovina is regulated by entity-level Banking Laws and banks' business is supervised by entity Banking Agencies.

Even after the impact of the global financial crisis, the business model of BH banking industry, which was based on quite conservative banking approach, in 2009 again proved to be successful and helped banks in BH to avoid major difficulties in their business.

Safety and stability of the banking industry in the previous year was maintained by strengthening the capital base and capital adequacy, as well as by stopping negative trends in the segment of retail deposits. The banking industry in BH is solvent, which is confirmed by the fact that banks keep BAM significant reserves above the mandatory level. However, banks are facing decreased profitability and deteriorating loan portfolio quality. More precisely, due to lack of quality lending programs and drop of loan demand, banks have great excess of reserves. High interest rates are paid for deposits, while loans cannot be approved with more favorable rates, which affects directly their profitability.

In the first nine months of 2009, net profit of FBH commercial banks amounted to BAM 22.6 million, which was 60% less than in the same period of 2008. 12 banks had positive financial result, totaling BAM 58.4 million or 34.7 % less than in the same period of 2008. At the same time, 8 banks had negative net result in the aggregate amount of BAM 35.8 million. In RS, in the same period, 8 banks realised net profit totaling BAM 23.2 million, while 2 banks reported losses in the overall value of BAM 3.6 million.

As of 30/09/2009, there were 20 licensed banks in FBH, while provisional administrators were appointed in 2 banks (UNA banka d.d Bihać and Hercegovačka banka d.d. Mostar). Banks continued expanding their business networks, but in a considerably lower degree. There was obvious domination of top 5 banks covering approximately 80% of the market, as well loan and deposit portfolio.

As of 30/09/2009 in the Republic of Srpska, there were 10 active banks.

Description of activities

The Bank is a licensed commercial bank with the registered head office in Bosnia and Herzegovina.

Via its great and well positioned business network, consisting of 96 branches in almost all major cities in Bosnia and Herzegovina, the Bank carries out daily transactions with more than 930,000 clients.

Furthermore, the Bank enables its clients to use banking services via direct distribution channels, i.e. Internet and mobile banking, ATMs (199) and POS devices installed at its business partners' points of sale (over 5,000). With almost 0.5 million of issued cards, the Bank is a market leader in this business segment.

With high quality service level and state-of-the-art banking standards, a wide range of products and services is offered to individuals, corporate clients, banks and other financial institutions, foreign legal entities as well as government and public bodies.

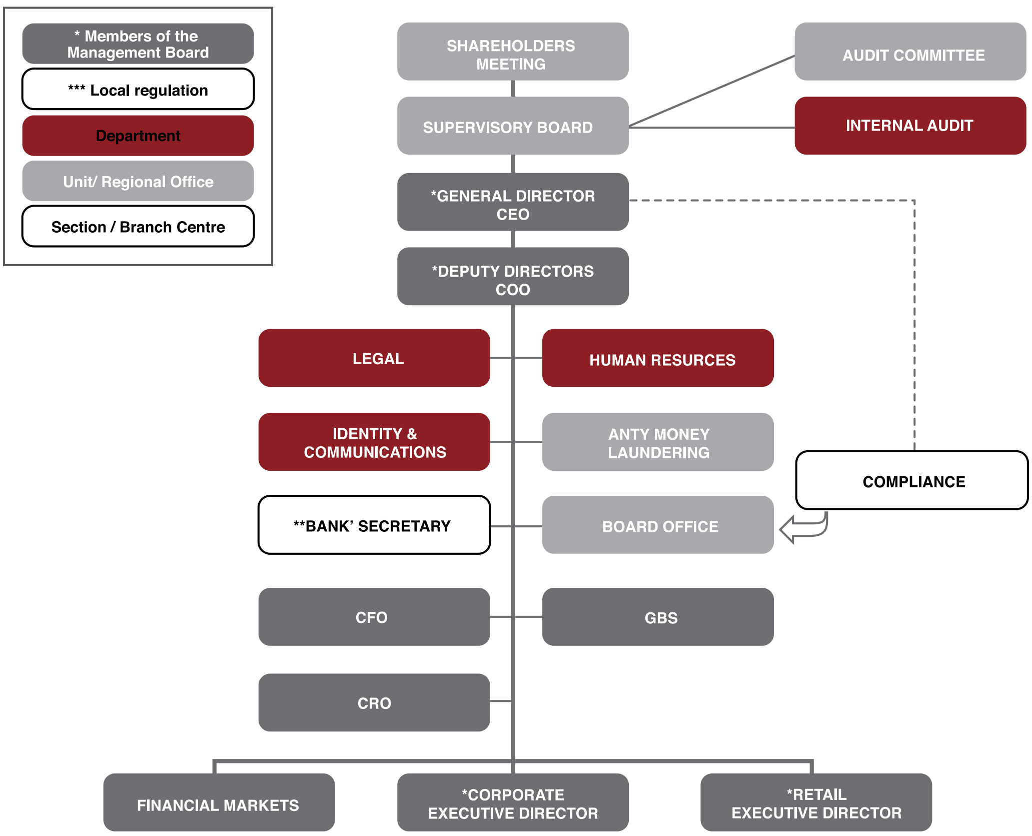
The Bank is a member of two card networks (Visa and MasterCard), it maintains correspondent relations with first-class banks worldwide and has great cooperation with international financial institutions, such as USAID[1] , KfW[2] , EFSE[3] , EBRD[4] , DEG[5] , World Bank, EIB[6] and many others.

Moreover, the Bank is using a credit line with the International Finance Corporation (IFC). The Bank is proud of its correct and partner relationship with its regulators, such as CBBH, Federal Banking Agency and RS Banking Agency, as well as other active players in the financial market of Bosnia and Herzegovina.

For several years now, the Bank maintains its clients' saving deposits insured with the Deposit Insurance Agency of BH.

1. US Agency for International Development
2. Kreditanstalt für Wiederaufbau
3. European Fund for Southeast Europe
4. European Bank for Reconstruction and Development
5. Deutsche Investitions- und Entwicklungsgesellschaft mbH
6. European Investment Bank

The organisational structure of UniCredit Bank including key organisational units of the Bank as of 31/12/2009.



In late 2009, the Bank had 1,389 employees, and as a guarantee of the high quality service provided to the clients, we point out that more than 63% of employees provide direct service to the clients, while the rest of them, although not in direct contact with the clients, are also focused on improving Bank's efficiency.

Corporate Banking

One of the characteristics of the business model of Corporate Banking Sector of UniCredit Bank is a segment-oriented approach to the client meaning that certain clusters of clients with similar services, preferences and positions are allocated special service models for each of thus established business lines with specially educated and trained business relationship managers.

This Sector is organized through Large companies and Medium companies that develop and conduct their business relationship with client through ten business centers. These segments are defined by the size of the client's total income generated over the previous business year.

Other criteria used for the segmentation of corporate clients are the type of ownership (state or private) and affiliation with a group of companies as related persons when the total income of the group in question is taken as a criterion.

The following characterizes those belonging to the segment of Large companies:

- Companies which total income amounts to ≥ BAM 30 million (for groups with the total income ≥ BAM 40 million)
- Government institutions, state, cantons and institutions funded by the state and cantons, banks, insurance companies, non-banking financial institutions, municipalities of Sarajevo Canton, trans-border clients (categorized by the size of their income into the segment of large companies), multinational companies, embassies, consulates and non-residents.

Within the segment of large companies there are three business centers (BC):

- BC for Large companies Mostar
- BC for Large companies Sarajevo and
- BC for public administration and public institutions.

Bank covers the entire BH through these Business Centers and conducts daily business with over 1,000[7] clients – Large companies. The following belong to the segment small and Medium companies:

- Companies with the total income in the amount ranging from BAM 3 to 30 million
- Municipalities (except the municipalities of Sarajevo Canton) and all institutions founded by municipalities or under the competence of the municipalities (local communities, Social Welfare Centers, Red Cross and similar), educational institutions (schools, universities, etc.), trans-border clients that are categorized by the size of their income into the segment of medium companies.

Within the segment of medium companies, there is the following division:
Lower Mid companies: Income from BAM 3 to 10 million
Upper Mid companies: Income from BAM 10 to 30 million BAM

The segment of medium companies operates through seven business centers (BC):

- BC Mostar
- BC Sarajevo
- BC Republika Srpska
- BC Una-Sana Region
- BC Central Bosnia
- BC North-eastern BH and
- BC West Herzegovina

Bank covers the entire BH through these Business Centers and conducts daily business with over 3,000[8] clients – medium companies.

Corporate Banking Sector marked the year 2009 by enriching its credit activities further, continued growth of users of its products and services, short-term and long-term financing, deposit operations, payment operations and card products, financial and advisory support to the development of clients' business – and all of this based on individual approach. Supported with strong electronic distribution channels, our network of organized business centers is the fundamental driving force in the business of effective services to clients. We emphasize that Corporate Banking Sector, apart from other products, approved in excess of BAM 438 million in loans and issued BAM 132 million of guarantees in 2009.

7. The number of clients includes also sub-accounts that certain clients hold because of their ownership structure.
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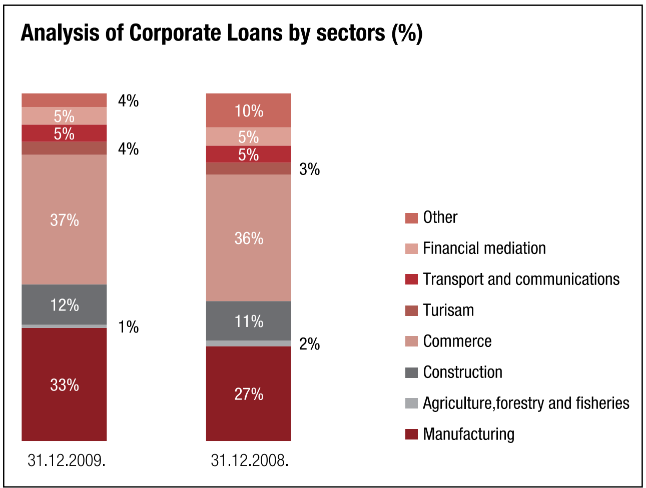


Retail Sector

Retail Sector is in charge of conducting a business relationship with clients who are individuals and sole traders and managing the branch network and direct distribution channels. The tasks of conducting a business relationship with individuals of the segment of mass market and management of branch network and direct distribution channels is the responsibility of Family Banking Segment and Private and Sole trader Banking Segment is in charge of the segments of high-value individuals and the segment of clients – sole traders. More than 900.000 clients of the Bank are under the competence of this Sector.

According to the Bank organization, which is primarily client-oriented, the appropriate service models are in use. The service model – family banker is applied to the clients of mass market segment and the service model of the family banker with personalized client portfolio is applied to the segment of high-value individuals' segment. For the sole trader clients, Bank applies a unique service model in the banking market of BH – banker for individual and sole trader banking. This service model is tasked for conducting a business relationship with the clients of sole traders as legal entities at the same time providing banking services to owners of small companies as individual clients. The specified service models allow for the conducting of the entire business relationship with the clients of the corresponding segment.

The branch network is divided into 11 regions that are further divided into branches in the entire territory of Bosnia and Herzegovina. At the end of 2009, Bank had the total of 96 branches. The development of direct distribution channels continued in the course of 2009 and 38 new ATMs were installed. With the total number of 199 ATMs and almost one half of million cards issued, the Bank is the market leader in this business segment.

Retail Sector is organized into two business segments: Family Banking Segment and Private and Sole Trader Banking Segment, two directorates – Product management and Consumer finance spending the fundamental task of which is to develop and manage products and services of the Bank intended for individuals and sole trader and Department of Planning and Controlling. In the course of 2009, these two directorates implemented a series of successful commercial actions that presented the Bank as a modern financial institution adjustable to the clients' requirements. One of such actions is the housing loans' actions and short-term cash loans at a lower interest rate. In 2009, a new product was introduced – m-ba mobile banking for citizens which is the service unique in this market. Bank also launched a sales action entitled „Credit Cards without subscription and member ship fees". In addition, an action of providing loans on special commercial terms to Individual clients using JES! Package, m-ba, e-ba, payment cards, etc, was implemented. Another action of collecting term deposits was implemented offering clients more favorable interest rates on saving deposits. Bank also organized "Info Days in Branches" thereby increasing the total sale of JES! packages.

With the client-oriented organization, introduction of new service models, expansion of direct distribution channels and development of new products and services of the Bank, assumptions for realization of ambitious commercial and financial plans in the years to come are created. The goal is to achieve the best result in the client's satisfaction measurement in comparison to our competitors in the local market and to become the market leader in the development of banking products and services ultimately becoming the bank with the largest average number of products per active client in the local market.

Investment Banking and Financial Markets

Investment Banking and Financial Markets Sector is an organizational unit of UniCredit Bank d.d. in which demand and supply for different forms of financial instruments are met. Through this Sector, clients in both local and international markets are connected. The business activity of Financial Markets in 2009 was influenced by events in the global market that affected the activities of investors in the market of Bosnia and Herzegovina.

The Sector is divided into three units: Trade Department, Sale Department and Custody Department.

Trade Department kept its position of the „market maker" in 2009 in the local market owing to the partnership it offers to local banks in the field of FX operations and money market. The Department was focused on FX, Money market and fixed income products in 2009.

Sale Department is primarily oriented to the clients – legal entities whom it provides financial support in their business activities. In the course of 2009 in BH, there was a fall of economic activities and trading exchange caused by the global recession. Despite this, this Department managed to maintain the trend of expansion in the form of increasing the number of users of products such as FX Forward and FX Time Option, which was characteristic in 2008 as well.

UniCredit Bank d.d. is licensed to perform custodian operations in the territory of the entire Bosnia and Herzegovina and depositary operations in the field of issuing of and trading with securities along with the tasks of the fund depositary in the market of the Federation of BH and all these are performed through the Custody Department. The Department, applying both local and international know-how and the experience of UniCredit Group, serves both local and foreign institutional investors and other legal entities. Upon the new Law on Securities Market in the FBH coming into force in 2009, the bank developed a product intended for investment funds for providing support to investments in foreign markets. UniCredit Bank d.d. in the field of custody managed to keep its leading position in the BH market in regard with the size of assets under custody; therefore, in 2009, our bank was ranked by the international magazine "Global Custodian" as the lead bank in custody services in the capital market of Bosnia and Herzegovina.

Investment Banking and Financial Markets Sector in 2009 supported the very first syndicated loan in BH in the amount of BAM 153 million intended for the Federation of BH for budget maintenance. UniCredit Bank d.d. led a consortium of banks in the capacity of the syndicated loan agent. Also, in this transaction UniCredit Bank took the place of the largest individual creditor.

Activities on the first syndicated loan and further activities regarding the issue of corporate bonds of UniCredit Bank in 2008 in the amount of BAM 100 million depict the strategy and determination of Financial Markets Sector to remain the lead institution in the capital and money market in Bosnia and Herzegovina.

Financial and operational review

Business review of UniCredit Bank d.d.

In 2009, Bank generated profit before taxation of BAM 34.5 million, which is by 15% lower in comparison to that of the previous year. Profit after tax for 2009 amounts to BAM 29.4 million and is 10% lower in comparison to 2008.
Total assets increased by 4.6% and amounts to BAM 3,451.8 million at 31 December 2009.

Financial indicators

	2009	Restated 2008
	BAM '000	BAM '000
Total income	180,669	190,618
Profit before provisions	53,453	57,282
Profit before taxation	34,456	40,545
Profit after taxation	29,367	32,650
Equity capital and provisions	368,730	338,130
Loans to clients	2,026,438	2,140,619
Loans of client and banks	2,626,122	2,416,977
Total assets	3,451,801	3,300,883

Business indicators

Capital adequacy	15.3%	14.8%
Operating costs in the total income	70.4%	69.9%
Return on equity (ROE)	8.3%	10.1%
Return on assets (ROA)	1.0%	1.2%

Structure of the Bank's income

The Bank's income in 2009 is below the income generated in previous year and this is result of the global crisis and recession which affected the result of the entire banking sector as well as the result of the Bank.

In the structure of total income generated by the Bank, a share of net income from interest is 67% compared to 65% generated in 2008, net income from fees and commissions' share in 2009 is 25% compared to 26% in 2008 and other income share is at 7% compared to 10% in 2008.

Net interest income

Net interest income in 2009 amounts BAM 121.8 million which is 2% lower than in the previous year. Decreased net interest income resulted from the increase of interest rates on deposits that increased financing cost which is not completely followed by increase in interest rates on loans and also because of lower volumes of loans that affected interest income.

Table below shows average interest rates for 2009:

Review of average annual interest rates in 2009

	Interest-bearing assets	Interest-bearing liabilities
Banks	0.54%	2.94%
Legal entities	6.28%	2.15%
Individuals	9.07%	2.73%
Securities	5.91%	-
Credit lines	-	3.59%
Bonds	-	3.37%
Subordinated debt	-	4.27%

Banks include statutory and cash reserves with the Central Bank along with facilities and loans to other banks.
Largest changes to interest rates are seen in one part of the deposit of individuals (2.73% compared to 2.24 % in 2008), deposits of legal entities (2.15% compared to 1.77% in 2008), which caused a decrease of net interest income of the Bank and reduction of interest rates on funds with banks (statutory reserves, cash reserves, facilities and loans to other banks) where the average reached rate is 0.54% compared to 2.15% in 2008 due to an decrease of EURIBOR and O/N rates which additionally reduced net interest income.
The average interest rate on loans to individuals was increased by 0.37 pp whilst the average interest rate on loans to companies is lower in 2009 by 0.81 pp in comparison to the previous year.
Interest income is lower by BAM 12.1 million in comparison to that of the previous year whilst interest expense is lower by BAM 9.6 million which resulted in a lower total net interest income in the amount of BAM 2.5 million in comparison to that of the previous year.

Net fee and commission income

Net fee and commission income amounted BAM 47 million, which is at the same level as in the year before.
Income from card operations positively contributes to the result along with fees for current accounts maintenance, package products and other fees which is a consequence of the increased number of issued cards and transactions performed abroad POS and ATM network; all of this is reflected in the leading position of the Bank in card operations in the BH market.
Good results of the fee income are slightly reduced by lower income generated from fees arising from payment operations, which is a consequence of recession and a lower demand for banking products and services.

Income from sale of financial assets and other operating income in 2009 amounts to BAM 11.9 million and is lower by 36.5% in comparison to that of the previous year. The income from sale and purchase in comparison to that of 2008 is lower by BAM 1.6 million whilst other income is lower by BAM 5.9 million due to high one-off income in 2008 (this is the income generated from the sale of shares from the available-for-sale portfolio).

Operating costs

Operating costs in 2009 amount to BAM 127.2 million and are reduced by 4.6% in comparison to those of the previous year which is the result of a efficient cost control.

Such saving is reached on all cost items in comparison to the planned level. In comparison to 2008 the most significant improvements were reached on the items of Other functional costs (13.15%) and the deposit insurance cost (7.46%).

Costs

	2009		2008		Growth rate
	in '000 BAM	Structure %	in '000 BAM	Structure %	%
Staff costs	54,013	42.46%	53,799	40.35%	0.4%
Functional costs	49,768	39.12%	57,304	42.98%	-13.15%
Deposit insurance	5,224	4.11%	5,645	4.23%	-7.46%
Depreciation	18,211	14.32%	16,588	12.44%	9.78%
Total	127,216	100.00%	133,336	100.00%	-4.59%

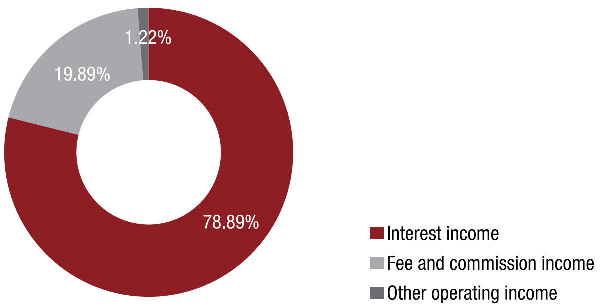
Impairment and other provisions

Total impairment and other provisions amount to BAM 19 million and are higher by 13.5% in comparison to those of 2008.

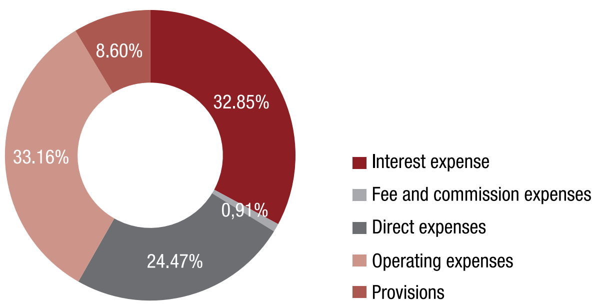
Impairment losses on loans and receivables amount to BAM 22.8 million and are by 30.3% higher than in the previous year, which is the result of a deteriorated situation in the economic environment which caused a deterioration of the credit portfolio structure.

Provisions for litigations credited income state in 2009 due to the release of BAM 3.4 million of provisions as a consequence of court proceedings won by the Bank.

Structure of income



Structure of expenditures

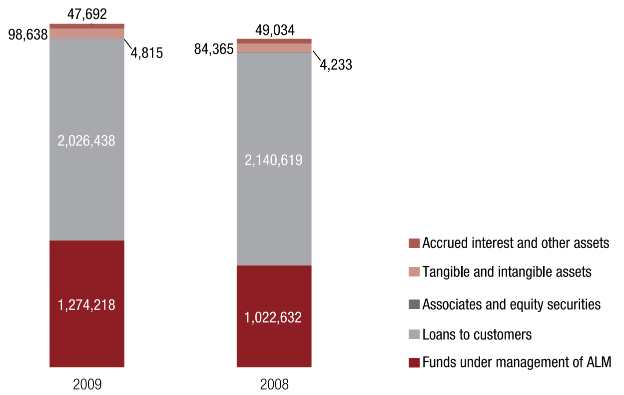


Balance sheet

The Bank's assets reached BAM 3,452 million at the end of 2009, which is an increase of 4.6 in comparison to the previous year.

A factor of limitation to the growth of assets in 2009 was the impact of the crisis on the entire economy in BH, deterioration in both real and banking sectors and a lower demand for credit products.

Structure of assets BAM'000



The diagram above shows the structure of assets and trends in 2009 and 2008.

Funds under management of ALM

Funds under management of ALM show an increase of 24.6% in the course of the year so 37% of the Bank's assets at the end of the year were channeled to facilities extended to banks, debt securities, account with the CBBH including statutory reserves and cash at cash desks (which is an increase by 6 pp in comparison to that at the end of 2008).

An increase in comparison to that of the previous year is seen with all assets under the competence of Assets & Liabilities Management, except for Obligatory reserves with the Central Bank which is lower by 14.5 pp in comparison to that at the end of 2008 due to an amendment to the CBBH decision on the statutory reserve rate. In the course of the entire year, the Bank maintained the liquidity position considerably above the limits prescribed.

The following table shows the structure of assets under the competence of Assets & Liabilities Management:

	31 December 2009	31 December 2008
Cash reserves	37.8%	29.4%
Obligatory reserves with CBBH	23.7%	38.2%
Facilities and loans extended to other banks	38.1%	32.0%
Debt securities	0.4%	0.4%
Total	100.0%	100.0%

Loans to clients

Loans to clients decreased in 2009 as a consequence of a poor situation in the financial marked caused by recession. Net loans to clients amount to BAM 2,026.4 million which is the annual decrease by BAM 114.2 million (5.3%) due to a lower demand for loans to retail clients (unemployment growth) and limitations of the IMF set for the public sector.

In the total assets of the Bank, net loans to clients participate with 58.7%. The largest share in the net loans to clients is held by facilities extended to individuals (58.6%).

A share of impairment allowance in the total net loans in comparison to that at the end of 2008 is increased by 1.5 pp and is 11.4%. The percentage of impairment allowance in gross loans is 10.2%.

Gross loans to legal entities over the year are reduced by 8.2% whilst loans to individuals are reduced by 0.4% vs. 2008.

A share of gross loans to retail clients in the total portfolio is increased from 53.8% to 55.8%. As for the total loan portfolio to retail clients, the largest portion is for long-term non-specific purpose loans (57%) and long-term housing loans (26.4%).

Other loans such as consumers' loans, loans on current accounts make 16.6% of the credit portfolio.

Gross loans to legal entities show a reduction of the volume in comparison to the previous year and a reduction of their share by 2 pp in the total loan portfolio.

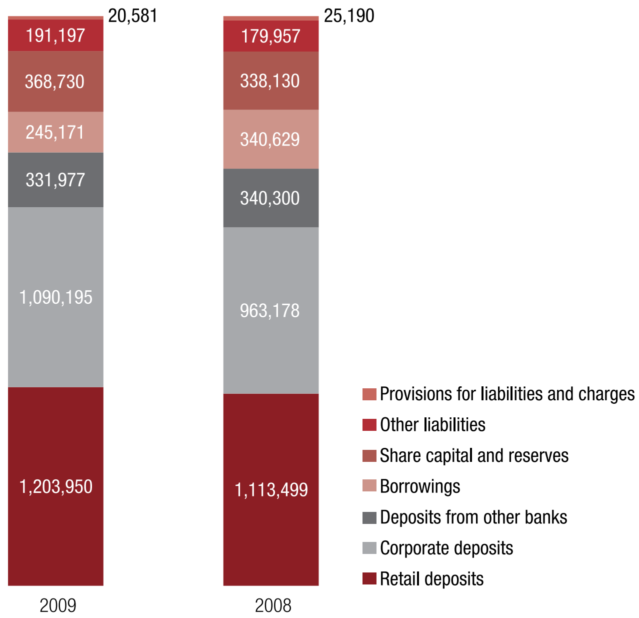
A share of long-term loans is 76% of the total gross loans showing a reduction of that share by 2.8 pp in comparison to the previous year.

Gross facilities	2009	2008	Change %
Corporate	998,206	1,087,356	-8.20%
Retail	1,258,504	1,263,847	-0.42%
Total	2,256,710	2,351,203	-4.02%
Impairment allowance			
Corporate	159,100	144,707	9.95%
Retail	71,172	65,877	8.04%
Total	230,272	210,584	9.35%
Net loans			
Corporate	839,106	942,649	-10.98%
Retail	1,187,332	1,197,970	-0.89%
Total	2,026,438	2,140,619	-5.33%

Liabilities

Changes to the structure of liabilities and trends in 2009 are shown in the following graph:

Structure of liabilities BAM'000



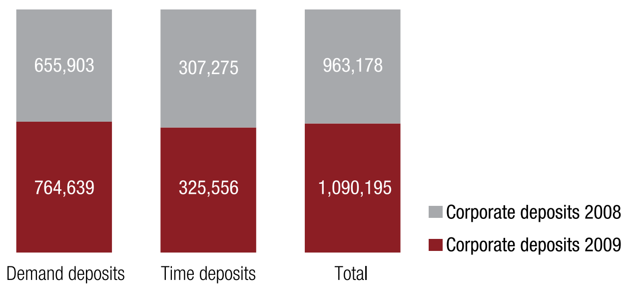
Current accounts and deposits from customers

Total deposits from customers increased by 10.5% in comparison to the previous year and at the end of 2009 amount to BAM 2,294.1 million. A share of clients' deposits in local currency is at 48% vs. 50.8% in 2008.
Deposits of retail clients at the end of the year make 52.5% of the total deposits of clients are increased by BAM 90.5 million (8%) in comparison to those of 2008. In the total deposits of retail clients, term deposits make 53.4% and demand deposits 46.6%, compared to 2008, share of deposits is changed in favor of term deposits (increase by 5.4 pp).

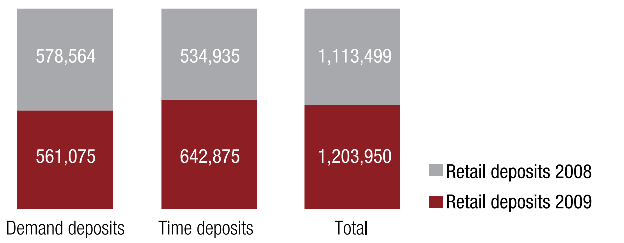
Deposits of corporate clients are increased by BAM 127 million (13%) and amount to BAM 1,090.2 million and their share in the total deposits of clients is at 47.5%.
A share of demand deposits in total deposits of corporate clients is at 70.1%. In comparison to 2008, a ratio of deposits is slightly changed in favor of demand deposits (increased by 2 pp).

Deposits of banks amount to BAM 332 million and show a reduction in comparison to the status in 2008 by 2.4%, which is mainly caused by the growth of clients' deposits and a lower demand for loans.

Structure of corporate deposits



Structure of retail deposits



Borrowings

Borrowings are reduced in comparison to 2008 by BAM 95.6 million (28%) of which the subordinated debt is reduced by BAM 7.9 million (20%).

Funds from the Development Bank of FBH (LDP and IBF), KfW, EBRD, Bank Pekao, DEG, EFSE, HBOR and EIB were used.

In 2009, the Bank signed a new credit line agreement with the EBRD in the amount of EUR 30 million and upon the maturity, two Pekao credit lines in the amounts of EUR 30 and EUR 20 million respectively were repaid, and another from Bank Austria in the amount of EUR 8 million.

At the end of 2009, the subordinated debt amounted to EUR 16 million (repayment of EUR 4 million in 2009).

In the total sources of financing of the Bank, a share of credit lines is at 7.1 %, which is by 3.2 pp less than over the previous year.

Capital and reserves

The Bank's capital amounts to BAM 368.7 million which is an increase by BAM 30.6 million in comparison to the status at the end of 2008.

Management and organisation

Pursuant to the applicable provisions of Law on Companies, Law on Banks and the Statute, the Bank's managing bodies are: General Meeting of Shareholders, Supervisory Board and Management Board.

General Meeting of Shareholders

General Meeting of Shareholders is the highest managing body of the Bank. The General Meeting of Shareholders consists of Bank shareholders.

Audited financial statements shall be proposed for adoption by shareholders at a General Meeting of Shareholders.

On 31 December 2009, Bank had 53 shareholders. The largest shareholder is Zagrebačka banka d.d., Zagreb with 78,176 shares making 65.5866% of the Bank's stock capital.

The Bank's stock capital is determined in the amount of BAM 119,195,000 and is divided into 119.011 ordinary shares of „A" series with the nominal value of BAM 1,000 per share and 184 preferred cumulative shares of "D" series with the nominal value of BAM 1,000 per share.

An ordinary share of "A" series entitles the holder to one vote in the General Meeting of Shareholders, right to manage the Bank as prescribed by the Statute, right to participate in the Bank's profit in proportion to the nominal value of the share and any other right as specified and prescribed by the Statute and applicable law.

A preferred cumulative share of "D" series entitles the holder to preferred collection of dividend arising from the Bank's profit in proportion to the nominal value of the share and the right to preferred collection in the event of bankruptcy or liquidation of the Bank out of undistributed portion of bankruptcy or liquidation mass, as the case may be.

Bank's ownership structure

Ownership structure

No.	Ownership structure as at 31 December 2009	Number of ordinary shares of "A" series	Number of preferred cumulative shares of "D" series	Total number of shares	Total nominal value in BAM	%
1	ZAGREBAČKA BANKA D.D. ZAGREB	78,176	0	78,176	78,176,000	65.5866%
2	UniCredit Bank Austria AG	28,903	176	29,079	29,079,000	24.3962%
3	International Finance Corporation (IFC)	6,831	0	6,831	6,831,000	5.7309%
4	UNICREDIT, SOCIETA' PER AZIONI	3,900	0	3,900	3,900,000	3.2719%
5	MARKO ĆORLUKA	534	0	534	534,000	0.4480%
6	TRANSMADRID S.A.	134	0	134	134,000	0.1124%
7	UniCredit Bank d.d.	76	5	81	81,000	0.0680%
8	BSO d.d. Sarajevo	72	0	72	72,000	0.0604%
9	Raiffeisen BANK d.d. Bosna i Hercegovina	61	0	61	61,000	0.0512%
10	BAZ D.O.O. MOSTAR	54	0	54	54,000	0.0453%
11	PRODUKCIJA D.O.O. MOSTAR	34	0	34	34,000	0.0285%
12	JELIČIĆ - PURKO MIROSLAV	30	0	30	30,000	0.0252%
13	VOKIĆ TRADE d.o.o. Grude	27	0	27	27,000	0.0227%
14	HYPO-ALPE-ADRIA-BANK d.d. Mostar	24	0	24	24,000	0.0201%
15	VJEKOSLAV FILIPOVIĆ	22	0	22	22,000	0.0185%
16	DACA - COMMERCE D.O.O. MOSTAR	20	0	20	20,000	0.0168%
17	KORAK D.O.O.	20	0	20	20,000	0.0168%
18	B-TANK D.O.O. POSUŠJE	14	0	14	14,000	0.0117%
19	SLOBODAN KOŽUL	14	0	14	14,000	0.0117%

20	JOSIP VUKO	13	0	13	13,000	0.0109%
21	MARINA SMITAL	10	0	10	10,000	0.0084%
22	SWISSING SARAJEVO	5	0	5	5,000	0.0042%
23	KLAS D.D.SARAJEVO	4	0	4	4,000	0.0034%
24	ETRUSKA CO SARAJEVO	2	0	2	2,000	0.0017%
25	GENERAL MARKET SARAJEVO	1	1	2	2,000	0.0017%
26	GIANFRANCO NESSI	2	0	2	2,000	0.0017%
27	MIL EXPORT DOO NOVI TRAVNIK	2	0	2	2,000	0.0017%
28	SARAJEVO OSIGURANJE D.D. FILIJALA TRAVNIK	2	0	2	2,000	0.0017%
29	VISPAK d.d. prehrambena industrija Visoko	2	0	2	2,000	0.0017%
30	AA KAPITAL BROKERS d.d. Bihać	1	0	1	1,000	0.0008%
31	AGARICIUS SARAJEVO	0	1	1	1,000	0.0008%
32	AMALDIN SARAJEVO	1	0	1	1,000	0.0008%
33	BERKUN SARAJEVO	1	0	1	1,000	0.0008%
34	CERIK SARAJEVO	1	0	1	1,000	0.0008%
35	EGALIN SARAJEVO	1	0	1	1,000	0.0008%
36	GENERALTRADING SARAJEVO	1	0	1	1,000	0.0008%
37	GORAN PRODANOVIĆ	1	0	1	1,000	0.0008%
38	HASAN PRELIĆ	1	0	1	1,000	0.0008%
39	HORS DJL SARAJEVO	1	0	1	1 000	0.0008%
40	HUBIJER SARAJEVO	1	0	1	1,000	0.0008%
41	INTERGLAS DOO SARAJEVO	1	0	1	1,000	0.0008%
42	IVAN BEGIĆ	1	0	1	1,000	0.0008%
43	IVAN BILINOVAC	1	0	1	1,000	0.0008%
44	JUGRIM D.O.O. SARAJEVO	0	1	1	1,000	0.0008%
45	MERSIHA KARKELJA	1	0	1	1,000	0.0008%
46	LA PRIMAVERA SARAJEVO	1	0	1	1,000	0.0008%
47	LAČEVIĆ SZTR SARAJEVO	1	0	1	1,000	0.0008%
48	LOB-KOMERC SARAJEVO	1	0	1	1,000	0.0008%
49	LOVEX SARAJEVO	1	0	1	1,000	0.0008%
50	SEAD DIZDAREVIĆ	1	0	1	1,000	0.0008%
51	SIEMENS d.o.o. Sarajevo	1	0	1	1,000	0.0008%
52	STIPO FRANČIĆ	1	0	1	1,000	0.0008%
53	TRIŠNIK DOO JAJCE	1	0	1	1,000	0.0008%
	TOTAL	119,011	184	119,195	119,195,000	100%

Supervisory Board

Supervisory Board supervises business operation of the Bank and the work of its management, establishes business policies, passes general internal regulations of the Bank, business and other policies and procedures, takes decisions on the issues specified by the applicable law, Statute and other regulations of the Bank. The Supervisory Board consists of 7 members elected by shareholders aft the General Meeting of Shareholders for the term of four years.

On 31 December 2009, members of the Supervisory Board:

1.	Franjo Luković	Chairman	Zagrebačka banka d.d., Zagreb
2.	Sanja Rendulić	Deputy Chairman	Zagrebačka banka d.d., Zagreb
3.	Miljenko Živaljić	Member	Zagrebačka banka d.d., Zagreb
4.	Tomica Pustišek	Member	UniCredit Bank Austria AG, Vienna
5.	Marko Remenar	Member	Zagrebačka banka d.d., Zagreb
6.	Claudio Cesario	Member	UniCredit Bank Austria AG, Vienna
7.	Friederike Kotz	Member	UniCredit Bank Austria AG, Vienna

Management Board of the Bank

Management Board organizes work, manages business operation of the Bank and is responsible for the legality of business and implementation of business policies. The Management Board consists of the Chief Executive Officer, Chief Operating Officer, and Executive Directors. The Bank Management Board is appointed by the Supervisory Board for the term of 4 years with previously obtained consent by Banking Agency of the Federation of BH.

On 31 December 2009, members of the Bank Management are, as follows:

1. Berislav Kutle, Chief Executive Officer
2. Boris Bekavac, Chief Operating Officer
3. Ivan Vlaho, Executive Director for Retail Banking
4. Alek Bakalović, Executive Director for Corporate Banking.

Audit Committee

Audit Committee supervises the work of internal audit, along with the implementation and engagement of an external auditing company that will audit annual financial statements. This Audit Committee consists of 5 members appointed by the Supervisory Board for the term of 4 years.

Members of the Audit Committee as at 31 December 2009 are, as follows:

1.	Danimir Gulin	Chairman
2.	Marijana Brcko	Member
3.	Hrvoje Matovina	Member
4.	Christian Pieschel	Member
5.	Angelika Glavanovits	Member

Responsibilities of the Management and Supervisory Boards for the preparation and approval of the annual financial statements

The Management is required to prepare financial statements for each financial year which give a true and fair view of the financial position of the Bank and of the results of its operations and cash flows, in accordance with applicable accounting standards, and is responsible for maintaining proper accounting records to enable the preparation of such financial statements at any time. Management has a general responsibility for taking such steps as are reasonably available to it to safeguard the assets of the Bank and to prevent and detect fraud and other irregularities.

The Management is responsible for selecting suitable accounting policies to conform to applicable legal requirements and then apply them consistently; make judgements and estimates that are reasonable and prudent; and prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Bank will continue in business.

The Management Board is responsible for the submission to the Supervisory Board of its annual report on the Bank together with the annual financial statements, following which the Supervisory Board is required to approve the annual financial statements for submission to the General Assembly of Shareholders for adoption.

Financial statements at pages from 28 to 101 were authorised by the Management Board on 22 February 2010 for issue to the Supervisory Board, and are signed below to signify this, on behalf of the Bank, by:

Berislav Kutle
Chief Executive Officer

Gordan Pehar
Chief Financial Officer

This version of our report is a translation from the original, which was prepared in Croatian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over translation.

Radim Passer,
Passerinvest Group
Corporate Banking Client - Czech Republic

**«I've been a satisfied client of UniCredit Bank for many years, both for my business and for personal use. Above all, we appreciate that the bank thoroughly understands the real estate market, so that it can effectively evaluate the financing for an individual project.
In 2009, we had a few more chances to appreciate our bank's helpful and constructive approach. Specifically, when we financed our "Filadelfie" project, and then again when we negotiated a loan for the "Residential Park Baarova" project.»**

It's easy with
UniCredit.

Independent auditor’s report to the shareholders of UniCredit Bank d.d.

We have audited the accompanying financial statements of UniCredit Bank d.d. (“the Bank”), which comprise the balance sheet as at 31 December 2009 and the income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes. Financial statements as at and for the year ended 31 December 2008 were audited by another auditor whose report dated 19 February 2009 expressed a positive opinion on those financial statements.

Management’s Responsibility for the Financial Statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting regulations of the Banking Agency of the Federation of Bosnia and Herzegovina. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors’ Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Bank as at 31 December 2009, and of its financial performance and its cash flows for the year then ended in accordance with the accounting regulations of the Banking Agency of the Federation of Bosnia and Herzegovina.

KPMG B-H d.o.o. za reviziju
Registered auditors
Fra Anđela Zvizdovića 1
71000 Sarajevo
Bosnia and Herzegovina

22 February 2010

For and on behalf of KPMG BIH d.o.o. za reviziju:

Senad Pekmez
Director, FBIH Certified Auditor

Licence number 03-49-34-20/06

This version of our report is a translation from the original, which was prepared in Croatian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over translation.

Income statement

For the year ended 31 December

	Note	2009	Restated 2008
		BAM '000	BAM '000
Interest income	6	194,300	206,390
Interest expense	7	(72,520)	(82,115)
Net interest income		**121,780**	**124,275**
Fee and commission income	8	48,999	49,953
Fee and commission expense	9	(2,019)	(2,371)
Net fee and commission income		**46,980**	**47,582**
Dividend income	10a	29	21
Net gains from financial instruments at fair value through profit or loss and foreign exchange trading	10b	8,258	9,781
Net gains from investment securities	10c	624	6,488
Other operating income	10d	2,998	2,471
Total operating income		**180,669**	**190,618**
Operating expenses	11	(127,216)	(133,336)
Profit before impairment and other provisions		**53,453**	**57,282**
Impairment losses on loans and receivables	16 i 18(b)	(22,839)	(17,527)
Other impairment losses and provisions	12	3,842	790
Profit before tax		**34,456**	**40,545**
Income tax expense	13	(5,089)	(7,895)
Profit for the period		**29,367**	**32,650**
Earnings per share (BAM)	30	246.92	274.52

The notes on pages 34 to 101 form an integral part of these financial statements.

Balance sheet

As at 31 December

	Note	2009	2008
		BAM '000	BAM '000
Assets			
Cash reserves	14	481,513	300,603
Obligatory reserve with CBBH	15	301,700	390,588
Placements with and loans to banks	16	485,057	326,706
Available-for-sale debt securities	17a	5,841	4,735
Financial assets at fair value through profit or loss	17b	107	-
Loans to customers	18	2,026,438	2,140,619
Income tax prepayments		2,668	1,790
Accrued interest and other assets	19	45,024	47,244
Associates and other equity investments	20	4,815	4,233
Property and equipment	21	72,056	55,199
Intangible assets	22	26,582	29,166
Total assets		**3,451,801**	**3,300,883**
Liabilities			
Current accounts and deposits from banks	23	331,977	340,300
Current accounts and deposits from customers	24	2,294,145	2,076,677
Financial liabilities at fair value through profit or loss	17b	123	20
Borrowings	25a	213,755	301,512
Subordinated debt	25b	31,293	39,117
Accrued interest and other liabilities	26	91,055	79,932
Issued debt securities (bonds)	27	100,000	100,000
Provisions for liabilities and charges	28	20,581	25,190
Net deferred tax liability	29	142	5
Total liabilities		**3,083,071**	**2,962,753**
Equity			
Issued share capital	30	**119,195**	**119,195**
Treasury shares		(81)	(81)
Share premium		48,317	48,317
Fair value reserve		1,276	43
Reserves		200,023	170,656
Total equity		**368,730**	**338,130**
Total liabilities and equity		**3,451,801**	**3,300,883**

The notes on pages 34 to 101 form an integral part of these financial statements.

Radoslav Bardún,
Medirex
Corporate Banking Client - Slovakia

«In our business, we count on the synergies that come from our financial partnership and friendship with UniCredit Bank. We are always forward looking and have plenty of ideas for further development and growth. With UniCredit Bank, we can find new solutions and then put our ideas into practice.»

It's easy with UniCredit.

Statement of changes in equity

For the year ended 31 December

	Issued share capital	Treasury shares	Share premium	Fair value reserve	Reserves	Total
	BAM'000	BAM'000	BAM'000	BAM'000	BAM'000	BAM'000
Balance as at 1 January 2009	**119,195**	**(81)**	**48,317**	**43**	**170,656**	**338,130**
Change in fair value of AFS financial assets	-	-	-	1,943	-	1,943
Transfer to income statement on disposal of AFS financial assets (Note 10c)	-	-	-	(624)	-	(624)
Foreign exchange difference on non-monetary AFS financial assets	-	-	-	51	-	51
Deferred tax on AFS financial assets (Note 29)	-	-	-	(137)	-	(137)
Net gains recognised directly in equity	-		-	1,233	-	1,233
Net profit for the period	-	-	-	-	29,367	29,367
Total recognised income for 2009	-	-	-	1,233	29,367	30,600
Balance as at 31 December 2009	**119,195**	**(81)**	**48,317**	**1,276**	**200,023**	**368,730**
Balance as at 1 January 2008						
restated	**137,252**	**-**	**30,219**	**132**	**138,153**	**305,756**
Capital redenomination	(18,057)	-	18,057	-	-	-
Acquisition of treasury shares	-	(81)	-	-	(147)	(228)
Transfer of reserves from previous periods on merger	-	-	41	-	-	41
Change in fair value of AFS financial assets	-	-	-	36	-	36
Transfer to income statement on disposal of AFS financial assets (Note 10c)	-	-	-	(192)	-	(192)
Foreign exchange difference on non-monetary AFS financial assets	-	-	-	57	-	57
Deferred tax on AFS financial assets	-	-	-	10	-	10
Net losses recognised directly in equity	-	-		(89)	-	(89)
Net profit for the period as restated	-	-	-	-	32,650	32,650
Total recognised income and expense for 2008	-	-	-	(89)	32,650	32,561
Balance as at 31 December 2008	**119,195**	**(81)**	**48,317**	**43**	**170,656**	**338,130**

The notes on pages 34 to 101 form an integral part of these financial statements.

Statement of cash flows

For the year ended 31 December

	2009	Restated 2008
	BAM '000	BAM '000
Cash flow from operating activities		
Interest receipts	195,959	203,386
Fee and commission receipts	49,187	50,650
Interest payments	(70,335)	(78,567)
Fee and commission payments	(2,007)	(2,308)
Paid operating expenses	(100,467)	(101,995)
Net receipts from trading activities	9,235	9,598
Net receipts from investment securities	624	6,488
Other receipts	2,998	4,697
Net cash inflow from operating activities before changes in operating assets and liabilities	85,194	91,949
(Increase)/decrease in operating assets		
Placements with and loans to banks (including obligatory reserve with the CBBH)	(71,466)	333,796
Loans to customers	89,868	(250,712)
Debt securities available for sale	661	(23)
Equity securities available for sale	(1,152)	(4,334)
Other assets	(105)	4,316
Net decrease in operating assets	17,806	83,043
Increase/(decrease) in operating liabilities		
Demand deposits	102,753	(199,241)
Savings and time deposits	107,620	(191,275)
Debt securities	-	100,000
Borrowings and subordinated debt	(95,581)	(6,478)
Other liabilities	1,786	(25,536)
Net increase/(decrease) in operating liabilities	116,578	(322,530)
Net cash inflow/(outflow) from operating activities before income taxes paid	**219,578**	**(147,538)**
Income taxes paid	(5,967)	(102)
Net cash inflow/(outflow) from operating activities	**213,611**	**(147,640)**

The notes on pages 34 to 101 form an integral part of these financial statements.

	Note	2009	Restated 2008
		BAM '000	BAM '000
Cash flow from investing activities			
Purchase of property and equipment		(32,674)	(27,112)
Dividend receipts		29	21
Net cash outflow from investing activities		(32,645)	(27,091)
Cash flows from financing activities			
Net receipts from sale of treasury shares from previous periods		-	6
Net cash inflow from financing activities		-	6
Net cash inflow/(outflow)		**180,966**	**(174,725)**
Effect of foreign exchange rate changes on cash and cash equivalents		(56)	146
Net increase/(decrease) in cash and cash equivalents		180,910	(174,579)
Cash and cash equivalents at the beginning of the period		**300,603**	**475,182**
Cash and cash equivalents at the end of the period	**14**	**481,513**	**300,603**

The notes on pages 34 to 101 form an integral part of these financial statements.

Notes to financial statements

Reporting entity

UniCredit Bank d.d. (“the Bank”) is a joint stock company incorporated and domiciled in the Federation of Bosnia and Herzegovina. The registered office is at Kardinala Stepinca bb, Mostar. The Bank is a member of Zagrebačka banka Group and UniCredit Group, and provides services in Bosnia and Herzegovina. The Bank provides full range of services, including retail, corporate banking and investment banking services.

1.Principal accounting policies

The principal accounting policies applied in the preparation of these financial statements are summarised below. The principal accounting policies are applicable to all reporting periods in these financial statements. Where specific accounting policies of the Bank are aligned with accounting principles set out in International financial Reporting Standards (“IFRS”), references may be made to certain Standards in describing the accounting policies of the Bank. Unless otherwise stated, these references are to Standards applicable at 31 December 2009.

A) Statement of compliance

Under the Law on Accounting and Auditing of the Federation of Bosnia and Herzegovina, the applicable accounting standards are IFRS, translated into Croatian by the authorized accounting body. The Bank’s operations are also subject to the Banking Law and other by-laws and regulations of the Banking Agency of the Federation of Bosnia and Herzegovina (“the Agency”). These financial statements have been prepared in accordance with these banking regulations. In order to improve quality of the financial reporting the Bank also applies other IFRS and amendments and interpretations, published by the International Federation of Accountants (“IFAC”) and the International Accounting Standards Board (“IASB”) and effective on 31 December 2009, although not yet translated, except for:

- The Bank calculates impairment losses for financial instruments, in particular loans and receivables, in accordance with the effective regulations of the Agency. The Agency requires banks to recognise, in the income statement, collective impairment provisions on otherwise unimpaired risk positions at a prescribed rate of 2%

- Recognition of specific impairment losses calculated in accordance with the Agency requirements is analysed in detail in Note 3a).

- Suspended interest represents the accrued uncollected interest on assets which are classified as impaired assets. Upon reclassification from interest earning to impaired assets, the Bank reverses the full amount of the accrued uncollected interest in the income statement, and ceases to accrue any further interest in the balance sheet (suspended interest is recorded off balance sheet) until collected in cash from the borrower. This policy is not in accordance with IAS 18 “Revenue” and IAS 39 “Financial Instruments: Recognition and Measurement” which require interest income on impaired financial assets to be recognized using the effective interest rate method.

1. Principal accounting policies (continued)

A) Statement of compliance (continued)

- In accordance with the reporting for the Agency and the parent bank, the Bank does not comply with formats of principal financial statement prescribed by IAS 1 (Revised) "Presentation of financial statements", effective for IFRS financial statements for annual periods beginning from 1 January 2009. The Bank kept presenting the balance sheet (did not apply statement of financial position), income statement and statement of changes in equity (did not apply statement of comprehensive income nor the new format of statement of changes in equity).

This English version is a translation of the official statutory financial statements prepared in Croatian.

These financial statements were authorised for issue by the Management Board on 22 February 2010 for approval by the Supervisory Board.

B) Basis of preparation

These financial statements are prepared on a historical or amortised cost basis, except for financial assets and liabilities at fair value through profit or loss and financial assets available for sale which ate stated at fair value and buildings which are stated at revalued amortised cost.

C) Use of estimates and judgements

Preparation of financial statements in accordance with the accounting regulations of the Agency requires the use of certain critical accounting judgements. It also requires Management to make judgements, estimates and assumptions that affect the application of accounting policies of the Bank. Areas that require significant judgement or complexity and areas where estimates and judgements have a significant impact on the financial statements are discussed in Note 3.

D) Functional and presentation currency

The Bank's financial statements are presented in Convertible Marks ("BAM"), which are also the functional currency. Amounts are rounded to the nearest thousand (unless otherwise stated).

The Central Bank of Bosnia and Herzegovina ("CBBH") has implemented a currency board arrangement aligning BAM to EUR at an exchange rate of EUR 1: BAM 1.95583, which prevailed throughout 2009 and 2008.

2. Specific accounting policies

A) Interest income and expense

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

2. Specific accounting policies (continued)

B) Fee and commission income and expense

Fee and commission income and expense mainly comprise fees and commissions related to credit card business, the issue of guarantees and letters of credit, domestic and foreign payments and other services, and are recognised in the income statement upon performance of the relevant service.

C) Net gains from financial instruments at fair value through profit or loss and foreign exchange trading and net gains from investment securities

Net gains from financial instruments at fair value through profit or loss include gains earned from foreign exchange trading and realised and unrealised gains and losses from derivative financial instruments. Net gains from investment securities include realised net gains from sale of financial assets available for sale. Net gains and losses from the translation of monetary assets and liabilities denominated in foreign currency are classified respectively as other operating income, or operating expenses.

D) Foreign currency

Transactions in foreign currencies are translated into BAM at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into BAM at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement, except in the case of differences arising on non-monetary financial assets available for sale, which are recognised in equity. Non-monetary assets and liabilities in foreign currency that are measured at historical cost are translated using the exchange rate at the date of the transaction and are not retranslated at the balance sheet date.

E) Financial instruments

Classification

The Bank classifies its financial instruments in the following categories: loans and receivables, financial assets available for sale, financial assets and financial liabilities at fair value through profit or loss, and other financial liabilities. Management determines the classification of financial instruments at inception and revaluates initial classification at balance sheet date.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivable arise when the Bank provides money to a debtor with no intention of trading with the receivable. Loans and receivables are included in placements with and loans to banks and loans to customers.

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. Financial assets classified as available for sale are intended to be held for an indefinite period of time, but may be sold in response to needs for liquidity or changes in interest rates, foreign exchange rates, or equity prices. Available-for-sale financial assets include debt and equity securities.

2. Specific accounting policies (continued)

E) Financial instruments (continued)

Financial assets and financial liabilities at fair value through profit or loss have two sub-categories: financial instruments held for trading (including derivatives), and those designated by management as at fair value through profit or loss at inception. A financial instrument is classified in this category if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term, for the purpose of short-term profit-taking, or designated as such by management.

Other financial liabilities comprise all financial liabilities which are not held for trading or designated at fair value through profit or loss and include current accounts and deposits, issued debt securities and borrowings.

Recognition

Loans and receivables and other financial liabilities are recognised when advanced to borrowers or received from lenders.
Financial assets available for sale and financial assets and financial liabilities at fair value through profit or loss are recognised on the trade date.

Measurement

(a) Loans and receivables
Loans and receivables are initially recognised at fair value. After initial recognition, loans and receivables are measured at amortised cost using the effective interest rate method, less any impairment.

(b) Available-for-sale financial assets
Available-for-sale financial assets are measured initially at their fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. Subsequent to initial recognition available-for-sale financial assets are measured at fair value, except for equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are stated at cost, including transaction costs, less impairment.

(c) Financial assets and liabilities at fair value through profit or loss
Financial assets and liabilities at fair value through profit or loss are initially recognised at fair value. All transaction costs are immediately expensed. Subsequent measurement is also at fair value.

(d) Other financial liabilities
Other financial liabilities are initially measured at fair value. Subsequent to initial recognition the Bank measures other financial liabilities at amortised cost using the effective interest rate method.

Recognition of gains and losses on subsequent measurement

Gains and losses from a change in the fair value of available-for-sale financial assets are recognised directly in the fair value reserve within equity until derecognition or impairment, when the cumulative amount previously recognised in equity is transferred to income statement. Interest income calculated using the effective interest rate method is recognised in the income statement.

2. Specific accounting policies (continued)

E) Financial instruments (continued)

Foreign exchange gains and losses on available-for-sale equity instruments are part of the fair value of these instruments and are recognised in equity. Dividend income on equity securities is recognised in the income statement when the right to receive payment has been established. Gains and losses arising from a change in the fair value of financial assets or financial liabilities at fair value through profit or loss are recognised in the income statement.

Impairment of financial assets

1) Financial assets carried at amortised cost

The Bank is obliged to review financial assets 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. Loans to customers and placements and loans to banks are presented net of impairment allowance to reflect their estimated recoverable amount. Specific impairment provisions are made against the carrying amount of loans and receivables that are identified as being impaired based on regular reviews of outstanding balances. Impairment allowances are also made for unidentified risks on a portfolio basis. Increases in the impairment allowance are recognised in the income statement.

When a loan is assessed to be uncollectible, and 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 reversal of impairment loss is recognised in the income statement.

2) Financial assets carried at cost

These include equity securities classified as available for sale for which there is no reliable fair value. The Bank assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.
An impairment loss is calculated as the difference between the carrying amount of the financial asset and the present value of expected future cash inflows discounted by the current market required return for similar financial assets. Impairment losses on such instruments, recognised in the income statement, are not subsequently reversed through the income statement.

Derecognition

A financial asset is derecognised (in full or in part) when the Bank loses control over the contractual rights on the asset. This occurs when the rights are realised, expire or are surrendered. The Bank derecognises financial liabilities only when the financial liability ceases to exist, i.e. when it is discharged, cancelled or has expired. If the terms of a financial liability change, the Bank will cease recognising that liability and will instantaneously recognise a new financial liability, with new terms and conditions.

Financial assets available for sale and financial assets and financial liabilities designated at fair value through profit or loss are derecognised on the trade date.

Loans and receivables and other financial liabilities are derecognised on the day that they are transferred by the Bank or when the liability ceases to exist.

2. Specific accounting policies (continued)

E) Financial instruments (continued)

Fair value measurement principles

The Bank determines the fair value of treasury bills using an internal valuation model which considers their remaining maturity and the latest available auction prices of equivalent instruments. Treasury bills are classified as financial assets available for sale.

The fair value of non-exchange-traded derivatives is estimated at the amount that the Bank would receive or pay to terminate the contract at the balance sheet date taking into account current market conditions and the current creditworthiness of the counterparties.

Specific instruments

a) Derivative financial instruments

The Bank uses derivative financial instruments to hedge economically its exposure to foreign exchange and interest rate risks arising from operating, financing and investing activities. The Bank does not hold or issue derivative financial instruments for speculative trading purposes. All derivatives are classified as financial instruments at fair value through profit or loss.

Derivative financial instruments including foreign exchange forward contracts and interest rate swaps are initially recognised and subsequently measured at their fair value in the balance sheet. Fair values are obtained from financial discounted cash flow models. All derivatives are presented as financial assets at fair value through profit or loss when their fair value is positive and as financial liabilities at fair value through profit or loss when it is negative.

b) Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise balance sheet category Cash reserves that include cash in hand, items in the course of collection and current accounts.

c) Placements with and loans to banks

Placements with and loans to banks are classified as loans and receivables and are carried at amortised cost less any impairment losses.

d) Loans to customers

Loans to customers are presented net of impairment allowances to reflect the estimated recoverable amounts.

e) Equity securities

Equity securities are classified as available for sale and carried at fair value, unless there is no reliable measure of the fair value, in which case equity securities are stated at cost, less any impairment.

f) Debt securities

Debt securities are classified as available for sale and carried at fair value.

2. Specific accounting policies (continued)

E) Financial instruments (continued)

g) Investments in associates
Investments in associates are accounted at cost less impairment.

h) Issued debt securities
Bonds issued by the Bank are classified as other liabilities and are initially recorded at fair value. Subsequent to initial recognition they are stated at amortised cost. Any premium or discount on issue would be debited or credited to interest expense on an effective interest rate basis.

i) Current accounts and deposits from banks and customers
Current accounts and deposits are classified as other liabilities and initially measured at fair value less attributable transaction costs, and subsequently stated at their amortised cost using the effective interest rate method.

j) Borrowings and subordinated debt
Interest-bearing borrowings and subordinated debt are recognised initially at fair value, less attributable transaction costs. Subsequent to initial recognition, these are stated at amortised cost on an effective interest rate basis.

F) Property and equipment

Property and equipment are stated at historical cost or deemed cost less accumulated depreciation and impairment losses. Subsequent cost is included in the asset's carrying amount or is recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the period in which they are incurred.

Depreciation is provided on all assets except for land and assets not yet brought into use on a straight-line basis at prescribed rates designated to write off the cost over the estimated useful life of the asset. The estimated economic lives in years are as follows:

	2009	2008
Buildings	50	50
Computers, ATMs EFT POS equipment	4 – 5	3.3 – 4
Office furniture and other equipment	5 – 10	5 – 10
Motor vehicles	5	5
Other	5 – 10	5 – 8

The assets' useful lives and residual values are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposals are determined by comparing proceeds with carrying amount, and included in the income statement as other operating income or expense.

2. Specific accounting policies (continued)

G) Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment losses.
Intangible assets except for intangible assets not yet brought into use are amortised on a straight-line basis over their estimated useful economic lives in years as follows:

	2009	2008
Software	5	5
Leasehold improvements	5	5

The assets' useful lives and residual values are reviewed, and adjusted if appropriate, at each balance sheet date.

H) Income tax

The income tax charge is based on taxable profit for the year and comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the year, using the tax rates enacted or substantially enacted at the balance sheet date, and any adjustments to tax payable in respect of previous years.

Deferred taxes are calculated by using the balance sheet liability method. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets and liabilities are measured by using the tax rates expected to apply to taxable profit in the years in which those temporary differences are expected to be recovered or settled based on tax rates enacted or substantially enacted at the balance sheet date.

The measurement of deferred tax liabilities and deferred tax assets reflects the tax consequences that would follow from the manner in which the enterprise expects, at the balance sheet date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are not discounted and are classified as non-current in the balance sheet. Deferred tax assets are recognised only to the extent that it is probable that sufficient taxable profits will be available against which the deferred tax assets can be utilised. At each balance sheet date, the Bank reassesses unrecognised potential deferred tax assets and the carrying amount of recognised deferred tax assets for indications of potential impairment.

2. Specific accounting policies (continued)

I) Impairment of non-financial assets

Carrying amount of intangible assets not yet brought into use and intangible assets that have an indefinite useful life, are tested for impairment and their recoverable amount estimated whenever events or changes in circumstances indicate that their carrying amount may not be recoverable, or at least annually.

Other non-financial assets (other than deferred tax) are tested on impairment at each balance sheet date. Whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, the recoverable amount is estimated. An impairment loss is recognised in the income statement whenever the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount of non-financial assets is the higher of the asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

J) Provisions

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

Provisions for liabilities and charges are maintained at the level that the Bank's management considers sufficient for absorption of losses. The management determines the sufficiency of provisions on the basis of insight into specific items, current economic circumstances, risk characteristics of certain transaction categories, as well as other relevant factors. Provisions are released only for such expenditure in respect of which provisions are recognised at inception. If the outflow of economic benefits to settle the obligations is no longer probable, the provision is reversed.

K) Share capital

Share capital
Issued share capital represents the nominal value of paid-in ordinary and preferred shares classified as equity and is denominated in BAM.

Treasury shares
When the Bank purchases it's own equity instruments (treasury shares), the consideration paid is deducted from equity until the shares are cancelled. When such shares are subsequently sold or reissued, any consideration received, net of transaction costs, is included in equity.

Reserves
Any profit for the year retained after appropriations is transferred to reserves.

2. Specific accounting policies (continued)

K) Share capital (continued)

Dividends

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

L) Off-balance-sheet commitments and contingent liabilities

In the ordinary course of business, the Bank enters into credit related commitments which are recorded off-balance-sheet and primarily comprise guarantees, letters of credit, undrawn loan commitments and credit card limits. Such financial commitments are recorded in the Bank's balance sheet if and when they become payable.

M) Managed funds for and on behalf of third parties

The Bank manages funds for and on behalf of corporate and retail customers. These amounts do not represent the Bank's assets and are excluded from the balance sheet. For the services rendered the Bank charges a fee.

N) Segment reporting

Business segment is a distinguishable component of the Bank that is engaged in providing products or services, which is subject to risks and rewards that are different from those of other segments. Geographical segment is engaged in providing products or services within a particular economic environment distinguished from other segments engaged in providing products or services within other economic environments. The Bank has identified four primary segments: Retail, Corporate, Investment and Corporate centre. The primary segmental information is based on the internal reporting structure of business segments. Segmental result is measured by applying internal transfer prices (Note 4).

O) Employee benefits

a) Pension obligations

For defined contribution plans, the Bank pays contributions to state-owned institutions and obligatory pension funds managed by state-owned management companies. The contributions are recognised as employee benefit expense as they accrue.

b) Long-term employee rewards

Long-term employee rewards are an important motivation for long-term growth of key financial performance indicators with the aim of maintaining the Bank's key management and employees.
For every cycle of "Long-term incentive plan" a scheme for long-term employee rewards participants are defined based on clear criteria of contribution to the Bank's long-term sustainable and increasing profitability. The expense is recognised in the income statement in the year when is earned.

c) Other employee benefits

Liabilities based on other long-term employee benefits, such as jubilee awards and statutory termination benefits, are recorded as net present value of the liability for defined benefits at the balance sheet date. The projected credit unit method is used for the calculation of the present value of the liability. Market yield on government bonds on the balance sheet date, in currency and in terms that correspond to the currency and other terms of liabilities under these benefits, is used as a discount rate.

2. Specific accounting policies (continued)

P) Earnings per share

The Bank presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the period.

R) Leased assets

Leases in terms of which the Bank as a lessee assumes substantially all the risks and rewards of ownership are classified as finance leases. At the balance sheet date, the Bank did not have any finance leases. All other leases are operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease.

S) Standards, interpretations and amendments to published Standards that are not yet effective and have not been applied in preparing these financial statements

Certain standards and interpretations issued by the International Accounting Standards Board and its International Financial Reporting Interpretations Committee, which were issued as of the date on which these financial statements were authorized for issue, which are applicable to entities reporting under IFRS in periods commencing after 31 December 2009, have not been adopted by the Bank in preparation of these financial statements. If the Agency in the ordinary course of updating its accounting regulations takes into consideration and adopts those standards, some of the following may have a significant impact on the financial statements of the Bank:

• Amendments to IFRS 2 Share-based Payment - Group Cash-settled Share-based Payment Transactions (effective for annual periods beginning on or after 1 January 2010)

The Amendments to the Standard require that an entity receiving goods or services in a share-based payment transaction that is settled by any other entity in the group or any shareholder of such an entity in cash or other assets to recognise the goods or services received in its financial statements. Previously group cash-settled share-based payment transactions were not addressed directly in IFRS 2.
The Amendments to IFRS 2 are currently not relevant to the Bank's financial statements as the Bank does not have any share-based compensation plans.

• Revised IFRS 3 Business Combinations (effective for annual periods beginning on or after 1 July 2009).
The scope of the revised Standard has been amended and the definition of a business has been expanded. The revised Standard also includes a number of other potentially significant changes including:
– All items of consideration transferred by the acquirer are recognised and measured at fair value as of the acquisition date, including contingent consideration.
– Subsequent change in contingent consideration will be recognized in profit or loss.
– Transaction costs, other than share and debt issuance costs, will be expensed as incurred.
– The acquirer can elect to measure any non-controlling interest at fair value at the acquisition date (full goodwill), or at its proportionate interest in the fair value of the identifiable assets and liabilities of the acquire, on a transaction-by-transaction basis.

Revised IFRS 3 is not relevant to the Banks' financial statements as the Banks does not have any interests in subsidiaries that will be affected by the revisions to the Standard.

2. Specific accounting policies (continued)

S) Standards, interpretations and amendments to published Standards that are not yet effective and have not been applied in preparing these financial statements (continued)

- IFRS 9 Financial Instruments (effective for annual periods beginning on or after 1 January 2013, early adoption is permitted).

This Standard replaces the guidance in IAS 39, Financial Instruments: Recognition and Measurement, about classification and measurement of financial assets. The Standard eliminates the existing IAS 39 categories of held to maturity, available for sale and loans and receivable.

Financial assets will be classified into one of two categories on initial recognition:
- financial assets measured at amortized cost; or
- financial assets measured at fair value.

A financial asset is measured at amortized cost if the following two conditions are met: the assets is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and, its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

Gains and losses on remeasurement of financial assets measured at fair value are recognised in profit or loss, except that for an investment in an equity instrument which is not held for trading, IFRS 9 provides, on initial recognition, an irrevocable election to present all fair value changes from the investment in other comprehensive income ("OCI"). The election is available on an individual share-by-share basis. No amount recognised in OCI is ever reclassified to profit or loss at a later date.

It is expected that the new Standard, when initially applied, will have a significant impact on the Bank's financial statements, since it will be required to be retrospectively applied. However, the Bank is not able to prepare an analysis of the impact this will have on the financial statements until the date of initial application. The Bank has not yet decided on the date that it will initially apply the new Standard.

- Revised IAS 24 Related Party Disclosure (effective for annual periods beginning on or after 1 January 2011).

The amendment exempts government-related entity from the disclosure requirements in relation to related party transactions and outstanding balances, including commitments, with (a) a government that has control, joint control or significant influence over the reporting entity; and (b) another entity that is a related party because the same government has control, joint control or significant influence over both the reporting entity and the other entity. The revised Standard requires specific disclosures to be provided if a reporting entity takes advantage of this exemption.

The revised Standard also amends the definition of a related party which resulted in new relations being included in the definition, such as, associates of the controlling shareholder and entities controlled, or jointly controlled, by key management personnel.

The Bank has not yet completed its analysis of the impact of the amended Standard.

2. Specific accounting policies (continued)

S) Standards, interpretations and amendments to published Standards that are not yet effective and have not been applied in preparing these financial statements (continued)

• Revised IAS 27 Consolidated and Separate Financial Statements (effective for annual periods beginning on or after 1 July 2009).

In the revised Standard the term minority interest has been replaced by non-controlling interest, and is defined as "the equity in a subsidiary not attributable, directly or indirectly, to a parent". The revised Standard also amends the accounting for non-controlling interest, the loss of control of a subsidiary, and the allocation of profit or loss and other comprehensive income between the controlling and non-controlling interest.
Revised IAS 27 is not relevant to the Bank's financial statements

• Amendment to IAS 32 Financial Instruments: Presentation – Classification of Rights Issues (effective for annual period beginning on or after 1 February 2010)

The amendment requires that rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments.

The amendments to IAS 32 are not relevant to the Bank's financial statements as the Bank has not issued such instruments at any time in the past.

• Amendment to IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items (effective for annual periods beginning on or after 1 July 2009).
The amended Standard clarifies the application of existing principles that determine whether specific risks or portions of cash flows are eligible for designation in a hedging relationship. In designating a hedging relationship the risks or portions must be separately identifiable and reliably measurable; however inflation cannot be designated, except in limited circumstances.

The amendments to IAS 39 are not relevant to the Bank's financial statements as the Bank does not apply hedge accounting.

• Amendment to IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective for annual period beginning on or after 1 January 2011).

The amendment of IFRIC 14 addresses the accounting treatment for prepayments made when there is also a minimum funding requirements (MFR). Under the amendments, an entity is required to recognize certain prepayments as an asset on the basis that the entity has a future economic benefit from the prepayment in the form of reduced cash outflows in future years in which MFR payments would otherwise be required.

The amendments to IFRIC 14 is not relevant to the Bank's financial statements as the Bank does not have any defined benefit plans with minimum funding requirements.

2. Specific accounting policies (continued)

S) Standards, interpretations and amendments to published Standards that are not yet effective and have not been applied in preparing these financial statements (continued)

- IFRIC 17 Distributions of Non-cash Assets to Owners (effective prospectively for annual periods beginning on or after 15 July 2009).

The Interpretation applies to non-reciprocal distributions of non-cash assets to owners acting in their capacity as owners. In accordance with the Interpretation a liability to pay a dividend shall be recognised when the dividend is appropriately authorised and is no longer at the discretion of the entity and shall be measured at the fair value of the assets to be distributed. The carrying amount of the dividend payable shall be remeasured at each reporting date, with any changes in the carrying amount recognised in equity as adjustments to the amount of the distribution. When the dividend payable is settled the difference, if any, between the carrying amount of the assets distributed and the carrying amount of the dividend payable shall be recognised in profit or loss.

As the Interpretation is applicable only from the date of application, it will have no impact on the financial statements for periods prior to the date of adoption of the Interpretation. Further, since it relates to future dividends that will be at the discretion of the Bank's shareholders, it is not possible to determine the effects of application in advance.

- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments (effective for annual periods beginning on or after 1 July 2010).

The Interpretation clarifies that equity instruments issued to a creditor to extinguish all or part of a financial liability in a 'debt for equity swap' are consideration paid in accordance with IAS 39.41.

The initial measurement of equity instruments issued to extinguish a financial liability is at the fair value of those equity instruments, unless that fair value cannot be reliably measured, in which case the equity instrument should be measured to reflect the fair value of the financial liability extinguished. The difference between the carrying amount of the financial liability (or part of the financial liability) extinguished and the initial measurement amount of equity instruments issued should be recognized in profit or loss.

The Bank did not issue equity to extinguish any financial liability during the current period. Therefore, the Interpretation will have no impact on the comparative amounts in the Bank's financial statements for the year ending 31 December 2010.

Further, since the Interpretation can relate only to transactions that will occur in the future, it is not possible to determine the effects of application in advance.

Improvements to International Financial Reporting Standards 2009

The improvements introduce 15 amendments to 12 standards, none of which are applicable for annual periods beginning before 1 July 2009. These improvements are not expected to have a significant impact on the Bank's financial statements.

2. Specific accounting policies (continued)

T) Financial crisis impact

The ongoing global financial crisis which commenced mid of 2008 has resulted in, among other things, a lower level of capital market activity, lower liquidity levels across the banking sector, higher interbank lending interest rates (during 2008 and a part of 2009, after which time the referent interest rates have decreased), difficult access to funding on the interbank market, and very high volatility in stock markets. The uncertainties in the global financial markets have also led to bank failures and bank rescues in the United States of America, Western Europe, Russia and elsewhere.

Thanks primarily to the fact that the local banks are isolated from the global markets, and that their main focus is on the local market, banking sector in Bosnia and Herzegovina ("BH") has managed to escape the direct consequences of the global financial crisis. Indirect consequences are however observable in 2009 through increased rate of impairment loss on loans to customers.

Impact on liquidity risk

Conservative business policies of the Bank, as well as strict regulations of the Agency, and measures brought by the CBBH partially offset the negative effect of the crisis on the Bank's liquidity.

During the last quarter of 2008, commercial banks in BH also experienced deposit withdrawals, partially due to the lack of confidence in the stability of BH banking system, and due to the fact that the State did not resolve repayment of frozen retail savings deposits. During 2009 the market has stabilised, and deposits from customers have increased, in particular at year end following the partial settlement of frozen retail savings deposits.

Due to an increase in current accounts and deposits and a decrease in loans to customers, the ratio of loans to deposits has decreased from 113.2% (at the previous balance sheet date) to 98.4%.

In order to protect the Bank from the impact of liquidity risk, along with the regular six-month liquidity plans the Bank continues with the liquidity management practices involving daily information monitoring on changes with direct impact on liquidity, making decisions on optimum liquidity and liquidity projections according to local regulation requirements.

Despite the crisis, the Bank had a satisfactory liquidity position throughout the whole period. In this respect, the Bank also has a full support of Zagrebačka banka and UniCredit Bank Austria.

Impact on credit risk

In 2009, the Bank maintained its conservative lending policy. Strict application of the policy during the previous years, turned out to be the adequate approach to credit risk management especially in a time of crisis.

The Bank has established daily monitoring the quality of the existing portfolio of the Bank's individual retail and corporate loans as well as monitoring of groups of related exposures.

2. Specific accounting policies (continued)

T) Financial crisis impact (continued)

Impact on credit risk (continued)

The existing collateral policy of the Bank is considered to be reasonable protection for the Bank. For lower exposures, the Bank requires appropriate mandatory collateral instruments, usually collection enforcement instruments. For more significant exposures and longer repayment periods, the Bank usually takes mortgage over property.

The Bank usually uses services of ZANE BH d.o.o., a member of Zagrebačka banka Group, for real estate valuation purposes.

Although the impact of the financial crisis cannot be fully foreseen or mitigated, the Bank has taken and continues to undertake a series of activities strongly focused in the direction of monitoring the quality of the existing retail and corporate portfolio, making daily risk management and monitoring performed by relationship managers, with continued active involvement from restructuring and credit risk monitoring experts.

Impact on market risk

When it comes to operations with financial institutions, in response to the global financial crisis, whose effects began to have an impact on the banking sector in Bosnia and Herzegovina in 2009, the Bank continued to gather information on changes and emergency situations for individual financial institutions and high-risk countries.

During 2009 the Bank established stress testing for three different types of market risks – foreign currency risk, interest rate repricing risk and short-term liquidity risk. In the future periods the Bank's focus will be on the development of new stress and back testing models in order to improve risk management and risk prevention.

U) Legal and statutory reserve

Legal and statutory reserve is created in accordance with Company Law of the Federation of Bosnia and Herzegovina, which requires 10% of the profit for the year to be appropriated to this reserve until reaching 25% of issued share capital. If the statutory reserve does not reach 25% of issued share capital within 5 business years, a joint stock company is required to increase its appropriations to this reserve to 20% of its profit for the year at the end of the fifth and any following business years reaching 25% of the issued share capital. This reserve can be used for covering current and prior year losses.

Under the Banking Law as lex speciales there is no requirement for banks in BH to form such reserve nor on their proportion to total equity.

Existing legal reserve is created by the decisions on appropriation of profit in the merged HVB CPB bank in previous years, and is presented in the balance sheet statement of changes in equity within reserves.

3. Significant accounting estimates and judgements

The Bank makes estimates and assumptions about uncertain events, including estimates and assumptions about the future. Such accounting assumptions and estimates are regularly evaluated, and are based on historical experience and other factors such as the expected flow of future events that can be rationally assumed in existing circumstances, but nevertheless necessarily represent sources of estimation uncertainty. The estimation of impairment losses in the Bank's lending portfolio represents the major source of estimation uncertainty. This and other key sources of estimation uncertainty, that have a significant risk of causing a possible material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

a) Impairment losses on loans and receivables

The Bank monitors the creditworthiness of its customers on an ongoing basis. The need for impairment of the Bank's on- and off-balance-sheet credit risk exposure is assessed on a monthly basis. Impairment losses are made mainly against the carrying value of loans to corporate and retail customers (summarised in Note 18), and as provisions for liabilities and charges arising from off-balance-sheet risk exposure to customers, mainly in the form of guarantees and letters of credit (summarised in Note 12 and Note 28). Impairment losses are also considered for credit risk exposures to banks and for other assets not carried at fair value, where the primary risk of impairment is not credit risk.

	Note	2009 BAM '000	2008 BAM '000
Summary of impairment allowance			
Impairment allowance for loans to customers	**18**	230,272	210,584
Provisions for liabilities and charges	**28**	20,581	25,190
Total		**250,853**	**235,774**

Financial assets carried at amortised cost

The Bank first assesses whether objective evidence of impairment exists individually for assets that are individually significant (mainly corporate exposures and retail exposures over BAM 20 thousand) and collectively for assets that are not individually significant (mainly retail exposures under BAM 20 thousand). However, assets assessed individually as unimpaired are then included in groups of assets with similar credit risk characteristics and then assessed collectively for impairment.

The Bank estimates impairment losses in cases where it judges that the observable data indicates the likelihood of a measurable decrease in the estimated future cash flows of the asset or portfolio of assets. Such evidence includes delinquency in payments or other indications of financial difficulty of borrowers and adverse changes in the economic conditions in which borrowers operate or in the value or enforceability of security, where these changes can be correlated with defaults.

3. Significant accounting estimates and judgements (continued)

a) Impairment losses on loans and receivables (continued)

The Bank takes into consideration the combined effect of several events when assessing impairment and uses its experienced judgement in cases where the observable data required to estimate impairment is limited. In estimating impairment losses on items individually or collectively assessed as impaired, the Bank also has regard to the ranges of specific impairment loss rates prescribed by the Agency, based on the overdue days.

At the year end, the gross value of specifically impaired loans and receivables, and the rate of impairment loss recognised, was as follows:

			2009 BAM'000			2008 BAM'000
	Corporates	Retail	**Total**	Corporates	Retail	**Total**
Gross exposure	172,158	55,946	**228,104**	125,696	52,090	**177,786**
Impairment rate	76.46%	80.86%	**77.54%**	94.59%	74.82%	**88.79%**

A one percentage increase in the impairment rate on the gross portfolio identified above as impaired at 31 December 2009 would lead to the recognition of an additional impairment loss of BAM 2,281 thousand (2008: BAM 1,778 thousand).

The Bank also recognises impairment losses on performing loans with delays in repayment of up to 90 days, at rates prescribed by the Banking Agency, in the range of 5% to 15%. The amount of impairment losses at 31 December 2009, recognised for performing loans and advances with repayment delays of up to 90 days, amounted BAM 3,864 thousand (2008: BAM 4,268 thousand).

In addition to specifically identified losses on impaired loans, and in addition to the impairment losses recognised on performing loans as described above, the Bank also recognises impairment losses which are known to exist at the balance sheet date, but which have not yet been specifically identified. In estimating unidentified impairment losses existing in collectively assessed portfolios, the Bank uses the impairment loss rate of 2% prescribed by the Banking Agency to be calculated on all credit risk exposures except those carried at fair value, including off-balance-sheet amounts. Amounts assessed as impaired on an individual basis are excluded from this calculation.

The amount of impairment losses at 31 December 2009, estimated on a portfolio basis as described above amounted to BAM 49,433 thousand (2008: BAM 54,284 thousand) of the relevant on and off-balance-sheet exposure. Total of these portfolio based impairment losses amounted to 2.35% (2008: 2.44%) of loans and advances to customers and to 1.85% (2008: 1.97%) of on and off-balance-sheet credit risk exposure, in both cases net of amounts individually assessed as impaired.

b) Taxation

The Bank provides for tax liabilities in accordance with the tax laws of Federation of Bosnia and Herzegovina. Tax returns are subject to the approval of the tax authorities who are entitled to carry out subsequent inspections of taxpayers' records.

c) Regulatory requirements

Banking Agency of the Federation of Bosnia and Herzegovina is entitled to carry out regulatory inspections of the Bank's operations and to request changes to the carrying values of assets and liabilities, in accordance with the underlying regulations.

d) Litigations and claims

The Bank makes individual assessment of all court cases for which the value of the case is above BAM 25 thousand. All court cases below BAM 25 thousand are monitored and provided for on a portfolio basis. The initial assessment is made by the Bank's Legal Department and its adequacy is independently monitored by Risk Management Division.

As stated in Note 28 the Bank provided BAM 7,660 thousand (2008: BAM 11,160 thousand), which the management estimates as sufficient. It is not practicable for management to estimate the financial impact of changes to the assumptions based on which the management assesses the need for provisions.

4. Financial information by segment

Segments recognised for the purpose of presenting financial information by segment can be analysed as follows:

- Retail segment includes: individuals, and sole trader clients;
- Corporate segment includes: small, medium and large corporate clients, government and public sector;
- Investment segment includes trading activities (“MIB”) and asset and liability management (ALM) and
- Corporate centre segment includes equity, investment in associates and other assets not assigned to other segments.

Financial information by segments is prepared according to management accounting reports.

In measurement of segment results the Bank applies internal prices, based on specific prices in appropriate currency and maturity, with embedded additional adjustments.

Methodology of allocation of segmental income and expenses was identical in both reporting periods.

Segmental income statement

31 December 2009	Retail	Corporate	Investment	Corporate centre	Total
	BAM ‘000	BAM ‘000	BAM ‘000	BAM ‘000	BAM ‘000
Net interest income	94,409	25,550	3,629	(1,808)	121,780
Net fee and commission income	32,200	15,593	(209)	(604)	46,980
Dividend income	-	-	-	29	29
Net gains from financial instruments at fair value through profit or loss and foreign exchange trading	4,992	1,502	1,763	1	8,258
Net gains from investment securities	-	-	-	624	624
Other operating income	1,201	1,699	32	66	2.998
Total operating income	**132,802**	**44,344**	**5,215**	**(1,692)**	**180,669**
Operating expenses	(91,117)	(28,594)	(1,470)	(6,035)	(127,216)
Impairment losses on loans and receivables and other impairments and provisions	(7,684)	(14,074)	-	2,761	(18,997)
Segment result	**34,001**	**1,676**	**3,745**	**(4,966)**	**34,456**
Income tax expense	-	-	-	(5,089)	(5,089)
Income tax expense	**34,001**	**1,676**	**3,745**	**(10,055)**	**29,367**

4. Financial information by segment (continued)

Restated 31 December 2008	Retail	Corporate	Investment	Corporate centre	Total
	BAM '000	BAM '000	BAM '000	BAM '000	BAM '000
Net interest income	75,784	30,163	15,530	2,798	124,275
Net fee and commission income	32,736	16,062	(1,216)	-	47,582
Dividend income	-	21	-	-	21
Net gains and losses from financial instruments at fair value through profit or loss and foreign exchange trading	5,323	2,523	2,055	(120)	9,781
Net gains from investment securities	-	-	-	6,488	6,488
Other operating income	1,581	818	72	-	2,471
Total operating income	**115,424**	**49,587**	**16,441**	**9,166**	**190,618**
Operating expenses	(93,597)	(26,957)	(1,352)	(11,430)	(133,336)
Impairment losses on loans and receivables and other impairments and provisions	(9,140)	(4,452)	-	(3,145)	(16,737)
Segment result	**12,687**	**18,178**	**15,089**	**(5,409)**	**40,545**
Income tax expense	-	-	-	(7,895)	(7,895)
Profit for the period	**12,687**	**18,178**	**15,089**	**(13,304)**	**32,650**

4. Financial information by segment (continued)

Segmental balance sheet

31 December 2009	Retail	Corporate	Investment	Corporate centre	Total
	BAM '000	BAM '000	BAM '000	BAM '000	BAM '000
Segment assets	1,361,033	665,405	1,274,218	143,662	3,444,318
Investment in associates and other equity investments	-	-	-	4,815	4,815
Income tax prepayments	-	-	-	2,668	2,668
Total assets	**1,361,033**	**665,405**	**1,274,218**	**151,145**	**3,451,801**
Segment liabilities	1,370,340	921,410	681,554	478,355	3,451,659
Deferred tax liability	-	-	-	142	142
Total liabilities	**1,370,340**	**921,410**	**681,554**	**478,497**	**3,451,801**
31 December 2008					
Segment assets	1,380,209	760,410	924,128	230,113	3,294,860
Investment in associates and other equity investments	-	-	-	4,233	4,233
Income tax prepayments	-	-	-	1,790	1,790
Total assets	**1,380,209**	**760,410**	**924,128**	**236,136**	**3,300,883**
Segment liabilities	1,270,533	803,871	680,929	545,545	3,300,878
Deferred tax liability	-	-	-	5	5
Total liabilities	**1,270,533**	**803,871**	**680,929**	**545,550**	**3,300,883**

5. Restatement of previously reported amounts

The restatement of 2008 income statement, as previously reported is presented below. The income statement of UniCredit Bank d.d. as previously reported did not include results of the merged HVB CPB for the period from 1 January 2008 to 29 February 2008. The restatement is made to enhance comparability with current year information.

	As previously reported 2008	HVB CPB 1 January-29 February 2008	Restated 2008
	BAM '000	BAM '000	BAM '000
Income statement			
Interest income	191,471	14,919	206,390
Interest expense	(76,042)	(6,073)	(82,115)
Net interest income	**115,429**	**8,846**	**124,275**
Fee and commission income	47,311	2,642	49,953
Fee and commission expense	(2,284)	(87)	(2,371)
Net fee and commission income	**45,027**	**2,555**	**47,582**
Dividend income	21	-	21
Net gains from financial instruments at fair value through profit or loss and foreign exchange trading	8,935	846	9,781
Net gains from investment securities	6,488	-	6,488
Other income	2,497	(26)	2,471
Total operating income	**178,397**	**12,221**	**190,618**
Operating expenses	(124,880)	(8,456)	(133,336)
Profit before impairment and other provisions	**53,517**	**3,765**	**57,282**
Impairment losses on loans to customers	(16,262)	(1,265)	(17,527)
Other impairment losses and provisions	1,257	(467)	790
Profit before tax	**38,512**	**2,033**	**40,545**
Income tax expense	(7,708)	(187)	(7,895)
Profit for the period	**30,804**	**1,846**	**32,650**

6. Interest income

a) Analysis by source

Total interest income is analysed by source as follows:

	2009	Restated 2008
	BAM '000	**BAM '000**
Individuals	124,096	111,317
Companies	58,355	60,008
Banks and other financial institutions	5,474	30,308
State and public sector	6,375	4,757
	194,300	**206,390**

Banks and other financial institutions also comprise interest income on obligatory reserve at CBBH.

b) Analysis by product

Total interest income is analysed by product as follows:

	2009.	Prepravljeno 2008.
	BAM '000	**BAM '000**
Loans to customers	188,512	175,841
Placements with and loans to banks and cash reserves	2,415	16,491
Obligatory reserve at CBBH	3,060	11,926
Interest rate swaps	-	1,891
Debt securities	313	241
	194,300	**206,390**

7. Interest expense

a) Analysis by recipient

Total interest expense is analysed by recipient as follows:

	2009	Restated 2008
	BAM '000	**BAM '000**
Banks and other financial institutions	25,672	40,026
Individuals	27,884	24,019
State and public sector	9,423	8,672
Companies	9,541	9,398
	72,520	**82,115**

b) Analysis by product

Total interest payable is analysed by product as follows:

	2009	Restated 2008
	BAM '000	**BAM '000**
Current accounts and deposits from individuals	27,884	24,020
Borrowings and subordinated debt	12,422	21,204
Current accounts and deposits from companies	18,961	18,049
Current accounts and deposits from banks	9,880	16,234
Debt securities	3,370	1,373
Interest rate swaps	-	1,215
Other	3	20
	72,520	**82,115**

8. Fee and commission income

	2009	Restated 2008
	BAM '000	BAM '000
Credit card fees	20,343	19,116
Domestic payment transactions fees	12,028	12,064
Foreign payment transaction fees	7,662	8,166
Fee income from guarantees and letters of credit	4,989	5,317
Other fee and commission income	3,977	5,290
	48,999	**49,953**

9. Fee and commission expense

	2009	Restated 2008
	BAM '000	BAM '000
Foreign payment transaction fees	1,258	1,308
Domestic payment transaction fees	513	498
Other fees and commissions	248	565
	2,019	**2,371**

10a. Dividend income

	2009	Restated 2008
	BAM '000	BAM '000
Dividends from other equity securities	29	21

10b. Net gains from financial instruments at fair value through profit or loss and foreign exchange trading

	2009	Restated 2008
	BAM '000	BAM '000
Foreign exchange spot trading gains	8,275	9,865
Net trading losses from FX forward transactions	(17)	(84)
	8,258	**9,781**

10c. Net gains from investment securities

	2009	Restated 2008
	BAM '000	BAM '000
Realised gain on sale of AFS financial assets	624	192
Endowment and disposals of shares	-	6,296
	624	**6,488**

10d. Other operating income

	2009	Restated 2008
	BAM '000	BAM '000
Income from expenses recharged to customers	284	170
Gain on disposal of property and rental income	119	83
Receipts from receivables previously written off	1,249	751
Income from sending warnings to customers	529	364
Income from claims settled by insurance companies	127	24
Other income	690	1,079
	2,998	**2,471**

11. Operating expenses

	2009	Restated 2008
	BAM '000	BAM '000
Administration and marketing expenses	46,995	55,471
Personnel costs	54,013	53,799
Depreciation and amortisation	18,211	16,588
Savings deposit insurance expenses	5,224	5,645
Government contributions (excluding personnel related)	1,110	1,193
Other expenses	1,663	640
	127,216	**133,336**

Personnel costs includes BAM 9,837 thousand of defined pension contributions paid into the State pension plan (2008: BAM 8,661 thousand);

Key management remuneration:

- BAM 1,151 thousand of remuneration paid to Management Board (2008: BAM 1,039 thousand) and BAM 1,140 thousand to other key management personnel of the Bank (2008: BAM 727 thousand);

- BAM 4,088 thousand of bonuses (2008: BAM 4,806 thousand);

- BAM 638 thousand of provisions for long-term incentive plan for management (2008: BAM 638 thousand).

12. Other impairment losses and provisions

The charge/(credit) to the income statement in respect of non-loan impairment losses and other provisions is analysed as follows:

	2009	Restated 2008
	BAM '000	BAM '000
Guarantees and letters of credit (Note 28)	(1,075)	1,681
Provisions for liabilities and charges (Note 28)	(3,354)	758
Other assets (Note 19)	384	(3,229)
Impairment loss on tangible assets (Note 21)	203	-
	(3,842)	**(790)**

13. Income tax

Income tax charged in the income statement comprises only current tax. Deferred tax is recognised only in equity. The Bank applied conservative approach in tax calculation and did not recognise deferred tax in the income statement for temporary differences.

a) Income tax expense recognised in the income statement

	2009	Restated 2008
	BAM '000	**BAM '000**
Profit before tax	34,456	40,545
Expenses not deductible for tax purposes and provisions	17,325	41,146
Suspended income, not recognised as expense in prior years	(890)	(401)
Tax basis	50,891	81,290
Income tax at 10%	5,089	8,129
Reinvestment incentives	-	(234)
Income tax charge for the year	**5,089**	**7,895**

b) Reconciliation of the income tax expense

	2009	Restated 2008
	BAM '000	**BAM '000**
Profit before tax	34,456	40,545
Tax calculated at rate of 10%	3,446	4,054
Expenses not deductible for tax purposes	665	905
Provisions and write offs not deductible for tax purposes	1,067	3,210
Reinvestment incentives	-	(234)
Suspended income, that was not recognised as expense in prior years	(89)	(40)
Income tax expense	**5,089**	**7,895**
Average effective income tax rate	**14.8%**	**19.5%**

14. Cash reserves

	2009	2008
	BAM '000	**BAM '000**
Cash in hand	111,974	98,372
Items in the course of collection	157	132
Current accounts with other banks	28,395	40,812
Giro account with central bank	340,987	161,287
	481,513	**300,603**

15. Obligatory reserve with the Central Bank BH

The obligatory reserve represents amounts required to be deposited with the Central Bank BH (CBBH). Obligatory reserve is calculated on the basis of deposits and borrowings taken regardless of the currency the funds are denominated in.

The basis for calculation excludes:
- borrowings taken from foreign entities commencing from 1 November 2008;
- the funds from government aimed at development projects commencing from 1 May 2009.

Obligatory reserve requirement represents:
- 14% on deposits and borrowings with maturity of up to one year (short-term deposits and borrowings)
- 7% on deposits and borrowings with maturity over one year (long-term deposits and borrowings) – until 1 May 2009 requirement was 10%.

Interest is earned as follows:
- for the obligatory reserve up to the minimum requirement at the rate of 0.5% (until 1 April 2009 the rate was 1%);
- for the deposited funds exceeding the minimum requirement based on average interest rates earned by CBBH on funds invested up to one month (until 1 April 2009 on overnight deposits).

16. Placements with and loans to banks

	2009	2008
	BAM '000	BAM '000
Placements with other banks - gross	485,495	327,147
Impairment allowance	(438)	(441)
	485,057	**326,706**

Placements with other banks at 31 December 2009 included BAM 2,574 thousand pledged as collateral to secure the Bank's liabilities to Visa and MasterCard in respect of credit card operations (2008: BAM 4,188 thousand).

Movement in impairment allowance for placements with and loans to banks:

	2009	2008
	BAM '000	BAM '000
As at 1 January	441	445
Net charge to income statement	(3)	(4)
As at 31 December	**438**	**441**

Net charge or credit to the income statement resulting from the movement in impairment allowance for placements with and loans to banks forms part of impairment losses for loans and receivables in the income statement.

17a. Available-for-sale debt securities

Debt securities in the amount of BAM 5,841 thousand (2008: BAM 4,735 thousand) relate to treasury bills of the Republic of Croatia, and are classified as available-for-sale financial assets.

17b. Financial assets and financial liabilities at fair value through profit or loss

	2009	2009	2008	2008
	BAM '000	BAM '000	BAM '000	BAM '000
Financial assets	**Nominal amount**	**Fair value**	**Nominal amount**	**Fair value**
Derivatives classified as held for trading – OTC products				
Forward foreign exchange contracts	207,080	107	-	-

	2009	2009	2008	2008
	BAM '000	BAM '000	BAM '000	BAM '000
Financial liabilities	**Nominal amount**	**Fair value**	**Nominal amount**	**Fair value**
Derivatives classified as held for trading – OTC products				
Forward foreign exchange contracts	4,339	123	280,553	20

18. Loans to customers

a) Analysis by product

	2009	2008
	BAM '000	**BAM '000**
Corporate		
- in BAM	932,149	974,420
- in foreign currency	66,057	112,936
Gross corporate	**998,206**	**1,087,356**
Impairment allowance	(159,100)	(144,707)
Net corporate	**839,106**	**942,649**
Retail		
- in BAM	1,257,196	1,262,387
- in foreign currency	1,308	1,460
Gross retail	**1,258,504**	**1,263,847**
Impairment allowance	(71,172)	(65,877)
Net retail	**1,187,332**	**1,197,970**
Total gross loans	**2,256,710**	**2,351,203**
Impairment allowance	(230,272)	(210,584)
Net loans	**2,026,438**	**2,140,619**
Total impairment allowance as a percentage of gross loans to customers	10.20%	8.96%

In Notes 18 and 33 corporate include companies, State and public sector and retail includes individuals and sole traders. Included in retail loans in BAM is BAM 1,113,570 thousand of loans (2008: BAM 1,161,051 thousand), and in corporate BAM loans BAM 561,673 thousand (2008: BAM 555,372 thousand) which have EUR counter value. Repayments of principal and interest are determined with reference to the EUR counter value and are paid in the BAM equivalent translated at the rate applicable at the date of payment.

18. Loans to customers (continued)

b) Movement in impairment allowance for loans and receivables

Impairment loss on loans and receivables presented in the income statement arises from the following movements in impairment allowance for uncollectability of loans and receivables:

	Retail customers	Corporate entities	Total
	BAM '000	BAM '000	BAM '000
Balance as at 1 January 2009	65,877	144,707	210,584
Net charge to income statement	5,654	17,188	22,842
Write offs	(371)	(2,835)	(3,206)
Foreign exchange differences	12	40	52
Balance as at 31 December 2009	**71,172**	**159,100**	**230,272**
Balance as at 1 January 2008	55,623	142,006	197,629
Net charge to income statement	9,633	7,898	17,531
Net transfer from off-balance sheet (current accounts classified to risk grade E)	689	-	689
Write offs	(68)	(5,130)	(5,198)
Foreign exchange differences	-	(67)	(67)
Balance as at 31 December 2008	**65,877**	**144,707**	**210,584**

Impairment allowance for loans to and receivables from customers also includes general provision for other assets and all other items for which the general provision is created in accordance with the Agency regulations.

Net charge or credit to income statement resulting form movement in impairment allowance for loans and receivables is disclosed in the line impairment losses for loans and receivables in the income statement.

18. Loans to customers (continued)

c) Concentration of credit risk by industry

The Bank's loan portfolio as at 31 December 2009, net of provisions, is analysed by industry in the table below:

	2009	2008
	BAM '000	BAM '000
Manufacturing of transport vehicles and ships	10,116	3,080
Wood and paper	75,528	71,595
Food and drink	55,152	71,464
Metal and engineering	15,108	40,230
Electricity, gas and water	25,657	22,979
Electrical and optical equipment	11,951	20,649
Chemicals	17,811	19,527
Textiles and leather	6,215	12,570
Tobacco	165	81
Other manufacturing	55,266	32,753
Manufacturing	**272,969**	**294,928**
Retail and wholesale trade	312,633	343,228
Construction	97,714	107,045
Financial intermediaries	42,564	49,604
Transport and communications	41,512	46,131
Hotels and restaurants	31,330	32,195
Real estate business	459	17,726
Agriculture, forestry and fisheries	7,522	15,260
Central and local government and defence	11,117	10,697
Education and other public services	1,642	1,463
Health and social care	1,318	1,098
Other	18,326	23,274
Total other corporate loans	**566,137**	**647,721**
Total corporate loans	**839,106**	**942,649**
Housing loans	322,008	334,253
Other retail loans	865,324	863,717
Total retail loans	**1,187,332**	**1,197,970**
Total loans to customers	**2,026,438**	**2,140,619**

19. Accrued interest and other assets

	2009	2008
	BAM '000	**BAM '000**
Receivables from debit and credit cards	25,715	25,631
Accrued interest – not due	11,328	10,286
Accrued interest – due	2,123	4,831
Accrued fees	493	677
Other assets	10,008	11,805
Impairment allowance	(4,643)	(5,986)
	45,024	**47,244**

Movement in impairment allowance for other assets:

	2009	2008
	BAM '000	**BAM '000**
As at 1 January	5,986	13,460
Net charge to income statement	384	(3,229)
Transfer to commissions to customers	-	(124)
Transfer to property and equipment	(112)	-
Amounts written off	(1,605)	(4,121)
Foreign currency differences	(10)	-
As at 31 December	**4,643**	**5,986**

Net charge or credit to income statement resulting from the movement in impairment allowance for other assets is presented within other impairment losses and provisions in the income statement (Note 12).

20. Associates and other equity investments

	2009	2008
	BAM '000	**BAM '000**
Associates	1,787	1,787
Other equity investments	3,028	2,446
	4,815	**4,233**

Associates represent the Bank's equity investment in UPI Poslovni sistem d.d. As at 31 December 2009, the Bank held 48.8% of the share capital in UPI Poslovni sistem d.d. (2008: 48.8%). Other equity securities include investment in Visa Inc. (BAM 2,813 thousand), Bosna reosiguranje (BAM 154 thousand), Registar vrijednosnih papira FBiH (BAM 32 thousand), Sarajevo osiguranje (BAM 28 thousand) and Bamcard (BAM 1 thousand) and are classified as available for sale.

21. Property and equipment

2009	Land and buildings BAM '000	Computers, equipment and motor vehicles BAM '000	Assets acquired but not brought into use BAM '000	Total BAM '000
Cost or valuation				
As at 1 January 2009	**28,044**	**66,463**	**9,327**	**103,834**
Additions	-	-	26,068	26,068
Write offs	-	(1,872)	-	(1,872)
Disposals	(204)	(55)	-	(259)
Brought into use	22,109	7,736	(29,845)	-
Transfer to other assets	80	-	-	80
As at 31 December 2009	**50,029**	**72,272**	**5,550**	**127,851**
Depreciation				
As at 1 January 2009	**6,512**	**42,123**	**-**	**48,635**
Transfer from other assets	112	-	-	112
Depreciation charge for the year	916	7,861	-	8,777
Write offs	-	(1,863)	-	(1,863)
Disposals	(31)	(38)	-	(69)
Impairment loss (Note12)	203	-	-	203
As at 31 December 2009	**7,712**	**48,083**	**-**	**55,795**
Net carrying amount				
As at 1 January 2009	**21,532**	**24,340**	**9,327**	**55,199**
As at 31 December 2009	**42,317**	**24,189**	**5,550**	**72,056**

Assets acquired but not brought into use at year end represent equipment and motor vehicles not yet put into use.

21. Property and equipment (continued)

2008	Land and buildings BAM '000	Computers, equipment and motor vehicles BAM '000	Assets acquired but not brought into use BAM '000	Total BAM '000
Cost or valuation				
As at 1 January 2008	**27,437**	**59,005**	**3,072**	**89,514**
Additions	-	-	16,060	16,060
Brought into use	614	9,191	(9,805)	-
Disposals and write offs	(7)	(1,733)	-	(1.740)
As at 31 December 2008	**28,044**	**66,463**	**9,327**	**103,834**
Depreciation				
As at 1 January 2008	**5,664**	**36,211**	**-**	**41,875**
Depreciation charge for the year	848	8,362	-	9,210
Disposals and write offs	-	(2,450)	-	(2,450)
As at 31 December 2008	**6,512**	**42,123**	**-**	**48,635**
Net carrying amount				
As at 1 January 2008	**21,773**	**22,794**	**3,072**	**47,639**
As at 31 December 2008	**21,532**	**24,340**	**9,327**	**55,199**

Assets acquired but not brought into use at year end represent equipment and motor vehicles not yet put into use.

22. Intangible assets

2009	Software BAM '000	Leasehold improvements BAM '000	Other intangible assets BAM '000	Assets acquired but not brought into use BAM '000	Total BAM '000
Cost or valuation					
As at 1 January 2009	**30,176**	**24,536**	**2,870**	**3,236**	**60,818**
Additions	-	-	-	6,850	6,850
Write offs	-	(324)	-	-	(324)
Brought into use	-	3,926	1,344	(5,270)	-
As at 31 December 2009	**30,176**	**28,138**	**4,214**	**4,816**	**67,344**
Amortisation					
As at 1 January 2009	**15,490**	**15,715**	**447**	**-**	**31,652**
Amortisation charge for the year	5,162	3,647	625	-	9,434
Write offs	-	(324)	-	-	(324)
As at 31 December 2009	**20,652**	**19,038**	**1,072**	**-**	**40,762**
Net carrying amount					
As at 1 January 2009	**14,686**	**8,821**	**2,423**	**3,236**	**29,166**
As at 31 December 2009	**9,524**	**9,100**	**3,142**	**4,816**	**26,582**

Assets acquired but not brought into use at year end represent leasehold improvements and software.

22. Intangible assets (continued)

2008	Software BAM '000	Leasehold improvements BAM '000	Other intangible assets BAM '000	Assets acquired but not brought into use BAM '000	Total BAM '000
Cost or valuation					
As at 1 January 2008	**20,940**	**21,361**	**1,303**	**6,822**	**50,426**
Additions	-	-	-	10,396	10,396
Brought into use	9,236	3,179	1,567	(13,982)	-
Disposals and write offs	-	(4)	-	-	(4)
As at 31 December 2008	**30,176**	**24,536**	**2,870**	**3,236**	**60,818**
Amortisation					
As at 1 January 2008	**12,078**	**12,160**	**40**	**-**	**24,278**
Amortisation charge for the year	3,412	3,559	407	-	7,378
Disposals and write offs	-	(4)	-	-	(4)
As at 31 December 2008	**15,490**	**15,715**	**447**	**-**	**31,652**
Net carrying amount					
As at 1 January 2008	**8,862**	**9,201**	**1,263**	**6,822**	**26,148**
As at 31 December 2008	**14,686**	**8,821**	**2,423**	**3,236**	**29,166**

Assets acquired but not brought into use at year end represent leasehold improvements and software.

23. Current accounts and deposits from banks

	2009 BAM '000	2008 BAM '000
Demand deposits		
- in BAM	871	7,146
- in foreign currency	4,677	4,716
Term deposits		
- in BAM	1	2,010
- in foreign currency	326,428	326,428
	331,977	**340,300**

24. Current accounts and deposits from customers

	2009 BAM '000	2008 BAM '000
Retail		
Foreign currency current accounts, savings accounts and term deposits	806,849	684,350
BAM current accounts, savings accounts and term deposits	397,101	429,149
	1,203,950	**1,113,499**
Corporate		
Demand deposits		
- in BAM	592,272	504,950
- in foreign currency	172,367	150,953
Term deposits		
- in BAM	122,449	121,741
- in foreign currency	203,107	185,534
	1,090,195	**963,178**
	2,294,145	**2,076,677**

Retail deposits in BAM include BAM 2,525 thousand (2008: BAM 5,208 thousand); corporate deposits in BAM include BAM 103,038 thousand (2008: BAM 58,678 thousand) which have EUR counter value, with payments in BAM equivalent translated at the rate applicable at the date of payment.

25a. Borrowings

	2009 BAM '000	2008 BAM '000
Foreign banks	187,904	240,612
Domestic banks	11,180	13,634
Other sources	14,671	47,266
	213,755	**301,512**

25b. Subordinated debt

	2009 BAM '000	2008 BAM '000
Subordinated debt	**31,293**	**39,117**

The repayment of this debt is subordinated to all other liabilities of UniCredit Bank d.d.

26. Accrued interest and other liabilities

	2009 BAM '000	2008 BAM '000
Interest payable – not yet due	19,012	16,478
Deferred income	12,769	14,723
Credit card payables	4,418	5,364
Interest payable – due	110	474
Accrued expenses	15,956	11,397
Liabilities for items in the course of settlement	27,928	21,594
Other liabilities	10,862	9,902
	91,055	**79,932**

27. Issued debt securities

During 2008, the Bank issued bonds in the amount of BAM 100,000 thousand, at nominal value of BAM 1 thousand. These bonds mature in five years, and are bearing interest at the rate of six-months EURIBOR + 1% p.a.

28. Provisions for liabilities and charges

	Total	Provisions for off-balance-sheet items	Provisions for court cases
	BAM'000	BAM'000	BAM'000
Balance as at 1 January 2009	**25,190**	**14,030**	**11,160**
Net credit to income statement	(4,429)	(1,075)	(3,354)
Provisions used during the year	(146)	-	(146)
Foreign currency differences	(34)	(34)	-
Balance as at 31 December 2009	**20,581**	**12,921**	**7,660**

	Total	Provisions for off-balance-sheet items	Provisions for court cases
	BAM'000	BAM'000	BAM'000
Balance as at 1 January 2008	**23,000**	**12,418**	**10,582**
Net charge to income statement	2,439	1,681	758
Provisions used during the year	(180)	-	(180)
Transfer to suspended interests	(137)	(137)	-
Foreign currency differences	68	68	-
Balance as at 31 December 2008	**25,190**	**14,030**	**11,160**

Provisions for liabilities and changes are presented within other impairment losses and provisions in income statement (Note 12).

29. Net deferred tax liability

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2009 BAM '000	2008 BAM '000
Deferred tax assets		
Fair value reserve	-	4
Deferred tax liabilities		
Fair value reserve	(142)	(9)
Net deferred tax liability	**(142)**	**(5)**

Movements in temporary differences and components of deferred tax assets and deferred tax liabilities, all recognised in equity, are as follows:

	Deferred tax assets BAM '000	Deferred tax liability BAM '000	Net deferred tax asset (liability) BAM'000
As at 1 January 2009	4	(9)	(5)
FX differences on non-monetary AFS financial assets, recognised in equity	-	(5)	(5)
Changes in the fair value of AFS financial assets, recognised in equity	(4)	(190)	(194)
Sale of AFS financial assets	-	62	62
As at 31 December 2009	**-**	**(142)**	**(142)**

	Deferred tax assets BAM '000	Deferred tax liability BAM '000	Net deferred tax asset (liability) BAM'000
As at 1 January 2008	4	(19)	(15)
Changes in brought forward deferred tax balances due to changes in tax rate	1	6	7
Changes in the fair value of AFS financial assets, recognised in equity	(1)	(15)	(16)
Sale of MasterCard shares	-	19	19
As at 31 December 2008	**4**	**(9)**	**(5)**

30. Share capital

	31 December 2009 and 2008		
	Class A	Class D	
	Ordinary shares	Preference shares	Total
	BAM '000	BAM '000	BAM'000
Balance	119,011	184	119,195
Par value (BAM)	1,000	1,000	1,000
Number of shares	119,011	184	119,195

Earning per share calculation is presented below. Comparatives have been modified retrospectively in accordance with IAS 33 requirements.

	2009	Restated 2008
	BAM '000	BAM '000
Net profit for the period	29,367	32,650
Weighted average number of ordinary shares during the period	118,935	118,935
Earnings per share (BAM)	**246.92**	**274.52**

31. Commitments and contingencies

The aggregate amounts of outstanding guarantees, letters of credit and undrawn lending commitments at year end were as follows:

	2009	2008
	BAM '000	BAM '000
Performance guarantees	87,856	111,650
Payment and custom guarantees	152,356	152,686
Letters of credit	6,471	13,235
Undrawn lending commitments	360,598	392,350
	607,281	**669,921**

32. Related party transactions

The Bank is a member of the UniCredit Group ("UCI Group"). The key shareholders of the Bank are Zagrebacka banka d.d. with holding of 65.59% (2008: 65.59%) and UniCredit Bank Austria AG with 24.4% (2008: 24.4%). The Bank considers that it has an immediate related party relationship with its key shareholders and their subsidiaries; its associates; Supervisory Board members, Management Board members and other executive management (together "key management personnel"); close family members of key management personnel; and entities controlled, jointly controlled or significantly influenced by key management personnel and their close family members.

Related party transactions are part of the Bank's regular operations.

Receivables from UniCredit Group members as at 31 December 2009 amounted to BAM 104,441 thousand (2008: BAM 113,622 thousand), while liabilities to related parties amounted to BAM 505,026 thousand (2008: BAM 638,885 thousand).

Income from UniCredit Group members in 2009 includes interest income in amount of BAM 801 thousand (2008: BAM 4,841 thousand) and other income in amount of BAM 10 thousand (2008: BAM 13 thousand).

Expenses towards UniCredit Group members in 2009 include interest in amount of BAM 19,737 thousand (2008: BAM 30,496 thousand), fees in amount of BAM 252 thousand (2008: BAM 247 thousand), and other administrative expenses in amount of BAM 4,112 thousand (2008.: BAM 5,834 thousand).

The remuneration of key management personnel is disclosed in Note 11.

33. Risk management

The Bank's risk management is conducted through a system of policies, programs, procedures and approved limits, which are continuously upgraded in accordance with changes in legislation, changes in business activities based on market trends and development of new products, as well as through the adoption of risk management standards of UniCredit Group ("the Group"). The Group has a comprehensive risk management system based on policies and procedures and set limits acceptable at the Group level.

Supervisory Board and Management Board of the Bank prescribe risk management principles and adopt risk management official policies and procedures.

In accordance with the Group requirements the Bank has implemented International standard Basel II, trough an IT platform developed on the Group level, compliant with Basel II requirements.

The most important types of risk to which the Bank is exposed are credit risk, market risks and operational risk.

33. Risk management (continued)

1 Credit risk

The Bank is exposed to credit risk, which can be defined as a possibility that the client will default on (some) its obligations defined in loan agreements, which may result in a financial loss for the Bank. The exposure to credit risk is managed in accordance with the Bank's programs and policies currently in force, as well as other internal regulations prescribed by the Supervisory Board and the Management Board. The exposure to credit risks is managed very carefully, in a way that exposures to portfolios and individual client/group exposures are reviewed on a regular basis, taking into account set limits.

The limits of credit risks are determined in relation to the Bank's tier 1 guarantee capital.

To manage the level of credit risk, the Bank deals with counterparties of good credit standing, and when appropriate, obtains collateral.
The Bank uses prudent methods and tools in the process of credit risk assessment.

Credit Risk Management is organized through 4 organizational units, managed by the Chief Risk Officer:

1 Credit Risk Underwriting
2 Credit Risk Monitoring
3 Workout, and
4 Credit Risk Controlling.

Measurement of credit risk

Internal regulations for credit risk management of the Bank are set to comply with legal requirements, in a way to set the limits and to monitor compliance with these limits.

The following factors are taken into account in credit risk measurement: 1) risk of loss related to insolvency of the debtor and risk of loss related to the change in client risk rating, 2) credit exposure, including balance sheet and off-balance sheet positions of the Bank and 3) value of collateral.

Business units of the Bank, which are in direct contact with clients, are responsible for primary credit risk assessment.

Credit Risk Underwriting function, a part of Credit Risk Department, verifies loan applications, in accordance with the relevant assumptions, conditions and internal regulations. The purpose of this function is to manage credit risk by aiming at minimising credit risk expenses at the Bank level, through assessment of credit risk at the underwriting stage.

The Bank also uses tools for assessment of credit risk. These tools combine qualitative and quantitative factors.

33. Risk management (continued)

1 Credit risk (continued)

Credit Risks Monitoring function is focused on monitoring of the loan portfolio, in order to reduce credit risk and improve the quality of the portfolio of the Bank, through timely identification of potentially risky clients, and structural, targeted management of business relationship with such clients.

The control and analysis of credit risk exposure of the existing loan portfolio of the Bank's clients, based on existing policies, standardised procedures and actions as well as the Group standards, limit and reduce possible losses, which ensures efficient management of the level of specific impairment allowance.

Workout function contributes to the efficient management of non-performing loans ("NPL") by maximising the repayment of bad debts, supporting Legal department regarding legal actions taken against the clients, and cost effective management of foreclosed assets.
Key activities and measures are implemented trough:

- Client liquidity check program, which on one side increases focus on risk control and on the other, utilises the opportunity of strengthening business relationship with the client during the time of demanding market conditions and unstable business climate. During 2009 the Bank included 80.1% of the corporate portfolio in this Program with an aim of monitoring client liquidity in order to be ready for a timely joint reaction on the first signs of possible liquidity problems. This can as well be seen as an opportunity to generate new business possibilities in current market conditions;

- Watch list system, which assumes regular monitoring process, including among other things careful monitoring of the loan portfolio of corporate clients with early warning signs in their business;

- Annual client check, where the Bank continues with its regular check of all individual corporate clients, done at least once a year, during which the Bank assesses the performance of clients based on their financial statements and assigns an internal rating grade as well as an assessment of all currently approved transactions;

- Soft Collection project which is performed trough focused activities to achieve high efficiency in the monitoring of performing loans and better collection of due debts as well as better cost control within the retail portfolio.

- NPL Centralisation project, which gives special attention and monitoring to non-performing loans, by specialy trained staff.

33. Risk management (continued)

1 Credit risk (continued)

- Renegotiation program, trough which the Bank tries to minimise the impact of the financial crisis on its retail portfolio by identifying clients that are overdue in order to timely reduce the deterioration of this portfolio segment. This program is characterised by negotiations with selected clients, and a proactive approach trough predefined and preapproved options.

Bank is also intensively working on forming a special Restructuring Committee. Restructuring Committee will be an advisory unit that analyses all aspects of decision-making related to problematic loans i.e. loans with increased level of risk and submits its analysis of the situation to the Credit Committee, which remains the relevant decision-making body, within its local authorities.

Risk control policies

The Bank manages, limits and controls credit risk concentrations, wherever such risk concentration exist, especially with regard to specific clients and/or groups, and industry sectors.

The Bank sets different levels of credit risk, which are based on restricting the amount of risk assumed in relation to one borrower or group of borrowers, banks of borrowers or industry segments. Such risks are monitored on a regular basis (once a month) and the reports are presented to the Credit Committee of the Bank.

Management Board, Supervisory Board and Credit Committee are all regularly informed of any significant changes in the size and quality of the portfolio.

Exposure to credit risk is also managed by conducting regular solvency analyses of current and potential clients, their repayment potential regarding interest and principal as well as through changes in credit limits, where needed.

In order to minimize the risks from lending activities, as well as from operations with guarantees and letters of credit, the Bank uses the applicable Collateral policy approved by the Bank's Supervisory Board. This policy also establishes rules for treatment of certain types of collaterals, in the process of credit risk underwriting.

The choice of collateral instruments for covering the Bank's receivables depends on:

a) The assessment of client's quality
b) Risk evaluation of the lending product itself
c) Evaluation of the value of the offered collaterals
d) External regulations

The Bank's collateral can be divided into basic and additional instruments.

In order to decrease the risk regarding marketability of collaterals, the Bank is conducting both formal and substantial analysis as well as an assessments of each collateral separately. Special attention is paid to existence of a proper deed of title for the collateral, and an assessment of actual marketability of collateral as well as its value.

33. Risk management (continued)

1 Credit risk (continued)

The verification and valuation procedures regarding collaterals are conducted by relationship managers in corporate lending and by officials processing loan applications in retail lending with an evaluation of an authorized evaluator.

Contractual loan commitments

The Bank is also exposed to credit risk trough its off-balance sheet items - contractual loan commitments, letters of credit and guarantees.

The primary goal is to ensure availability of funds in accordance with the clients' needs. Guarantees and letters of credit carry the same exposure to credit risk as loans. Collaterals for guarantees and letters of credit, which represent the written obligation of the Bank, in the name of the client who authorizes a third party to withdraw the Bank's assets up to the certain amount and under certain conditions, are also subject to Collateral policy of the Bank.
Contractual loan commitments represent unused, approved amounts of loans, guarantees or letters of credit. When it comes to the credit risk from contractual loan commitments, the Bank has potential loss exposure in the amount of total approved unused commitments.

Provisioning policies

The Bank applies its internal regulations and sets procedures and rules, are used in setting impairment allowances for receivables form:
- companies
- banks and other financial institutions
- public sector, government agencies, cantons, municipalities and local administration
- "BH" State (Federation "BH", RS, Brčko district) and State funds
- foreign countries
- craftsmen and independent professions
- individuals

in business activities where the Bank accepts the credit risk.

In identification of clients, the Bank applies the related party aggregation principles, in accordance with current internal regulations of the Bank on related parties and consolidated credit risk. Total credit risk exposure is the amount of all receivables to all related members.

The receivables include receivables based on:
- all types of loans
- guarantees, letters of credit and other off-balance sheet commitments
- placements with banks
- investments in a portfolio of trading and investment debt securities
- other risky assets
- interest receivable

and all other receivables which comprise an element of credit risk.

33. Risk management (continued)

1 Credit risk (continued)

Maximum exposure to credit risk relating to balance sheet assets and off-balance sheets items is as follows:

Balance sheet	2009 BAM '000	2008 BAM '000
Current accounts with CBBH and other banks (Note 14)	369,539	202,231
Obligatory reserve with CBBH (Note 15)	301,700	390,588
Placements with and loans to banks (Note 16)	485,058	326,706
Financial assets at fair value through profit or loss (Note 17b)	107	-
Loans to customers (Note 18)	2,026,437	2,140,619
Available-for-sale debt securities (Note 17a)	5,841	4,735
Accrued interest (Note 19)	13,451	15,117
Tax prepayment	2,668	1,790
Other assets (Note 19)	29,907	30,331
Total balance sheet credit risk exposure	**3,234,708**	**3,112,117**
Off-balance-sheet items (Note 31)		
Financial guarantees	240,212	264,336
Letters of credit	6,471	13,235
Undrawn loan commitments and other credit related liabilities	360,598	392,350
Total off-balance sheet credit risk exposure	**607,281**	**669,921**
As at 31 December	**3,841,989**	**3,782,038**

The above table represents maximum credit risk exposure of the Bank as at 31 December 2009 and 31 December 2008, without taking into account of any collateral held or other credit enhancements attached. For on-balance-sheet assets, the exposures set out above are based on net carrying amounts as reported in the balance sheet. As shown above, 52.7% of the total maximum exposure is derived from loans to customers (2008: 56.6%), while 12.6% refers to placements with and loans to banks (2008: 8.6%).
Management is confident in its ability to continue to control and sustain minimal exposure of credit risk.

Impairment losses and impairment loss policies

	2009 BAM '000		2008 BAM '000	
FBA rating	**LOANS**	**IMPAIRMENT ALLOWANCE**	**LOANS**	**IMPAIRMENT ALLOWANCE**
A	1,885,369	36,334	2,033,196	39,520
B	143,237	14,974	140,221	11,356
C	59,257	14,199	17,900	5,828
D	13,981	7,805	18,129	10,278
E	154,866	154,866	141,757	141,757
	2,256,710	**228,178**	**2,351,203**	**208,739**

33. Risk management (continued)

1 Credit risk (continued)

Impairment allowance coverage of non-performing loan portfolio is 77.5% (2008: 88.79%).
Impairment allowance shown in the table on the previous page includes impairment allowance on loans to customers only, and differs from the values of impairment allowance for loans and receivables (Note 18b) which amount to BAM 230,272 thousand (2008: BAM 210,584 thousand), which also include general provisions for other assets and all other items for which a general provision is formed in accordance with the Agency regulations.

Loans to customers

Retail loans	2009 BAM '000	2008 BAM '000
Loans that are neither due nor impaired (Note 33.1.a))	1,165,026	1,164,235
Due loans with no specific impairment allowance (Note 33.1.b))	745	1,618
Performing loans impaired 5-15%	36,788	45,904
Non-performing loans (impaired loans)	55,945	52,090
Gross	**1,258,504**	**1,263,847**
Less: impairment allowance	(71,172)	(65,877)
Net	**1,187,332**	**1,197,970**

Corporate loans

	2009 BAM '000	2008 BAM '000
Loans that are neither due nor impaired (Note 33.1.a))	712,806	856,720
Due loans with no specific impairment allowance (Note 33.1.b))	6,792	10,623
Performing loans impaired 5-15%	106,449	94,317
Non-performing loans (impaired loans)	172,159	125,696
Gross	**998,206**	**1,087,356**
Less: impairment allowance	(159,100)	(144,707)
Net	**839,106**	**942,649**

Total impairment allowance for loans and receivables is BAM 230,272 thousand (2008: BAM 210,584 thousand) of which BAM 191,843 thousand (2008: BAM 169,219 thousand) represents specific impairment allowance and the remaining amount of BAM 38,429 thousand (2008: BAM 41,365 thousand) represents the general provision calculated on a portfolio basis.

33. Risk management (continued)

1 Credit risk (continued)

Loans to customers (continued)

a) Loans to customers that are neither due nor impaired

The quality of the portfolio of loans to customers that are neither due nor impaired can be assessed with reference to the internal standard monitoring system. All loans to customers that are neither due nor impaired are regularly monitored and systematically reviewed in order to identify any anomaly or warning signals.

These loans are subject to constant monitoring with the aim of a timely action based on improvement/deterioration of client risk profile.

	Retail loans					Corporate loans			
	Cash and consumer loans	Credit card loans and overdrafts	Housing loans	Sole traders	Total	Large	Medium	Small	Total
31/12/2009	**BAM '000**	**BAM '000**	**BAM '000**	**BAM '000**	**BAM '000**	**BAM '000**	**BAM '000**	**BAM '000**	**BAM '000**
Standard monitoring	768,869	94,811	299,751	1,595	1,165,026	304,047	252,509	156,250	712,806
31/12/2008									
Standard monitoring	788,313	67,950	305,691	2,281	1,164,235	396,506	291,385	168,829	856,720

33. Risk management (continued)

1 Credit risk (continued)

Loans to customers (continued)

b) Due loans with no specific impairment allowance

Loans to customers less than 90 days due are not considered impaired, unless other information is available to indicate the contrary. Gross amount of loans and receivables with customers that were past due but not impaired for the Bank were as follows:

	Retail loans					Corporate loans			
	Cash and consumer loans	Credit card loans and overdrafts	Housing loans	Sole traders	Total	Large	Medium	Small	Total
31/12/2009	**BAM '000**	**BAM '000**	**BAM '000**	**BAM '000**	**BAM '000**	**BAM '000**	**BAM '000**	**BAM '000**	**BAM '000**
Past due up to 30 days	345	15	55	1	416	409	3,347	936	4,692
Past due 30 – 60 days	53	3	61	-	117	29	-	483	512
Past due 60 – 90 days	26	3	15	-	44	-	417	129	546
Past due over 90 days	63	5	97	3	168	-	807	235	1,042
Total	**487**	**26**	**228**	**4**	**745**	**438**	**4,571**	**1,783**	**6,792**
Estimated value of collateral	45	-	172	3	220	431	2,956	736	4,123
31/12/2008									
Past due up to 30 days	945	5	145	4	1,099	3	285	106	394
Past due 30 – 60 days	145	1	65	1	212	2.521	228	428	3,177
Past due 60 – 90 days	6	1	11	-	18	1.357	146	350	1,853
Past due over 90 days	106	1	180	2	289	4,565	403	231	5,199
Total	**1,202**	**8**	**401**	**7**	**1,618**	**8,446**	**1,062**	**1,115**	**10,623**
Estimated value of collateral	75	-	306	-	381	5,321	889	557	6,767

33. Risk management (continued)

1 Credit risk (continued)

Loans to customers (continued)

Gross amount of such loans is based on the management estimate adequately covered by collateral.

Estimated values of property pledged as collateral are based on valuations done by authorised surveyors/agency upon initial approval of a loan, weighted by the value of the loan in the total exposure secured by the same collateral, up to the outstanding balance of total exposure. Value of deposits and state guarantees is weighted in the same manner up to the outstanding balance of total exposure. Guarantees, co-debtorship and bills of exchange are not valued in the table above although they are usually required as collateral.

The Bank takes various measures related to constant monitoring of business relations with clients, strengthened measures of collection and puts additional focus on timely restructuring of client loans whose businesses is rated as sustainable.

c) Performing loans impaired 5-15%

The balance of performing loans impaired 5-15% (B graded loans) before taking into considerations the cash flows from collateral held is BAM 128,264 thousand (2008: BAM 128,866 thousand).
The breakdown of the net amount along with the fair value of related collateral held as security, are as follows:

	Retail loans					Corporate loans			
	Cash and consumer loans	Credit card loans and overdrafts	Housing loans	Sole traders	Total	Large	Medium	Small	Total
31/12/2009	**BAM '000**	**BAM '000**	**BAM '000**	**BAM '000**	**BAM '000**	**BAM '000**	**BAM '000**	**BAM '000**	**BAM '000**
B graded loans	20,452	5,448	7,915	91	33,906	39,258	36,872	18,228	94,358
Estimated value of collateral	462	-	4,929	15	5,406	35,431	22,296	10,436	68,163
31/12/2008									
B graded	24,486	4,859	12,848	105	42,298	57,042	15,975	13,551	86,568
Estimated value of collateral	1,198	-	5,234	3	6,435	22,819	2,844	3,491	29,154

33. Risk management (continued)

1 Credit risk (continued)

Loans to customers (continued)

d) Non-performing loans (impaired loans)

Impaired loans to customers before taking into considerations the cash flows from collateral held amount BAM 51,233 thousand.

The breakdown of the net amount of the individually impaired loans and receivables from customers by class, along with the fair value of related collateral held by the Bank as security, are as follows:

	Retail loans					Corporate loans			
	Cash and consumer loans	Credit card loans and overdrafts	Housing loans	Sole traders	Total	Large	Medium	Small	Total
31/12/2009	BAM '000	BAM '000	BAM '000	BAM '000	BAM '000	BAM '000	BAM '000	BAM '000	BAM '000
Impaired loans	5,785	1,497	3,398	29	10,709	31,396	3,118	6,010	40,524
Estimated value of collateral	138	-	2,164	-	2,302	2,369	2,381	5,436	10,186
31/12/2008									
Impaired loans	8,079	1,005	3,948	85	13,117	1,349	1,453	4,004	6,806
Estimated value of collateral	84	-	3,948	16	4,048	1,069	1,453	4,004	6,526

33. Risk management (continued)

2 Liquidity risk

Liquidity risk arises in the general funding of the Bank's activities and in the management of positions. The Bank consolidates its operations in respect of liquidity risk in accordance with applicable regulations and internal policies aimed at the maintenance of liquidity reserves, matching of assets and liabilities in accordance with defined policies and limits of UniCredit Bank Austria and Zagrebačka banka Group.

The Bank has access to a diverse funding base including various types of retail and corporate deposits, borrowings, subordinated debt, issued debt securities and share capital. This enhances funding flexibility and limits dependence on any one source of funds as well as generally lowers the cost of funding.

ALM Department is managing liquidity reserves on a daily basis, to enable the funding of clients needs and to ensure optimum balance between continuity and flexibility of financing use and the use of sources with different maturities.

Needs for short term liquidity are planned every month for a period of six months and controlled and maintained daily
The process of liquidity management also includes maintenance of liquidity indicators and development of additional liquidity plans.
Daily monitoring of short term liquidity calculation in accordance with Group instructions towards defined regulations is in the domain of market risks.

3 Currency risk

Exposure to currency risk arises from credit, depositary and trading activities and is controlled on a daily basis in accordance with legal and internal limits set by UniCredit Bank Austria and Zagrebačka banka for each currency, as well as in total amounts for assets and liabilities denominated in or linked to foreign currencies.

Daily monitoring of calculations of foreign exchange risk in accordance with Group instructions is in compliance with defined regulations for monitoring of movements in the conversion accounts for each currency and is in the domain of market risks.

4 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 re-price at different times or in differing amounts.

The Risk Management department uses Value-at-Risk method to monitor exposure to market risk and changes in basis point value to limit the maximum interest rate risk by currencies and periods.

33. Risk management (continued)

5 Operational risks

Operational risk is possibility of financial loss due to errors, breaches, terminations or damages caused by internal processes, employees or the Bank systems as well as by events caused by external factors. Definition of operational risk includes legal and compliance risk but does not include strategic and reputational risk. The Bank is exposed to operational risk in all segments of its activity.

The Bank has established an appropriate system for recognising, measuring, grading and monitoring of operational risk, aiming at its optimum management by using positive experience of the Group regarding operational risks, standards and principles defined by the local regulator and the Basel Committee as well as its own findings. Operational risk management is distributed throughout the entire structure of the Bank, through regular, strategic management and supervision.

Bank uses standard procedures within its established operational risk management system, which include gathering information about events of default, monitoring key risk indicators, assessing operational risk when implementing new products or projects, scenario analysis and analysis and reporting on the Bank's exposure to operational risk, which also includes reporting on results of operational risk management.

6 Capital management

The Bank's goals from capital management, which is a broader term than shareholder's equity shown at the balance sheet, are as follows:
- compliance with capital requirements, determined by regulators of banking markets where the Bank's units are operating
- maintenance of the Bank's ability to continue on a going concern basis in order to ensure return on investment to its shareholders, as well as other benefits to all stakeholders, and
- maintenance of strong capital position which could support development of business activities

The Bank is monitoring capital adequacy using techniques that are based on regulations set by the Federal Banking Agency ("FBA" or "the Agency"), which collects required information on a quarterly basis.

FBA demands the following: (a) maintenance of the minimum level of the Bank's net capital and (b) maintenance of the ratio of total net capital and risk weighted assets on a minimum required level of 12%.

The Bank's net capital for monitoring adequacy by FBA methodology consists of:

1 The Bank's tier 1 capital: ordinary shares reduced by of treasury shares and intangible assets, share premium, retained profit and reserves arising form distribution of retained profit

2 The Bank's tier 2 capital: preference shares (fully paid in cash), general loan loss provision for performing assets, subordinated debt and audited current year profit.

33. Risk management (continued)

6 Capital Management (continued)

Risk weighted assets are measured on the basis of hierarchy of four risk weights, classified in accordance with the nature of certain clients and assets, which reflect the underlying estimate of credit risk, taking into consideration all appropriate guarantees or deposits. Off-balance-sheet exposure is also weighted to reflect the volatile nature of potential losses.

The composition of the Bank's net capital and ratios for the years ended 31 December 2008 and 2009 is given in the table below. During these two years, the Bank and its business units have fulfilled all external capital requirements applicable to them. The information shown in the table below in respect of 2008 was not restated but is presented as it was in the return submitted to the Agency for 2008.

	2009 BAM '000	2008 BAM '000
Tier 1 capital		
Ordinary shares	119,011	119,011
Treasury shares	(81)	(81)
Share premium	48,317	48,282
Legal and statutory reserves	171,994	138,059
Intangible assets	(26,581)	(29,166)
Total tier 1 capital	**312,660**	**276,105**
Tier 2 capital		
General provision	49,433	54,284
Preference shares	184	184
Audited profit for the year	29,367	30,804
Subordinated debt	31,293	39,117
Total tier 2 capital	**110,277**	**124,389**
Net capital	**422,937**	**400,494**
Risk weighted assets:		
Credit risk weighted assets	2,525,815	2,653,266
Other weighted assets	245,248	50,913
Total risk weighted assets	**2,771,063**	**2,704,179**
Capital adequacy rate	**15.3%**	**14.8%**

34. Maturity analysis

Tables below analyse the assets and liabilities of the Bank at 31 December 2009 and 2008 into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date except for debt securities available for sale which have been classified in accordance with their secondary liquidity characteristics as maturing within one month, and equity securities expected to be realised in one to five years time.

31 December 2009	Up to 1 month BAM '000	1 month to 3 months BAM '000	3 months to 1 year BAM '000	1 year to 5 years BAM '000	Over 5 years BAM '000	Total BAM '000
Assets						
Cash reserves	481,513	-	-	-	-	481,513
Obligatory reserve with CBBH	301,700	-	-	-	-	301,700
Financial assets at fair value through profit or loss	107					107
Placements with and loans to banks	482,483	-	2,574	-	-	485,057
Available-for-sale debt securities	5,841	-	-	-	-	5,841
Loans to customers	186,783	121,016	507,732	891,591	319,316	2,026,438
Income tax prepayment	-	-	2,668	-	-	2,668
Accrued interest and other assets	32,420	48	1,954	10,602	-	45,024
Associates and other equity investments	2,813	-	-	2,002	-	4,815
Property and equipment and intangible assets	-	-	-	-	98,638	98,638
Total assets	**1,493,660**	**121,064**	**514,928**	**904,195**	**417,954**	**3,451,801**
Liabilities and equity						
Current accounts and deposits from banks	5,549	-	320,561	5,867	-	331,977
Current accounts and deposits from customers	1,383,948	92,373	426,999	348,110	42,715	2,294,145
Financial liabilities at fair value through profit or loss	123	-	-	-	-	123
Borrowings and subordinated debt	266	18,268	32,732	133,909	59,873	245,048
Accrued interest and other liabilities	55,310	754	7,884	21,474	5,633	91,055
Issued debt securities (bonds)	-	-	-	100,000	-	100,000
Provisions for liabilities and charges	12,977	52	1,694	5,858	-	20,581
Net deferred tax liability	-	-	-	142	-	142
Equity	-	-	-	-	368,730	368,730
Total equity and liabilities	**1,458,173**	**111,447**	**789,870**	**615,360**	**476,951**	**3,451,801**
Maturity gap	**35,487**	**9,617**	**(274,942)**	**288,835**	**(58,997)**	**-**

34. Maturity analysis (continued)

31 December 2008	Up to 1 month BAM '000	1 month to 3 months BAM '000	3 months to 1 year BAM '000	1 year to 5 years BAM '000	Over 5 years BAM '000	Total BAM '000
Assets						
Cash reserves	300,603	-	-	-	-	300,603
Obligatory reserve with CBBH	390,588	-	-	-	-	390,588
Placements with and loans to banks	322,492	-	4,188	-	26	326,706
Available-for-sale debt securities	4,735	-	-	-	-	4,735
Loans to customers	136,621	139,042	545,760	977,348	341,848	2,140,619
Income tax prepayment	-	-	1,790	-	-	1,790
Accrued interest and other assets	45,751	47	471	975	-	47,244
Associates and other equity investments	-	-	-	4,233	-	4,233
Property and equipment and intangible assets	-	-	-	-	84,365	84,365
Total assets	**1,200,790**	**139,089**	**552,209**	**982,556**	**426,239**	**3,300,883**
Liabilities and equity						
Current accounts and deposits from banks	11,861	1	211,274	117,164	-	340,300
Current accounts and deposits from customers	1,309,137	149,195	362,652	244,683	11,010	2,076,677
Financial liabilities at fair value through profit or loss	20	-	-	-	-	20
Borrowings and subordinated debt	127	18,282	133,054	123,038	66,128	340,629
Accrued interest and other liabilities	41,366	2,913	16,975	12,500	6,178	79,932
Issued debt securities (bonds)	-	-	-	100,000	-	100,000
Provisions for liabilities and charges	14,140	-	1,026	10,024	-	25,190
Net deferred tax liability	-	-	-	5	-	5
Equity	-	-	-	-	338,130	338,130
Total equity and liabilities	**1,376,651**	**170,391**	**724,981**	**607,414**	**421,446**	**3,300,883**
Maturity gap	**(175,861)**	**(31,302)**	**(172,772)**	**375,142**	**4,793**	**-**

35. Interest rate repricing, gap analysis and amounts subject to fixed interest rates

The Bank is exposed to various risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The following table presents the estimate of the interest rate risk for the Bank as at 31 December 2009 and 2008 and is not necessarily indicative of the positions at other times. The tables provide some indication of the sensitivities of the Bank's earnings to movements in interest rates. Earnings will also be affected by the currency of the assets and liabilities.

	Up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Non-interest bearing	Total	Amounts subject to fixed rates
31 December 2009	**BAM '000**	**BAM '000**	**BAM '000**	**BAM '000**	**BAM '000**	**BAM '000**	**BAM '000**	**BAM '000**
Assets								
Cash reserves	369,382	-	-	-	-	112,131	481,513	-
Obligatory reserve with CBBH	301,700	-	-	-	-	-	301,700	301,700
Placements with and loans to banks	485,057	-	-	-	-	-	485,057	173,334
Financial assets at fair value through profit or loss	-	-	-	-	-	107	107	-
AFS debt securities	5,841	-	-	-	-	-	5,841	5,841
Loans to customers	1,394,326	86,013	462,923	55,801	27,375	-	2,026,438	245,048
Income tax prepayment	-	-	-	-	-	2,668	2,668	-
Accrued interest and other assets	-	-	-	-	-	45,024	45,024	-
Associates and other equity investments	-	-	-	-	-	4,815	4,815	-
Property and equipment and intangible assets	-	-	-	-	-	98,638	98,638	-
Total assets	**2,556,306**	**86,013**	**462,923**	**55,801**	**27,375**	**263,383**	**3,451,801**	**725,923**
Liabilities and equity								
Current accounts and deposits from banks	303,813	-	28,164	-	-	-	331,977	-
Current accounts and deposits from customers	1,746,109	25.709	231,733	232,111	43,202	15,281	2,294,145	544,434
Financial liabilities at fair value through profit or loss	-	-	-	-	-	123	123	-
Borrowings and subordinated debt	59,692	143,667	28,973	9,939	2,777	-	245,048	16,677
Accrued interest and other liabilities	-	-	-	-	-	91,055	91,055	-
Issued debt securities (bonds)	-	60,000	40,000	-	-	-	100,000	-
Provisions for liabilities and charges	-	-	-	-	-	20,581	20,581	-
Net deferred tax liability	-	-	-	-	-	142	142	-
Equity	-	-	-	-	-	368,730	368,730	-
Total equity and liabilities	**2,109,614**	**229,376**	**328,870**	**242,050**	**45,979**	**495,912**	**3,451,801**	**561,111**
Repricing gap	**446,692**	**(143,363)**	**134,053**	**(186,249)**	**(18,604)**	**(232,529)**	**-**	**164,812**

35. Interest rate repricing, gap analysis and amounts subject to fixed interest rates (continued)

31 December 2008	Up to 1 month BAM '000	1 month to 3 months BAM '000	3 months to 1 year BAM '000	1 year to 5 years BAM '000	Over 5 years BAM '000	Non-interest bearing BAM '000	Total BAM '000	Amounts subject to fixed rates BAM '000
Assets								
Cash reserves	202,099	-	-	-	-	98,504	300,603	-
Obligatory reserve with CBBH	390,588	-	-	-	-	-	390,588	390,588
Placements with and loans to banks	326,680	-	-	-	26	-	326,706	162,527
AFS debt securities	4,735	-	-	-	-	-	4,735	4,735
Loans to customers	1,570,153	88,620	439,889	36,641	5,316	-	2,140,619	126,701
Income tax prepayment	-	-	-	-	-	1,790	1,790	-
Accrued interest and other assets	-	-	-	-	-	47,244	47,244	-
Associates and other equity investments	-	-	-	-	-	4,233	4,233	-
Property and equipment and intangible assets	-	-	-	-	-	84,365	84,365	-
Total assets	**2,494,255**	**88,620**	**439,889**	**36,641**	**5,342**	**236,136**	**3,300,883**	**684,551**
Liabilities and equity								
Current accounts and deposits from banks	298,264	-	30,175	-	-	11,861	340,300	2,000
Current accounts and deposits from customers	1,662,263	30,582	35,831	113,995	10,424	223,582	2,076,677	201,342
Financial liabilities at fair value through profit or loss	-	-	-	-	-	20	20	-
Borrowings and subordinated debt	127	192,162	131,658	12,623	4,059	-	340,629	20,841
Accrued interest and other liabilities	-	-	-	-	-	79.932	79.932	-
Issued debt securities (bonds)	-	60,000	40,000	-	-	-	100,000	-
Provisions for liabilities and charges	-	-	-	-	-	25,190	25,190	-
Net deferred tax liability	-	-	-	-	-	5	5	-
Equity	-	-	-	-	-	338,130	338,130	-
Total equity and liabilities	**1,960,654**	**282,744**	**237,664**	**126,618**	**14,483**	**678,720**	**3,300,883**	**224,183**
Repricing gap	**533,601**	**(194,124)**	**202,225**	**(89,977)**	**(9,141)**	**(442,584)**	**-**	**460,368**

35. Interest rate repricing, gap analysis and amounts subject to fixed interest rates (continued)

The following table presents the estimate of future cash flows for the Bank's interest-bearing liabilities as at 31 December 2009 and 2008:

	Up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Total
	BAM '000	BAM '000	BAM '000	BAM '000	BAM '000	BAM '000
31 December 2009						
Liabilities						
Current accounts and deposits from banks	5,572	-	323,671	5,924	-	335,167
Current accounts and deposits from customers	1,384,099	92,873	443,262	399,304	65,651	2,385,189
Borrowings	1,044	14,739	29,231	139,341	44,794	229,149
Subordinated debt	-	3,976	4,136	3,990	23,451	35,553
Issued debt securities	-	295	197	123,774	-	124,266
Other liabilities	-	83	4,612	7,164	5,633	17,492
Total liabilities	**1,390,715**	**111,966**	**805,109**	**679,497**	**139,529**	**3,126,816**
31 December 2008						
Liabilities						
Current accounts and deposits from banks	11,861	1	216,289	126,074	-	354,225
Current accounts and deposits from customers	1,319,917	151,680	376,415	273,488	15,013	2,136,513
Borrowings	128	14,751	135,657	127,789	64,352	342,677
Subordinated debt	-	4,026	4,142	13,146	31,665	52,979
Issued debt securities	-	824	549	130,991	-	132,364
Other liabilities	-	271	11,264	5,431	6,178	23,144
Total liabilities	**1,331,906**	**171,553**	**744,316**	**676,919**	**117,208**	**3,041,902**

36. Effective interest rates

The table below presents effective interest rates calculated as the weighted average interest rates:

	Effective interest rate	
	31 December 2009	31 December 2008
	%	%
Cash reserves	0.37	2.53
Obligatory reserve with CBBH	0.64	1.00
Treasury bills	6.49	4.96
Placements with and loans to banks	0.58	2.98
Loans and advances to customers	7.84	8.02
Current accounts and deposits from banks	2.94	3.63
Current accounts and deposits from customers	2.46	2.01
Borrowings	3.59	5.66
Subordinated debt	4.27	6.58
Issued debt securities (bonds)	3.37	6.15

37. Foreign exchange positions

The Bank had the following foreign exchange positions as at 31 December 2009 and 31 December 2008. The Bank has a number of contracts which are in domestic currency but are linked to foreign currencies. The domestic currency value of the principal balances and interest payments are therefore determined by movements in foreign currencies. These balances, which have foreign exchange risk, are included in column EURO linked.

	EURO	EURO linked	EURO total	USD	Other foreign currencies	BAM	Total
31 December 2009	**BAM '000**	**BAM '000**	**BAM '000**	**BAM '000**	**BAM '000**	**BAM '000**	**BAM '000**
Assets							
Cash reserves	36,653	-	36,653	5,871	21,869	417,120	481,513
Obligatory reserve with central bank	-	-	-	-	-	301,700	301,700
Placements with other banks	340,451	-	340,451	142,529	2,077	-	485,057
AFS debt securities	-	-	-	-	5,841	-	5,841
Financial assets at fair value through profit or loss	107	-	107	-	-	-	107
Loans and advances to customers	39,035	1,614,121	1,653,156	73	-	373,209	2,026,438
Income tax prepayment	-	-	-	-	-	2,668	2,668
Accrued interest and other assets	1,605	11,182	12,787	382	4	31,851	45,024
Associates and other equity investments	-	-	-	2,813	-	2,002	4,815
Property and equipment and intangible assets	-	-	-	-	-	98,638	98,638
Total assets	**417,851**	**1,625,303**	**2,043,154**	**151,668**	**29,791**	**1,227,188**	**3,451,801**
Liabilities and equity							
Current accounts and bank deposits	331,105	-	331,105	-	-	872	331,977
Current accounts and deposits from customers	1,008,237	105,563	1,113,800	146,488	27,598	1,006,259	2,294,145
Financial liabilities at fair value through profit or loss	123	-	123	-	-	-	123
Borrowings and subordinated debt	242,777	-	242,777	-	-	2,271	245,048
Accrued interest and other liabilities	25,868	6,368	32,236	814	96	57,909	91,055
Debt securities (bonds)	-	100,000	100,000	-	-	-	100,000
Provisions for liabilities and charges	1,667	1,861	3,528	571	104	16,378	20,581
Net deferred tax liability	-	-	-	-	-	142	142
Equity	-	-	-	-	-	368.730	368.730
Total equity and liabilities	**1,609,777**	**213,792**	**1,823,569**	**147,873**	**27,798**	**1,452,561**	**3,451,801**
Net foreign exchange position	**(1,191,926)**	**1,411,511**	**219,585**	**3,795**	**1,993**	**(225,373)**	**-**

37. Foreign exchange positions (continued)

31 December 2008	EURO BAM '000	EURO linked BAM '000	EURO total BAM '000	USD BAM '000	Other foreign currencies BAM '000	BAM BAM '000	Total BAM '000
Assets							
Cash reserves	39,608	-	39,608	9,526	27,381	224,088	300,603
Obligatory reserve with CBBH	-	-	-	-	-	390,588	390,588
Placements with other banks	187,465	-	187,465	139,241	-	-	326,706
AFS debt securities	-	-	-	-	4,735	-	4,735
Loans and advances to customers	85,053	1,694,635	1,779,688	53	-	360,878	2,140,619
Income tax prepayment	-	-	-	-	-	1,790	1,790
Accrued interest and other assets	451	10,077	10,528	199	1	36,516	47,244
Associates and other equity investments	-	-	-	2,230	-	2,003	4,233
Property and equipment and intangible assets	-	-	-	-	-	84,365	84,365
Total assets	**312,577**	**1,704,712**	**2,017,289**	**151,249**	**32,117**	**1,100,228**	**3,300,883**
Liabilities and equity							
Current accounts and bank deposits	331,145	-	331,145	-	-	9,155	340,300
Current accounts and deposits from customers	840,377	63,886	904,263	146,659	33,800	991,955	2,076,677
Financial liabilities at fair value through profit or loss	20	-	20	-	-	-	20
Borrowings and subordinated debt	338,059	-	338,059	-	-	2,570	340,629
Accrued interest and other liabilities	15,312	609	15,921	2.207	95	61,709	79,932
Debt securities (bonds)	-	100,000	100,000	-	-	-	100,000
Provisions for liabilities and charges	2,457	1,088	3,545	710	33	20,902	25,190
Net deferred tax liability	-	-	-	-	-	5	5
Equity	-	-	-	-	-	338,130	338,130
Total equity and liabilities	**1,527,370**	**165,583**	**1,692,953**	**149,576**	**33,928**	**1,424,426**	**3,300,883**
Net foreign exchange position	**(1,214,793)**	**1,539,129**	**324,336**	**1,673**	**(1,811)**	**(324,198)**	**-**

38. Fair values of financial assets and liabilities

Fair value represents the amount at which an asset could be exchanged or a liability settled between knowledgeable and willing parties on an arm's length basis.

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

Loans to customers

The fair value of loans and advances is calculated based on discounted expected future principal and interest cash flows. Loan repayments are assumed to occur at contractual repayment dates, where applicable. Expected future cash flows are estimated considering credit risk and any indication of impairment which is determined in accordance with impairment provisioning requirements as prescribed by the Banking Agency. 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. Under the assumption of a market interest rate of 8.42% p.a. for retail and 8.01% p.a. for corporate (2008: retail interest rate was 8.7% p.a., and corporate interest rate was 7.09% p.a.), expected future cash flows on loans with fixed interest rate are discounted to present value. Lombard loans, where the Bank earns an interest margin of 3% per annum, are excluded from the calculation. Based on the above assumptions, management has estimated a fair value of corporate loans of BAM 839,477 thousand (2008: BAM 942,570 thousand), which is BAM 371 thousand higher than their carrying value (2008: BAM 208 thousand lower than their carrying value). Management has estimated, on the same basis, a fair value of loans to retail customers of BAM 1,186,619 thousand (2008: BAM 1,198,175 thousand), which is BAM 713 thousand lower than their carrying value (2008: BAM 334 thousand higher than their carrying value).

Placements with and loans to banks

Placements with banks mostly represent overnight deposits, hence there is no significant difference between the fair value of these deposits and their carrying value.

Deposits from banks and customers

For demand deposits with no defined maturities, fair value is considered 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. Under the assumption of an average market interest rate of 5.08% on corporate and 4.96% on retail deposits (2008: corporate 5.98% and retail 5.19%) and taking into account latest market developments, expected future cash flows on long-term corporate and retail deposits with fixed interest rates are discounted to present value. Deposits linked to lombard loans are excluded from the calculation.

Based on the above assumption, management has estimated a fair value of current accounts and deposits from corporate clients of BAM 1,087,760 thousand, which is BAM 2,435 thousand lower than their carrying value (2008: BAM 962,934 thousand which is BAM 244 thousand lower than their carrying value) and from retail customers of BAM 1,202,679 thousand, which is BAM 1,271 thousand lower than their carrying value (2008: BAM 1,113,368 thousand, which is KM 131 thousand lower than the carrying value).

Due to withdrawal of deposits in the last quarter of 2008, the Bank in 2009 collected some of the deposits at fixed interest rate. In 2010 the Bank offers only variable interest rate on long-term deposits.

38. Fair values of financial assets and liabilities (continued)

Borrowings

Majority of the Bank's long-term debt has variable interest rate and its fair value is estimated as the present value of future cash flows, discounted at the interest rate available at the balance sheet date to the Bank for new debt of similar type and remaining maturity. Management has estimated that the carrying value of borrowings is not significantly different from their fair value.

Financial statements presented in the Agency required format

These financial statements comprise the income statement for the year ended 31 December 2009 and the balance sheet as at 31 December 2009 prepared in the form prescribed by the Agency in the "Decision on volume, form and contents of programs and reports on economic and financial audit" from 29 January 2003 and the Amended Decision from 19 December 2003.

Profit and Loss for the year ended 31 December

	2009	2008
Interest income and interest expense	**BAM '000**	**BAM '000**
Interest income and similar income		
Interest bearing deposits with deposit institutions	5,474	25,605
Loans and leasing	176,575	161,462
Securities held to maturity	-	3
Equity securities	-	-
Receivables for payments made for off balance sheet exposure	-	-
Other interest income and similar income	14,052	7,524
Total interest income and similar income	**196,101**	**194,594**
Interest expense and similar expenses		
Deposits	56,478	54,578
Borrowings from other banks	-	-
Borrowings-due	-	-
Borrowings	10,011	16,347
Subordinated debts and subordinated debts	1,888	3,055
Other interest expenses and similar expenses	3,543	1,909
Total interest expense and similar expenses	**71,920**	**75,889**
Net interest income and similar income	**124,181**	**118,705**
Operating income		
Income from FX trade gains	8,260	9,090
Fee income from lending activities	792	2,418
Fee income from off balance sheet items	5,008	4,978
Fee for services provided	45,977	42,131
Income from trading activities	-	-
Other operating income	18,181	23,244
Total operating income	**78,218**	**81,861**

Non-interest expenses		
Business and direct expenses		
Provision for credit risk and potential credit and other losses	35,145	32,617
Other business and direct expenses	17,915	16,839
Total business and direct expenses	**53,060**	**49,456**
Operating expenses		
Personnel costs	53,311	50,353
Renting costs, other fixed charges and utilities	49,173	48,466
Other operating expenses	12,399	13,779
Total operating expenses	**114,883**	**112,598**
Total non-interest expenses	**167,943**	**162,054**
Profit before tax	34,456	38,512
Income tax expense	5,089	7,708
Net profit	**29,367**	**30,804**

Secondino Lamparelli,
ReviPlant
Retail Client - Italy

**«In 1999, my partners and I started a garden center in the hills above Moncalieri, Turin.
Our innovative, customer-oriented approach enabled us to become a major player in this business and an important part of our local community. Thanks to our relationship with UniCredit and its guidance, we have expanded and are still growing.»**

It's easy with UniCredit.

Balance as at 31 December

	2009 BAM '000	2008 BAM '000
Assets		
Cash reserves and deposits with financial institutions	1,265,696	1,013,683
Cash and non interest bearing accounts and deposits	112,131	98,504
Interest bearing deposits	1,153,565	915,179
Debt securities for trading	5,841	4,735
Placements with banks	-	26
Loans, receivables from leasing and due debts	2,101,844	2,209,447
Loans	2,052,003	2,174,640
Receivables from leaing	145	156
Due debts and receivables from leasing	49,696	34,651
Securities held to maturity	-	-
Business premises and other fixed assets	92,750	84,660
Other real estates	6,205	88
Equity investments	4,817	4,235
Other assets	55,702	61,203
Less: Provisions for possible losses	(76,071)	(69,434)
Provisions for loans, receivables from leasing and due debts	(73,311)	(66,926)
Provisions for other assets except provisions for loans, receivables from leasing and due debts	(2,760)	(2,508)
Total assets	**3,456,784**	**3,308,643**
Liabilities		
Deposits	2,626,122	2,416,976
Interest bearing deposits	2,345,450	2,181,533
Non-interest-bearing deposits	280,672	235,443
Due debts	91	91
Guarantees called up	91	91
Borrowings	213,755	301,513
With remaining maturity up to 1 year	43,442	143,640
With remaining maturity over 1 year	170,313	157,873
Subordinated debts and subordinated bonds	31,293	39,117
Other liabilities	216,650	212,760
Total liabilities	**3,087,911**	**2,970,457**
Equity		
Permanent preferred shares	184	184
Ordinary shares	119,011	119,011
Share premium	48,317	48,282
On permanent preferred shares	88	88
On ordinary shares	48,229	48,194
Retained profits and capital reserves	171,994	138,059
Other equity	29,367	32,650
Total equity	**368,873**	**338,186**
Total liabilities and equity	**3,456,784**	**3,308,643**

Management Board of the Bank

BERISLAV KUTLE	Chief Executive Officer
BORIS BEKAVAC	Chief Operating Officer
IVAN VLAHO	Board member responsible for Retail Banking
ALEK BAKALOVIĆ	Board member responsible for Corporate Banking
GORDAN PEHAR	Chief Finance Officer
DALIBOR ĆUBELA	Chief Risk Officer
ZDRAVKO PLANINIĆ	Director of Global Banking Services

Adresses and phone numbers

Management	
Kardinala Stepinca bb, Mostar	
Telephone	00387 (0) 36 312 112
Fax	00387 (0) 36 312 123
Informations	00387(0) 36 312 112 00387(0) 36 312 116 00387(0) 36 312 117
Retail	00387 (0) 36 312 112
Corporate Banking	00387 (0) 33 253 708
Finance Management	00387 (0) 36 356 600
Risk Management	00387 (0) 36 312 112
Finance Market	00387 (0) 33 253 708

Business Network of UniCredit Bank d.d. – 31 December 2009

Branch office/Address	Telephone
REGIONAL OFFICE MOSTAR	
Poslovnica 1 u Mostaru, Kardinala Stepinca bb, 88000 Mostar	036 312 112
Poslovnica 2 u Mostaru, Dubrovačka 4, 88000 Mostar	036 325 702
Poslovnica 3 u Mostaru, Mostarskog bataljona 4, 88000 Mostar	036 501 412
Poslovnica 5 u Mostaru, Kardinala Stepinca bb, 88000 Mostar	036 333 900
Poslovnica 6 u Mostaru, Lacina 5, 88000 Mostar	036 502 300
Poslovnica u Čapljini, Augusta Šenoe bb, 88300 Čapljina	036 810 712
Poslovnica u Stocu, Hrvatskih branitelja bb, 88360 Stolac	036 853 306
Poslovnica u Neumu, Dr. Franje Tuđmana bb , 88390 Neum	036 880 149
Poslovnica u Čitluku, Broćanski trg bb, 88260 Čitluk	036 642 929
Poslovnica u Međugorju, Međugorje bb, 88266 Međugorje	036 650 862
Poslovnica u Konjicu, Maršala Tita bb, 88400 Konjic	036 725 205
REGIONAL OFFICE ŠIROKI BRIJEG	
Poslovnica u Grudama, Franje Tuđmana br. 124, 88340 Grude	039 660 123
Poslovnica 1 u Širokom Brijegu, Fra. Didaka Buntića 13, 88220 Široki Brijeg	039 700 212
Poslovnica 2 u Širokom Brijegu, Fra Didaka Buntića bb, 88220 Široki Brijeg	039 703 963
Poslovnica u Ljubuškom, Kralja Zvonimira bb, 88320 Ljubuški	039 831 340
REGIONAL OFFICE BOSNA SI	
Poslovnica u Orašju,Treća ulica bb, 76270 Orašje	031 712 944
Poslovnica u Odžaku, Titova 17, 76290 Odžak	031 762 437
Poslovnica u Doboju, Kralja Dragutina 2a, 74000 Doboj	053 241 111
Poslovnica u Brčkom, Trg mladih 1, 76120 Brčko	049 216 626
Poslovnica 1 u Brčkom, Bulevar mira 5, 76120 Brčko	049 233 770
Poslovnica u Bijeljini, Svetog Save br 38, 76300 Bijeljina	055 225 080
REGIONAL OFFICE LIVNO	
Poslovnica u Livnu, Kralja Tvrtka bb, 80101 Livno	034 201 072
Poslovnica u Tomislavgradu, Brigade Kralja Tomislava, 80240 Tomislavgrad	034 352 138
Poslovnica u Posušju, Fra Grge Martića 28, 88240 Posušje	039 680 940
REGIONAL OFFICE SREDNJA BOSNA	
Poslovnica u Vitezu, Petra Krešimira IV, 72250 Vitez	030 713 606
Poslovnica 1 u Vitezu, Branilaca starog Viteza bb, 72250 Vitez	030 790 622
Poslovnica u Uskoplju, Bana Jelačića bb, 70240 Uskoplje	030 494 181
Poslovnica u Turbetu, Bosanska 70d, 72283 Turbe	030 532 044
Poslovnica u Donjem Vakufu, Slavna brdska 770, 70220 Donji Vakuf	030 205 551
Poslovnica u Novom Travniku, Kralja Tvrtka bb, 72290 Novi Travnik	030 790 622
Poslovnica u Fojnici, Mehmeda Spahe 18, 71270 Fojnica	030 547 020
Poslovnica u Travniku, Bosanska 123, 72270 Travnik	030 547 017
Poslovnica 1 u Travniku, Bosanska 56, 72270 Travnik	030 518 611
Poslovnica u Jajcu, Hrvoja Vukčića Hrvatinića bb, 70101 Jajce	030 654 560
Poslovnica u Rami, Kralja Tomislava bb, 88440 Rama	036 771 061
Poslovnica u Bugojnu, Zlatnih ljiljana bb, 70230 Bugojno	030 251 993
Poslovnica 1 u Bugojnu, Bosanska bb, 70230 Bugojno	030 259 570
Poslovnica u Kiseljaku, Josipa Bana Jelačića bb, 71250 Kiseljak	030 877 122

REGIONAL OFFICE ZENICA	
Poslovnica u Žepču, Stjepana Tomaševića bb, 72230 Žepče	032 880 785
Poslovnica u Visokom, Alije Izetbegovića 39, 71300 Visoko	032 730 310
Poslovnica 1 u Visokom, Branilaca 20a, 71300 Visoko	032 730 060
Poslovnica u Zenici, Školska bb, 72000 Zenica	032 449 346
Poslovnica 1 u Zenici, Londža 79, 72000 Zenica	032 406 086
Poslovnica 2 u Zenici, Bulevar Kralja Tvrtka I 17, 72000 Zenica	032 444 660
Poslovnica u Kaknju, Zgošćanska bb, 72240 Kakanj	032 557 215
Poslovnica u Tešnju, Titova bb, 74260 Tešanj	032 665 169
Poslovnica u Jelahu, Titova bb, 74264 Jelah	032 664 426
Poslovnica u Brezi, Bosanskih Namjesnika 118, 71370 Breza	032 783 292
Poslovnica u Zavidovićima, Patriotske lige 1, 72220 Zavidovići	032 878 163
Poslovnica u Varešu, Put mira 5, 71330 Vareš	032 843 063
Poslovnica u Olovu, Husein kapetana Gradaševića bb, 71340 Olovo	032 825 188
Poslovnica u Maglaju, Viteška bb, 74250 Maglaj	032 609 811
REGIONAL OFFICE BIHAĆ	
Poslovnica u Bihaću, Ulica V. Korpusa bb, 77000 Bihać	037 223 051
Poslovnica 1 u Bihaću, Trg slobode 7, 77000 Bihać	037 229 270
Poslovnica u Velikoj Kladuši, Maršala Tita 23, 77230 Velika Kladuša	037 770 104
Poslovnica u Cazinu, Bosanskih Šehida bb, 77220 Cazin	037 514 969
Poslovnica 1 u Cazinu, Cazinskih brigada bb, 77220 Cazin	037 515 012
Poslovnica u Bosanskoj Krupi, Slavne brigade 511, 77240 Bosanska Krupa	037 471 694
Poslovnica 1 u Sanskom Mostu, Trg oslobodilaca bb, 79260 Sanski Most	037 688 545
REGIONAL OFFICE SARAJEVO STARI GRAD	
Poslovnica 1 u Sarajevu, Maršala Tita 48, 71000 Sarajevo	033 253 375
Poslovnica 3 u Sarajevu, Zagrebačka 2-4, 71000 Sarajevo	033 253 973
Poslovnica 4 u Sarajevu, Alipašina 45a, 71000 Sarajevo	033 443 106
Poslovnica 5 u Sarajevu, Fra. Grge Martića 2, 71000 Sarajevo	033 237 845
Poslovnica 6 u Sarajevu, Branilaca Sarajeva 20, 71000 Sarajevo	033 285 726
Poslovnica 11 u Sarajevu, Gajev trg 2, 71000 Sarajevo	033 251 950
Poslovnica 12 u Sarajevu, Zelenih beretki 24, 71000 Sarajevo	033 253 767
Poslovnica 13 u Sarajevu, Branilaca grada 53, 71000 Sarajevo	033 221 700
Poslovnica 14 u Sarajevu, Maršala Tita 13, 71000 Sarajevo	033 201 981
Poslovnica 15 u Sarajevu, Bolnička 25, 71000 Sarajevo	033 218 201; 033 297 705
Poslovnica 16 u Sarajevu, Fra Anđela Zvizdovića 1, 71000 Sarajevo UNITIC	033 252 280
REGIONAL OFFICE NOVO SARAJEVO	
Poslovnica 2 u Sarajevu, Zmaja od Bosne 14C, 71000 Sarajevo	033 250 421
Poslovnica 7 u Sarajevu, Trg ZAVNOBIH-a 21, 71000 Sarajevo	033 776 132
Poslovnica 8 u Sarajevu, Mala Aleja 28, 71210 Ilidža	033 774 140
Poslovnica 9 u Sarajevu, Hifzi Bjelevca 82, 71000 Sarajevo	033 765 050
Poslovnica 10 u Sarajevu, Rajlovačka bb, 71000 Sarajevo	033 234 783
Poslovnica 17 u Sarajevu, Dr.Fetaha Bećirbegovića 23A, 71000 Sarajevo (OTOKA)	033 721 800
Poslovnica 18 u Novom Sarajevu, Zmaja od Bosne 74, 71000 Sarajevo	033 657 127; 033 659 704
Poslovnica 19 u Sarajevu, Mustafe Kamarića 5, 71000 Sarajevo	033 454 181
Poslovnica u Vogošći, Igmanska 60, 71320 Sarajevo	033 476 361

Poslovnica na Ilidži, Mala Aleja 10, 71210 Ilidža	033 627 937
Poslovnica u Hadžićima, Hadželi bb, 71240 Hadžići	033 475 390
Poslovnica 21 u Sarajevu (Avaz), Džemala Bijedića 185, 71000 Sarajevo	033 788 825/830
REGIONAL OFFICE TUZLA	
Poslovnica 1 u Tuzli, Džafer Mahala 53-55, 75000 Tuzla	035 259 059; 035 259 019
Poslovnica 2 u Tuzli, Armije BiH 3, 75000 Tuzla	035 306 478; 035 306 474
Poslovnica 3 u Tuzli, Aleja Alije Izetbegovića 10, 75000 Tuzla	035 302 470
Poslovnica u Gradačcu, Ulica šehida 1, 76250 Gradačac	035 817 714
Poslovnica u Lukavcu , Kulina Bana bb, 75300 Lukavac	035 550 331
Poslovnica u Gračanici, 22 Divizije bb, 75320 Gračanica	035 700 501
Poslovnica u Srebreniku,21 Srebreničke Brigade, 75350 Srebrenik	035 647 025
Poslovnica u Živinicama, Ulica Oslobođenja bb, 75270 Živinice	035 740 086
Poslovnica u Kalesiji, Trg šehida bb, 75260 Kalesija	035 610 110
REGIONAL OFFICE BANJA LUKA	
Poslovnica u Banja Luci, I Krajiškog korpusa 6, 78000 Banja Luka	051 348 063
Poslovnica 1 u Banja Luci, Veselina Masleše 10, 78000 Banja Luka	051 224 850
Poslovnica u Laktašima, Karađorđeva bb, 78252 Laktaši	051 530 662/663
Poslovnica u Prijedoru, Zanatska bb, 79101 Prijedor	052 234 258