



**Kvarner**  
**Banka**  
RIJEKA

# UVOD

## INTRODUCTION

Ovaj dokument obuhvaća Izvješće Nadzornog odbora o izvršenom nadzoru vođenja poslova Kvarner banke d.d. i Godišnje izvješće Uprave o stanju društva, za godinu 2007., na hrvatskom i engleskom jeziku.

This document consists of the Supervisory Board Report on performed supervision of the Kvarner banka d.d. business operation management and Management Board's Business Report for the year 2007, in Croatian and English.

Godišnje izvješće o stanju društva pripremljeno je sukladno članku 250. Zakona o trgovačkim društvima, koji zahtjeva izvješćivanje dioničara od strane uprave društva na Skupštini dioničara.

Management Board's Business Report has been prepared in line with Art. 250 of the Company Law, which requires the Management Board's reporting to the shareholders at the General Meeting.

U ovom izvješću Kvarner banka d.d. Rijeka spominje se kao Banka ili kao Kvarner banka. Središnja banka, Hrvatska narodna banka, navodi se kao HNB. BKS Bank AG Klagenfurt navodi se kao BKS Bank.

In this Report of Kvarner banka d.d. Rijeka is referred to as Bank or Kvarner banka. The Central Bank, Croatian National Bank is referred to as CNB.

U ovom izvješću, skraćenice HRK tisuća, HRK milijuna, odnosno USD tisuća, USD milijuna i EUR tisuća, EUR milijuna predstavlja tisuće i milijune hrvatskih kuna odnosno američkih dolara te eura.

In this report, the abbreviations HRK thousand, HRK million, USD thousand, USD million and EUR thousand, EUR million represent thousands and millions of Croatian kunas, American Dollars and Euros respectively.

Radi pretvaranja iznosa u stranim valutama u kunske korišteni su slijedeći tečajevi HNB koji su vrijedili na dan 31. prosinca 2007. godine:

The exchange rates applied for the translation of foreign currency amounts in kunas are the rates that were in force on 31st December 2007, namely:

CHF 1 = HRK 4,412464

CHF 1 = HRK 4,412464

USD 1 = HRK 4,985456

USD 1 = HRK 4,985456

EUR 1 = HRK 7,325131

EUR 1 = HRK 7,325131

# IZVJEŠĆE NADZORNOG ODBORA

## SUPERVISORY BOARD REPORT

Na temelju članka 263. stavak 3. i članka 300.c) stavak 2. Zakona o trgovačkim društvima, te u skladu s člankom 13. stavak 4. Statuta Kvarner banke d.d. Rijeka, Nadzorni odbor treba Glavnoj skupštini Banke podnijeti pisani izvještaj o obavljenom nadzoru vođenja poslova društva kao i o rezultatima ispitivanja godišnjih financijskih izvješća, izvješća Uprave o stanju društva te o prijedlogu odluke o upotrebi dobiti.

Do 24. travnja 2007. godine Nadzorni odbor Kvarner banke d.d. Rijeka djelovao je u sastavu: Marijan Ključariček, predsjednik, Vito Svetina, zamjenik predsjednika, Mirjana Petković, Dušan Todorović i Giuseppe Tomsich članovi. Obzirom na promjene u strukturi dioničara, pri čemu je ključni dioničarski paket preuzela BKS Bank AG iz Klagenfurta, Republika Austrija, odlukom Glavne skupštine Banke izmijenjen je sastav Nadzornog odbora, koji od tada djeluje u sastavu: Herta Stockbauer, predsjednik, Heimo Penker, zamjenik predsjednika, Josef Morak, Marijan Ključariček i Dubravko Orlovac, članovi.

Nadzorni odbor obavljao je svoju zadaću i donosio odluke sukladno zakonskim propisima i Statutom Banke određene nadležnosti. Tijekom 2007. godine održano je pet redovnih sjednica, a u trideset dva navrata, Nadzorni je odbor odlučivao bez održavanja sjednice, korespondentnim putem.

Putem pisanih i usmenih izvješća Uprave, Nadzorni odbor je bio redovito i potanko izvještavan o stanju Banke, temeljnim pitanjima poslovne politike, strateškim pitanjima, te o tekućim rezultatima poslovanja Banke. Nadzorni odbor je redovno primao i analizirao izvješća Službe unutarnje revizije Banke.

U spomenutom razdoblju, Društvo je djelovalo sukladno Zakonu o trgovačkim društvima, Zakonu o bankama te drugim propisima koji uređuju način i uvjete obavljanja poslovnih i drugih aktivnosti banaka, kao i u skladu s internim dokumentima Banke.

Na poslovanje Banke značajno su utjecali uvjeti u okruženju te spomenuta promjena vlasničke strukture. Zahvaljujući tome, tijekom 2007. godine pokrenuti su brojni procesi integracije između Kvarner banke i BKS Bank te restrukturiranja poslovanja Banke. To je od svih sudionika, prvenstveno u samoj Banci, iziskivalo pojačane (dodatne) napore i angažman te uzrokovalo povećane rashode. Ti se procesi nastavljaju u 2008. godini, sve u cilju osposobljavanja Banke za snažniji tržišni nastup, rast obujma poslovanja te ostvarenje značajno više postavljenih ciljeva.

Nadzorni odbor smatra da mu je dostavljeno dovoljno podataka i informacija kako bi obavio svoju funkciju na propisani način i unutar rokova.

Na sjednici održanoj dana 25. travnja 2008. godine, Nadzorni odbor razmotrio je temeljna financijska izvješća za 2007. godinu, poslovno izvješće Banke za 2007. godinu kao i prijedlog odluke Uprave o upotrebi dobiti ostvarenoj u 2007. godini. Revizorski odbor Banke dostavio je Nadzornom odboru svoj nalaz o rezultatima ispitivanja podnesenih izvješća banke za 2007. godinu.

Pursuant to article 263 par. 3. and article 300.c) par. 2 of Company Law and in line with article 13 par. 4 of the Statutes of Kvarner Banka d.d. Rijeka, the Supervisory Board has to submit a written Report on performed supervision of the Bank's business operation management, as well as on the results of the examination of its Financial reports, of the Management Board's Business Statement and proposal on profit allocation to the General Assembly.

Until April 24, 2007 the Kvarner banka d.d. Supervisory Board consisted of Marijan Ključariček, President; Vito Svetina, Deputy President; Mirjana Petković, Dušan Todorović and Giuseppe Tomsich; members. Given the changes in the shareholders' structure, wherein the key block of shares was taken over by BKS Bank AG, Klagenfurt, Austria, by decision of the Bank's General Assembly, the structure of the Supervisory Board has changed and now it consists of Herta Stockbauer, President; Heimo Penker, Deputy President; Josef Morak, Marijan Ključariček and Dubravko Orlovac, members.

The Supervisory Board performed its activity and made decisions in line with statutory regulations and the Bank's Statutes. In the course of 2007, five ordinary sessions were held and on thirty-two occasions the Supervisory Board made decisions by correspondence, without meeting.

Through written and oral Management Board reports, the Supervisory Board was regularly informed in detail about the Bank's status, the basic business policy issues and strategic questions, as well as about the Bank's current operating results. The Supervisory Board received and analyzed the Bank's internal audit reports on a regular basis.

In the mentioned period, the Company operated in line with Company Law, Banking Law and other regulations which govern the means and terms of performing business and other activities in banks, as well as in conformity with the Bank's internal by-laws.

The Bank's activity was strongly influenced by the circumstances in the region, as well as by the mentioned ownership structure change. Owing to this, in the course of 2007, numerous integration processes between Kvarner banka and BKS Bank, as well as the restructuring of the Bank were initiated. This implied additional effort and commitment from all participants, in the Bank itself in particular, and was the cause of increased expenses. These processes have continued in 2008, with the objective of giving the Bank a stronger market appearance, of expanding its business volume and of achieving the highly set standards.

The Supervisory Board is of the opinion that it has obtained sufficient data and information to perform its function properly, within the set time limits.

At the meeting held on April 25, 2008, the Supervisory Board examined the financial statements and the business statement for 2007, as well as the Management Board's proposal on the allocation of the profit achieved in 2007. The Bank's Audit Committee, having analyzed the Bank's 2007 reports, submitted their findings to the Supervisory Board.

KPMG Croatia d.o.o. iz Zagreba, sa sjedištem u Zagrebu, Ivana Lučića 2a, Eurotower 16. kat, djelujući kao ovlašteni revizor Banke, revidirao je godišnja financijska izvješća te dao pozitivno mišljenje, dakle da financijski izvještaji realno i objektivno te u skladu s zakonskim zahtjevima za računovodstvo banaka u Hrvatskoj, prikazuju financijski položaj Kvarner banke na dan 31.12.2007. godine, rezultate njenog poslovanja i gotovinske tokove za 2007. godinu

Provedenim nadzorom u 2007. godini, te izvršenim ispitivanjem podnesenih izvješća Nadzorni odbor je utvrdio da:

- Banka posluje i djeluje u skladu sa zakonom, aktima Banke i odlukama Glavne skupštine;
- je poslovanje Banke u skladu s utvrđenom poslovnom politikom;
- je Uprava Banke odgovorno obavljala svoju funkciju, u okviru svoje nadležnosti, te da nisu utvrđeni materijalno značajni propusti u njezinu radu;
- nisu utvrđeni materijalno značajni propusti u radu drugih osoba zaposlenih u Banci koji bi u materijalno značajnoj mjeri negativno utjecali na poslovnu politiku i financijsko poslovanje Banke;
- su godišnja financijska izvješća napravljena u skladu sa stanjem u poslovnim knjigama Banke i da ispravno iskazuju imovinsko i poslovno stanje Banke.

Cijeneći iznijeto, Nadzorni odbor nema prigovora ni primjedbi na podnesena izvješća, te je stoga dao suglasnost na godišnja financijska izvješća Banke za 2007. godinu.

Pozivom i u smislu članka 300.d stavak 1. Zakona o trgovačkim društvima, na taj način Uprava i Nadzorni odbor Banke utvrdili su godišnja financijska izvješća Banke za 2007. godinu.

KPMG Croatia d.o.o. from Zagreb, with head offices in Zagreb, Ivana Lučića 2a, Eurotower 16th floor, acting as the Bank's appointed auditor, reviewed the Financial reports and gave an unqualified opinion, by stating that the Financial reports present the financial position of Kvarner banka as of December 31, 2007 and the results of its activity and the cash flow for 2007 fairly and objectively and in conformity with generally accepted accounting standards in Croatia.

By performed supervision in 2007 and examination of submitted reports, the Supervisory Board has ascertained that:

- the Bank operates and acts in line with the law, the Bank's acts and General Assembly decisions;
- the Bank's activity is, at the same time, in line with the defined business policy;
- the Bank's Management Board performed its function responsibly, within the limits of its competence, and that no materially significant omissions were found in its activity;
- no materially significant omissions were ascertained in the work of other persons employed in the Bank which would negatively affect the Bank's business policy and financial operations;
- the Financial Statements have been prepared in line with the situation in the Bank's business books, and that they correctly disclose the Bank's property and business conditions.

Considering the above mentioned, the Supervisory Board has neither objections nor remarks on the submitted reports, and has therefore approved the Bank's Financial Statements for 2007.

Referring to and pursuant to article 300, par 1 of Company Law, the Bank Management and Supervisory Boards have thus determined the Bank Financial Statements for 2007.

**Herta Stockbauer**  
predsjednik Nadzornog odbora | [President of the Supervisory Board](#)





**GODIŠNJE IZVJEŠĆE UPRAVE O STANJU DRUŠTVA  
ZA 2007. GODINU**

**MANAGEMENT BOARD'S BUSINESS REPORT  
FOR THE YEAR 2007**

# IZVJEŠĆE PREDsjedNIKA UPRAVE

## REPORT BY THE PRESIDENT OF THE MANAGEMENT BOARD

Zadovoljstvo mi je, u ime Kvarner banke d.d., dioničarima, poslovnim partnerima i javnosti, predstaviti financijska izvješća Banke za 2007. godinu.

Reviziju poslovanja Kvarner banke je već drugu godinu, obavila tvrtka KPMG Croatia d.o.o. Zagreb.

Makroekonomske prilike u Hrvatskoj u 2007. godini karakterizira ostvareni rast BDP-a, koji se procjenjuje na oko 6,1 % uz stopu inflacije mjerene rastom potrošačkih cijena od 5,8%. Tečaj kune je bio stabilan, sa stalnim aprecijacijskim pritiscima. Rast BDP-a je najvećim dijelom uvjetovan rastom osobne potrošnje i (državnih) investicija uz povećanje utjecaja osobne potrošnje. Nastavljeni su neki negativni trendovi; rast deficita bilance tekućih transakcija (3.200 EUR milijuna) za cca 16% u odnosu na 2006. godinu. Taj je deficit pokriven prihodima od stranih ulaganja (3.600 EUR milijuna), nažalost uglavnom u brownfield investicije te ulaganja u uslužni i financijski sektor. Ino dug i nadalje raste te je na kraju 2007. godine dosegao 32.900 EUR milijuna (rast 12,5%) i iznosio čak 85% BDP-a. Struktura hrvatskog BDP-a najlošija je u okruženju.

Hrvatska narodna banka je na ovakve trendove reagirala nastavkom primjene restriktivnih mjera. Tako je rast plasmana klijentima limitiran na 0,5% mjesečno u drugoj polovici 2007. godine, a i dalje je na snazi obaveza izdvajanja 50%-tnog depozita na dopunsko zaduženje banaka u inozemstvu. Rast plasmana banaka iznosio je 15,1% (što je 7,8 postotnih bodova manje nego u 2006. godini), ali to usporevanje odnosno restrikcije HNB-a nisu ostavile očekivanog efekta obzirom da su se veći poduzetnici, uz poticaj banaka, okrenuli izravnom zaduživanju u inozemstvu. Istovremeno su banke snažnije povećavale plasmane sektoru stanovništva.

U Hrvatskoj su u 2007. godini poslovale 33 banke, od kojih 21 mala banka (manje od 1% ukupne aktive bankovnog sektora), u čiju skupinu spada i Kvarner banka.

Kvarner banka je i ovu poslovnu godinu poslovala profitabilno sa rastom bilance od 10% u odnosu na prethodnu godinu. Plasmani klijentima porasli su za 10%, dok su depoziti klijenata porasli za 21%.

Ostvarena je dobit u poslovanju od 3.424.499,68 HRK (oko 467 EUR tisuća), što je za 9% manje od dobiti ostvarene u 2006. godini, uglavnom kao posljedica pojačanih troškova restrukturiranja.

Ovo je bila i prva godina poslovanja sa BKS Bank AG iz Klagenfurta, kao novim većinskim vlasnikom.

Naime, od sredine 2007. godine BKS Bank AG postala je vlasnikom preko 99% dionica Kvarner banke, čime je pokrenut proces integracije Kvarner banke u sustav BKS. Ovo je dinamičan proces, koji se odvija na svim razinama,

It is with great pleasure that, on behalf of Kvarner banka d.d., I present the Bank's financial statements for the year 2007 to our shareholders, business partners and to the general public.

The audit of Kvarner banka's activity was performed, for the second consecutive year by the Auditors KPMG Croatia d.o.o. Zagreb.

The macroeconomic conditions in 2007 in Croatia were characterized by GDP growth estimated in about 6.1 % with an inflation rate, measured by the increase in consumer prices, of 5.8%. The kuna exchange rate was stable, with constant appreciation pressures. The GDP growth was mostly determined by the growth of personal consumption and (state) investments with an increasing impact of personal consumption. Certain negative trends have continued; increase in the current transactions balance deficit (€ 3.200 million) by 16% ca compared to the year 2006. This deficit was covered by income from foreign investments (€ 3.600 million), unfortunately mostly in brownfield investments and investments in the service and financial sector. Foreign debt continued to grow and at the end of 2007 reached € 32.900 million (12.5% growth) accounting for as much as 85% of the GDP. The structure of the GDP in Croatia is the worse in the region.

The Croatian National Bank reacted to such trends by continuing to apply restrictive measures. Thus, the monthly growth of loans to clients was limited to 0.5% in the second half of 2007, and the obligation to allocate a 50% deposit on banks' additional indebtedness abroad remained in force. The growth of bank loans amounted to 15.1% (which is 7.8 percentage points less than in 2006), however both this deceleration and the CNB restrictions failed to produce the expected effects considering the fact that major entrepreneurs, assisted by bank incentives, turned to direct borrowing abroad. At the same time the banks increased more strongly loans to the retail sector.

In 2007 there were 33 banks operating in Croatia of which 21 small banks (with less than 1% of the overall banking sector assets), group of which Kvarner banka is also part.

Kvarner banka operated with profit in the business year 2007, with a balance sheet growth of 10% compared to the year before. Loans to clients increased by 10% while client deposits increased by 21%.

The recorded operating profit amounted to HRK 3,424,499.68 (approximately € 467 thousand), which is 9% less than the profit recorded in 2006, mostly as the consequence of increased restructuring expenses.

This has also been the first year of activity with BKS Bank AG from Klagenfurt, as the Bank's new majority owner.

Namely, since mid-2007 BKS Bank AG became owner of over 99% of Kvarner banka shares, whereby the process of integration of Kvarner banka in the BKS system started. This is a dynamic process, involving all levels, so that big efforts

ulažu se veliki napori i u BKS Banci i u Kvarner banci da se ovaj proces što brže i uspješnije završi.

Paralelno sa ovim aktivnostima ulažu se veliki napori i sredstva u jačanje IT podrške. Implementiran je program za domaći i međunarodni platni promet, a do sredine 2008. godine biti će u funkciji i novi program za kreditno-garancijsko i depozitno poslovanje.

U drugoj polovici 2008. godine planira se otvaranje podružnice Zagreb, što će značiti definitivni izlazak Kvarner banke iz regionalnih okvira.

Za ostvarenje ovakvih zadataka i projekata, morali smo se i kadrovski ojačati, pa danas Banka zapošljava 40 djelatnika. Do kraja 2008. godine, taj broj će se, stavljanjem podružnice Zagreb u punu funkciju, povećati na oko 50 djelatnika.

Jedna je dinamična godina za nama, ali nas prava iskušenja i napori tek očekuju. Želim se, stoga, zahvaliti svim djelatnicima i Kvarner banke, ali i djelatnicima BKS Bank koji su sudjelovali, a i dalje sudjeluju, u procesu integracije Kvarner banke u sustav BKS Bank na zaista velikom uloženom trudu i zalaganju.


are being made both by BKS Bank and Kvarner banka to complete this process as quickly and successfully as possible.

In parallel with these activities, efforts are also being made to enhance IT support. A programme for domestic and international payment operations has been implemented and by the middle of 2008 a new programme for credit-guarantee and deposit operations will be in function as well.

The opening of the Zagreb branch, scheduled for the second half of 2008, will mark Kvarner banka's final stepping out of its regional boundaries.

In order to accomplish such tasks and projects we had to strengthen our human resources, so that today the Bank numbers 40 employees. By the end of 2008, with full operation of the Zagreb branch this number will increase to about 50 employees.

We have left a dynamic business year behind, but the true challenges and efforts are still ahead of us. Consequently, I would like to thank all employees in both Kvarner banka and BKS Bank who participated, and still participate in the process of Kvarner banka's integration in the BKS system for their truly big efforts and dedication.



**Goran Rameša**  
predsjednik Uprave | [President of the Management Board](#)

# MAKROEKONOMSKI UVJETI U 2007. GODINI

## MACROECONOMIC CONDITIONS IN 2007

### Visoki rast BDP-a

Rast BDP-a u 2007. godine procjenjuje se na oko 6,1%, što je osjetno više od ostvarenja u 2006. godini (4,8%). Na rast BDP-a najviše je utjecao rast osobne potrošnje (6,2%), najviše od 2002. godine (kada je iznosila 7,7%). Također su značajnije na rast BDP-a utjecala ulaganja u fiksni kapital, s rastom od 6,5%, što je ipak osjetno manje nego u 2006. godini kad je bio na razini od 10,9%. Državna potrošnja je u 2007. godini povećana za 3,4% što je najviša stopa rasta od 2002. godine. Analitičari ocjenjuju da je hrvatski BDP najlošije strukture među zemljama u okruženju.

Zabilježen je porast broja poduzetnika i pad nezaposlenosti, tako da je stopa nezaposlenosti na kraju 2007. godine iznosila 13,2% što je za 17% manje u odnosu na 2006. godinu. Pad nezaposlenosti tumači se kroz smanjenje registrirane nezaposlenosti, odnosno smanjenog broja novoprijavljenih osoba u evidenciju nezaposlenih Hrvatskog zavoda za zapošljavanje, ali i povećanje broja zaposlenih iz te evidencije. Prosječna plaća u prosincu iznosila je 686 EUR što je poslije Slovenije najviše u regiji.

Stopa inflacije na kraju 2007. godine iznosila je 5,8% dok je godišnji prosjek 2,9%. Rastuća inflacija rezultat je uvezene inflacije, odnosno odraz stanja na svjetskim tržištima gdje se bilježi rast cijena nafte, kao i ostalih sirovina (posebno metala). Značajan poticaj inflaciji dao je i ubrzani rast domaće potrošnje (osobna potrošnja i investicije u fiksni kapital).

Uvoz roba bio je za 9.400 EUR milijuna veći od izvoza roba. Kompenziran je uobičajenim suficitom u bilanci usluga (6.300 EUR milijuna), ali sveukupno bilježi se snažan rast deficita bilance tekućih transakcija za 16% (514 EUR milijuna) u odnosu na 2006. godinu. Deficit bilance tekućih transakcija financiran je priljevima od stranih ulaganja (3.600 EUR milijuna), što je povoljno, ali je struktura tih ulaganja (brownfield ulaganja i ulaganja u uslužni i financijski sektor) nepovoljna.

Na kraju 2007. godine bruto inozemni dug iznosio je 32,9 EUR milijuna što je za 12,5% (3.700 EUR milijuna) više nego godinu dana ranije. Godišnja stopa rasta inozemnog duga usporena je za 1,2 postotna boda, uglavnom zahvaljujući restriktivnim mjerama HNB-a pri čemu je najviše porastao dug ostalih domaćih sektora (za 3.900 EUR milijardi i to kod većinskih privatnih poduzeća, javnih trgovačkih društava i mješovitih trgovačkih društava) te dug vlasnički povezanih poduzeća putem inozemnih izravnih ulaganja (za 1.100 EUR milijuna). Inozemni dug banaka smanjen je za 1.300 EUR milijuna, (kao posljedica pooštrenih mjera HNB-a kojima se ograničava rast plasmana poslovnih banaka koji ne podliježu upisu obveznih blagajničkih zapisa HNB-a te s troškovima izdvajanja granične obvezne pričuve), ali je dug ostalih sektora (prvenstveno poduzetnika) na poticaj banaka značajno uvećan.

### High GDP growth

The GDP growth in 2007 is estimated at about 6.1%, which is considerably more than in 2006 (4.8%). Personal consumption growth (6.2%), had the greatest impact on the GDP growth since the year 2002 (when it amounted to 7.7%). Another major impact was represented by fixed capital investments, with a 6.5% growth, considerably lower - though - than in 2006, when they amounted to 10.9%. State consumption in 2007 grew by 3.4%, the highest growth rate recorded since the year 2002. According to analysts' opinion, the Croatian GDP has the worse structure among the countries in the region.

An increase in the number of entrepreneurs has been recorded as well as a fall in unemployment, so that the unemployment rate at the end of 2007 amounted to 13.2%, or 17% less than in 2006. The fall in unemployment is derived from the reduction of registered unemployment, i.e. the reduction in the number of newly registered unemployed persons in the records of the Croatian Employment Office, but also from the increase of the number of employed in the same records. The average salary in December amounted to € 686 - the highest in the region, after Slovenia.

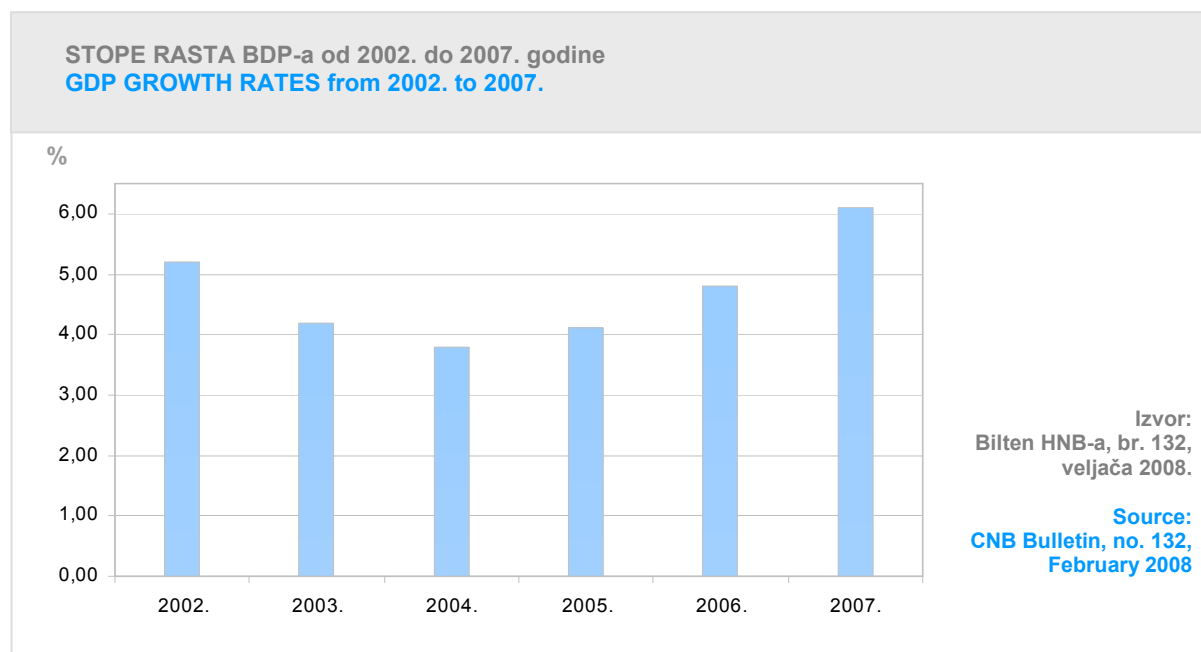
The inflation rate at the end of 2007 amounted to 5.8% with an annual average of 2.9%. The growing inflation is the result of imported inflation, i.e. it is the reflection of the situation on world markets where price increases of oil, as well as of other raw materials (especially metals) have been recorded. A significant impetus to inflation was also given by the accelerated growth of domestic consumption (personal consumption and fixed capital investments).

Goods imports were by € 9,400 million higher than exports. This was compensated by the usual surplus in the services balance (€ 6.300 million), but in general there has been a strong growth of the current transactions payment balance deficit, precisely by 16% (€ 514 million) compared to the year 2006. The current-transactions balance deficit was financed out of inflows from foreign investments (€ 3.600 million), which is favorable, but the structure of these investments (brownfield investments and investments in the services and financial sector) is unfavorable.

At the end of 2007 gross foreign debt amounted to € 32,9 million, or 12.5% (€ 3.700 million) more than the year before. The annual foreign debt growth rate slowed down by 1.2 percentage points, mainly owing to CNB restrictive measures, wherein the highest debt increase was recorded in other domestic sectors (by € 3.900 billion - precisely in majority private companies, public companies and mixed companies) and the debt of joint-ownership companies through direct foreign investments (by € 1.100 million). The banks' foreign debt decreased by € 1.300 million, (as the result of strict CNB measures limiting the growth of commercial banks' loans not subject to the subscription of obligatory CNB treasury bills and of obligatory reserve allocation costs), but the debt of the other sectors (primarily entrepreneurs) increased considerably, assisted by banks' incentives.

Bilježi se daljnji rast pokazatelja zaduženosti stanovništva tako da je krajem lipnja 2007. godine zaduženost po zaposlenom iznosila oko 74 HRK tisuća. U usporedbi s većinom novih članica EU, razina duga stanovništva prema bankama, iskazanog u EUR u odnosu prema BDP, u Hrvatskoj je i dalje gotovo dvostruko viša nego u tim zemljama. Omjer kredita poslovnih banaka stanovništvu prema BDP-u (u EUR) za Hrvatsku iznosi 40%, a u ostalim usporednim zemljama srednje i istočne Europe taj se omjer kretao u rasponu od 15% do 23%.

There has been a further increase of citizens' indebtedness, so that at the end of June 2007 indebtedness per employee amounted to approximately HRK 74 thousand. Compared to most EU new members the level of citizens' debts towards the banks in Croatia, expressed in € in relation to the GDP, is still almost twice as high as in these countries. The ratio of commercial banks' retail loans to the GDP (in €) for Croatia amounted to 40%, while in other comparable central and east European countries this ratio ranged from 15% to 23%.



#### Nastavak restriktivne monetarne politike

Mjere monetarne politike HNB-a u 2007. godini nisu se drastično mijenjale u odnosu na 2006. godinu. I dalje je prisutna restriktivna monetarna politika usmjerena na usporavanje kreditne aktivnosti banaka i smanjenje inozemnog duga.

Hrvatska narodna banka donijela je u prosincu 2006. godine Odluku o obveznom upisu blagajničkih zapisa HNB-a, sa stupanjem na snagu od siječnja 2007. godine. Cilj Odluke sastojao se u tome da ograniči kreditne plasmane banaka koji su financirani iz inozemnih izvora na način da je obvezan upis blagajničkih zapisa za rast plasmana iznad godišnje stope od 12 posto u visini od 50% posto tog rasta.

Ukupna imovina poslovnih banaka porasla je za 12,3% na godišnjoj razini odnosno 336 HRK milijardi. Ukupni krediti povećali su se za 13,4%. Kod kredita stanovništvu bilježi se rast od 18%, a kod kredita poduzećima rast od 10,2%. Najveći rast zabilježen je kod stambenih kredita, iako je zbog mjere ograničenja rasta plasmana, godišnja stopa pala na 22,5% u 2007. godini s 33,9% koliko je iznosila u 2006. godini.

Ukupni depoziti banaka na kraju 2007. godine iznosili su 198.000 HRK milijuna. U odnosu na 2006. godinu to je povećanje od 19%. U tome devizni depoziti sudjeluju sa 103.000 HRK milijuna uz godišnju stopu rasta od 16,8%.

Tijekom prvih pet mjeseci 2007. godine, nije bilo izraženijih pritisa na tečaja kune prema euru. To je omogućilo HNB-u

#### Continuation of a restrictive monetary policy

In 2007 the CNB monetary policy measures did not change drastically compared to the year before. A restrictive monetary policy aiming at slowing down the banks' lending activities and reducing foreign debt, is still being applied.

In December 2006 the Croatian National Bank enacted the Decision on obligatory subscription of CNB treasury bills, in force from January 2007. The Decision aimed at limiting bank lending out of foreign sources so that, for loans exceeding the annual rate of 12 percent, there was the obligation to subscribe treasury bills in the amount of 50% of the excess growth in question.

Total commercial banks' assets increased by 12.3% at year level, or HRK 336 billion. Total loans increased by 13.4%. An increase of 18% was recorded in retail loans, of 10.2% in corporate ones. The highest increase was recorded in housing loans, despite the fact that, due to loan-growth limitation measures, the annual rate in 2007 fell to 22.5%, from the 33.9% recorded in 2006.

The banks total deposits at the end of 2007 amounted to HRK 198.000 million. Compared to the year 2006 this represents an increase by 19%. In this, foreign currency deposits account for HRK 103,000 million, with an annual growth rate of 16.8%.

In the first five months of 2007 there have been no pronounced pressures on the kuna/euro exchange rate. This

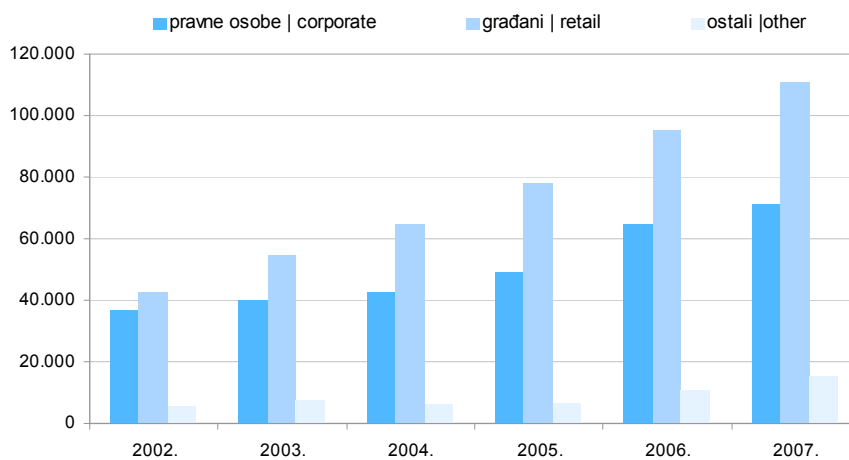
da primarni novac kreira isključivo pomoću redovitih obratnih repo operacija s trezorskim zapisima MF-a za razliku od istog razdoblja 2006. godine kada je središnja banka kunsku likvidnost kreirala prije svega otkupom deviza od poslovnih banaka. Likvidnost banaka bila je povoljna i stabilna. Međutim, nakon ljeta likvidnost je bila smanjena. Jedan od razloga je upravo neredovitost održavanja redovitih obratnih repo aukcija središnje banke na koje su banke računale u prethodnim razdobljima. Događaj koji je, na određeni način, obilježio 2007. godinu jest javna ponuda dionica T-HT-a koja je prouzročila neravnoteže na novčanom i deviznom tržištu. Došlo je do porasta kunkskih kamatnih stopa na međubankarske kredite, u nekim slučajevima čak iznad razine od 10%.

I na eurotržištu došlo je do rasta kamatnih stopa. Rast referentnih kamatnih stopa rezultirao je skupljim vanjskim financiranjem, a samim time i potrebom korekcije kamatnih stopa domaćih banaka na kredite. Slijedom navedenih kretanja, banke su oprezno započele proces prilagođavanja kamata klijentima (aktivnih i pasivnih).

enabled the CNB to create primary money exclusively by means of ordinary reverse repo operations with MF treasury notes, as opposed to the same period of 2006 when the Central Bank had created kuna liquidity primarily through the purchasing of foreign currency from commercial banks. The bank liquidity was favorable and stable. However, after the summer period the liquidity was reduced. One of the reasons is precisely the irregularity with which the Central Bank held the ordinary reverse repo auctions the banks had counted on in previous periods. The event that, in a certain sense, marked the year 2007 was the public offer of T-HT shares that caused imbalances on both money and foreign exchange markets. Kuna interest rates on interbank loans increased, in some cases even above the level of 10%.

There has been an interest rates increase on the Euromarket, too. The increase in referral interest rates resulted in more expensive foreign financing and consequently in the need to correct domestic banks' interest rates on loans. Following the mentioned trends, the banks began to cautiously adjust the interest rates to clients (both interest payable and receivable).

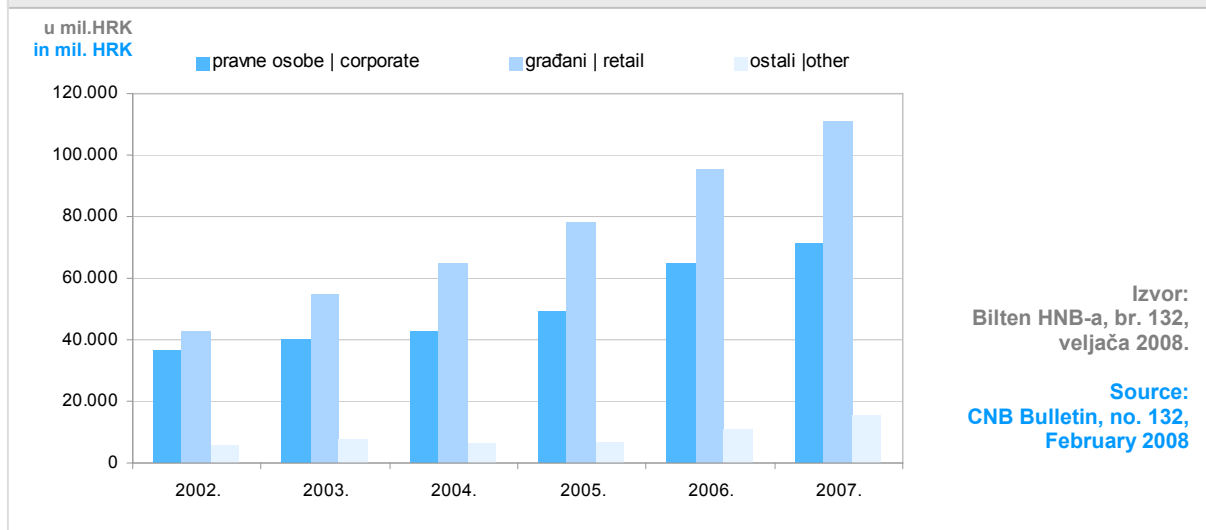
**KREDITI POSLOVNIH BANAKA od 2002. do 2007. godine (sa stanjem 31.12.2007.)**  
**COMMERCIAL BANKS' LOANS from 2002. to 2007. (as at Dec 31<sup>st</sup> 2007)**



Izvor:  
 Bilten HNB-a, br. 132,  
 veljača 2008.

Source:  
 CNB Bulletin, no. 132,  
 February 2008

**DEPOZITI POSLOVNIH BANAKA od 2002. do 2007. godine (sa stanjem 31.12.2007.)**  
**COMMERCIAL BANKS' DEPOSITS from 2002. to 2007. (as at Dec 31<sup>st</sup> 2007)**



U 2007. godini zabilježen je značajan porast interesa građana za sudjelovanjem na tržištu kapitala. U tome je veliku ulogu odigrala Vlada koja je nastavkom privatizacijskog procesa putem javnih ponuda na burzi probudila interes malih ulagača. Ukupna vrijednost domaćeg tržišta narasla je za 78%, a broj transakcija se udvostručio.

The citizens' interest in participating in the capital market increased considerably in 2007. The Government played an important role in this by arousing the interest of small investors through public offers on the stock exchange during the continuation of the privatization process. The total value of the domestic market increased by 78%, and the number of transactions doubled.

Domaće tržište kapitala obilježeno je snažnim rastom cijena i likvidnosti većine dionica, potaknuto ponajviše snažnim rastom imovine institucionalnih ulagača, a posebice dioničkih i mješovitih investicijskih fondova, uz istodobni nedostatak novih izdanja dionica na tržištu.

The domestic capital market was characterized by a strong increase in prices and liquidity of most shares, chiefly prompted by the strong growth in institutional investors' assets, share and mixed investment funds in particular, with a simultaneous shortage of new share issues on the market. On the Croatian market the third quarter of 2007 was marked by variable trends of the domestic stock exchange index. The mentioned period was characterized by the return of the surplus of paid-in funds to the participants in the initial public offer of Magma d.d. shares, so that in the second half of July the CROBEX index began to grow and the announced public offer of T-HT shares that took place in September 2007 prompted a great number of investors to raise the funds necessary for the purchase of these shares by selling existing portfolios, which in August and in the first part of September brought about a reduction in the price of many shares, of liquid ones in particular. Besides capital markets, this public offer had a great impact on other financial markets in the country also causing a temporary reduction of deposits in commercial banks and the withdrawal of part of the funds from Investment funds.

Treće tromjesečje 2007. godine na hrvatskom tržištu kapitala obilježila su promjenjiva kretanja domaćeg burzovnog indeksa. Spomenuto razdoblje obilježio je povrat viška uplaćenih sredstava sudionicima inicijalne ponude dionica Magme d.d., pa je CROBEX u drugoj polovici srpnja počeo rasti te najava javne ponude dionica T-HT-a, koja je održana u rujnu 2007. i potaknula velik broj ulagača da sredstva potrebna za kupnju tih dionica prikupe rasprodajom postojećih portfelja, što je u kolovozu i prvom dijelu rujna dovelo do pada cijena mnogih, a posebno likvidnih dionica. Osim na tržište kapitala, ta je javna ponuda imala velik utjecaj i na ostala financijska tržišta u zemlji kao i na privremeno smanjenje depozita u poslovnim bankama te na povlačenje dijela sredstava iz investicijskih fondova.

Unatoč rekordnom mjesečnom prometu i euforiji koja je nakon snažnog rasta cijene dionice T-HT-a zavlada na tržištu, CROBEX se krajem listopada počeo smanjivati što se nastavilo i u studenome. To je dijelom bila posljedica negativnih kretanja na svjetskim dioničkim tržištima (svjetska previranja i rastuće globalne neizvjesnosti) i povećanog zanimanja ulagača za sigurnije instrumente ulaganja, ali i političkih nestabilnosti u regiji te neizvjesnosti vezane uz rezultate parlamentarnih izbora Republike Hrvatske održanih krajem studenog 2007. godine.

Despite the record monthly turnover and the euphoria that had taken place on the market after the strong growth of the price of T-HT shares, at the end of October the CROBEX began to decrease, which continued in November as well. This was partly the consequence of negative trends on world equity markets (world turmoils and growing global uncertainty) and of investors' increased interest in safer investment instruments, but also of political instability in the region and of uncertainty linked to the results of RC Parliamentary elections that were held at the end of November 2007.

Unatoč navedenom, dionički indeks CROBEX zaključio je godinu s rastom od 63,2% u odnosu na prethodnu godinu.

Despite the above mentioned, the CROBEX index concluded the year with a 63.2% increase compared to the year before.

### Stabilan tečaj

Tečaj HRK/EURO je blago varirao tijekom 2007. godine, uglavnom kao posljedica sezonskih oscilacija. HNB je tek srpnju, prvi put u 2007. godini, intervenirala na deviznom tržištu otkupivši na dvjema aukcijama ukupno 139 EUR milijuna. Kuna je tijekom prošle godine ojačala u odnosu na euro za samo 0,8 % u prosjeku, a prosječni tečaj HRK/EUR iznosio je 7,34.

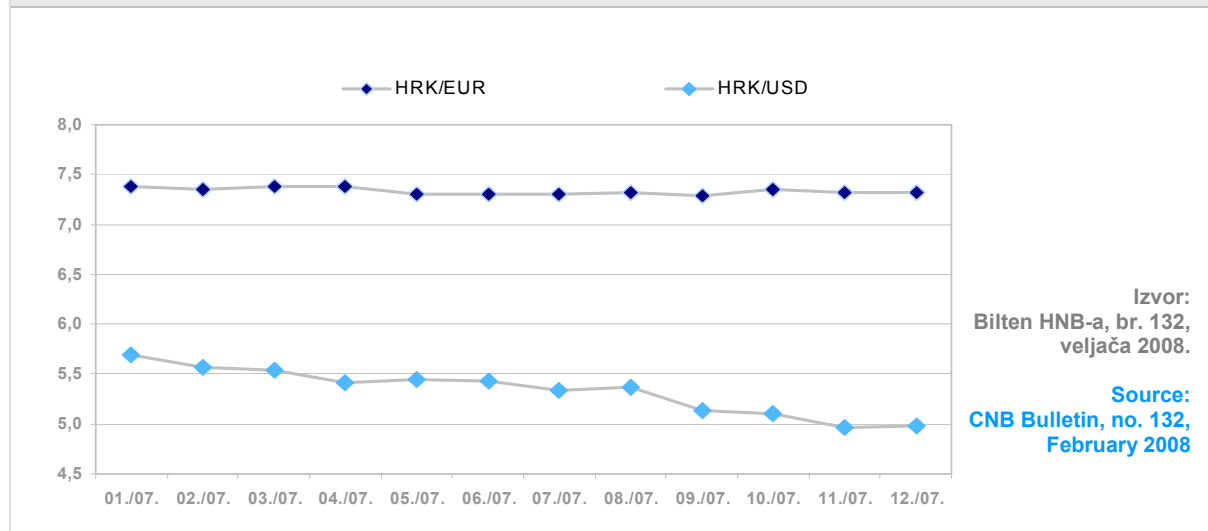
Zbog slabljena vrijednosti američkog dolara u odnosu na EURO, odgovarajuće je porasla vrijednost hrvatske valute u odnosu na dolar. Došlo je do porasta tečaja HRK /USD za 8,5% odnosno na HRK, 5,37 HRK za 1 USD, a taj se proces nastavio i u početkom 2008. godine.

### Stable exchange rate

The HRK/EURO exchange rate recorded mild variations in the course of 2007, mainly as the consequence of seasonal oscillations. Only in July, for the first time in 2007, the CNB intervened on the foreign exchange market by purchasing, at two biddings, a total amount of € 139 EUR million. In the past year the kuna strengthened against the euro by only 0.8 % on average, with the average exchange rate HRK/EUR amounting to 7.34.

Because of the weakening of the American dollar against the EURO, the value of Croatian kuna increased against USD, accordingly. The exchange rate HRK /USD increased by 8.5% reaching HRK 5.37 HRK for 1 USD, and this process continued at the beginning of 2008, too.

**KRETANJA TEČAJA KUNE PREMA EURU I DOLARU U 2007. GODINI (prosječno po mjesecima)**  
**TRENDS IN THE KUNA EXCHANGE RATE TO THE EURO AND THE DOLLAR IN 2007. (on average, by the month)**



## Prilike u hrvatskom gospodarstvu

U Republici Hrvatskoj na kraju 2007. godine, kao i na kraju 2006. godine poslovale su trideset i tri banke, od kojih je sedam velikih i pet srednjih banaka te dvadeset i jedna mala banka (koje imaju manje od 1 % tržišnog udjela). Broj banaka u većinskom domaćem vlasništvu smanjio se s osamnaest, koliko je iznosio na kraju 2006. godine, na sedamnaest u 2007. godini.

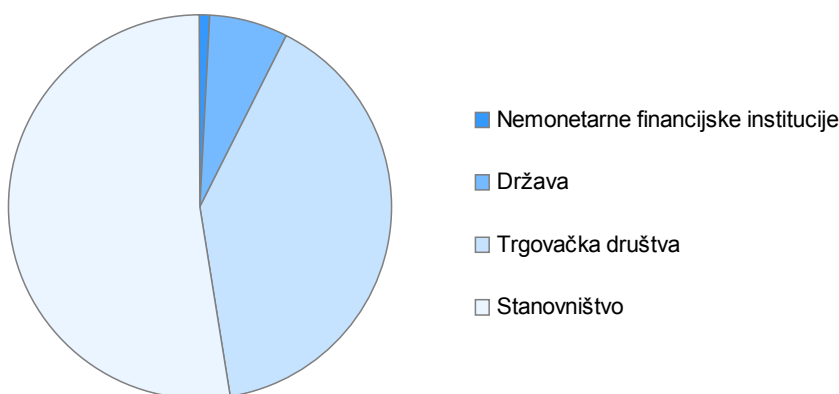
Ukupna aktiva poslovnih banaka na kraju 2007. godine iznosila je 336,1 HRK milijardi. U odnosu na kraj 2006. godine, ostvaren je rast aktive od 12,3% što ukazuje na pad stope rasta aktive u odnosu na 2006. godinu, budući da je u 2006. godini u odnosu na 2005. ostvaren rast aktive za 17,2%.

## Croatian economic environment

At the end of 2007, as well as at the end of 2006 there were thirty three banks operating in the Republic of Croatia, of which seven were big banks, five medium banks and twenty-one small banks (with less than 1 % of the market share). The number of banks in domestic majority ownership fell from eighteen, at the end of 2006, to seventeen in 2007..

The commercial banks' total assets at the end of 2007 amounted to HRK 336,1 billion. Compared to the end of 2006, an increase of assets of 12.3% was recorded which indicates a fall in the assets growth rate as against the year 2006, since in 2006 assets had increased by 17.2%, compared to the year before.

### DISTRIBUCIJA KREDITA BANAKA PO INSTITUCIONALNIM SEKTORIMA NA KRAJU 2007. GODINE DISTRIBUTION OF BANK CREDITS BY INSTITUTIONAL SECTORS AT THE END OF THE YEAR 2007.



Izvor:  
Bilten HNB-a, br. 134,  
veljača 2008.

Source:  
CNB Bulletin, no. 134,  
February 2008

Poslovne banke su u 2007. godini odobrile ukupno 215.641,3 HRK milijuna kredita (kunskih i deviznih) što je za 13,4% više nego u 2006. godini. Udio kredita stanovništvu u ukupnim odobrenim kreditima u 2007. iznosio je 52,4%, dok su krediti trgovačkim društvima ostvarili udio od 40%. Dok je udio kredita stanovništva porastao za 4,1% u odnosu na 2006. godinu, udjeli trgovačkih društava u odobrenim kreditima pali su za 2,9%. Ostalo su krediti središnjoj i lokalnoj državi (6,7%), ostalim bankarskim institucijama (0,1%) te nebankarskim financijskim institucijama (0,8%).

In 2007 commercial banks granted loans for a total amount of HRK 215,641.3 million (both in kunas and foreign exchange) which is 13.4% more than in 2006. The share of retail loans in total loans in 2007 amounted to 52.4% and corporate loans accounted for 40%. While the share of retail loans increased by 4.1% compared to 2006, the share of corporate loans in total loans fell by 2.9%. Other are loans to the central and local government (6.7%), to other banking institutions (0.1%) and to non-banking financial institutions (0.8%).

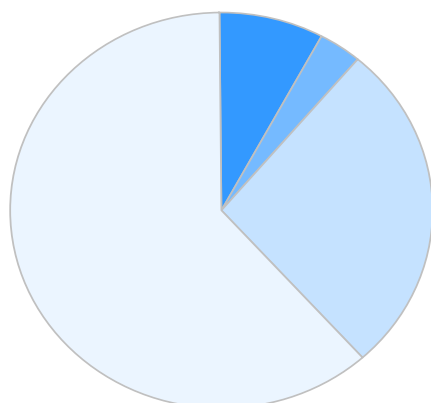
U 2007. godini snažno su rasli i štedni i oročeni depoziti. Samo devizni depoziti povećani su za gotovo 15 HRK milijardi (s razine 88,2 HRK milijardi u 2006. godini, na razinu od 103,1 HRK milijardi u 2007. godini), odnosno porasli su za 16,8%, od čega se najveći dio odnosi na depozite od stanovništva (80,7%). U 2007. pokazalo se kako je devizna štednja i nadalje najčešći oblik štednje kod poslovnih banaka.

In 2007 there has been a strong growth of savings and time deposits. Foreign currency deposits alone increased by almost HRK 15 HRK billion (from HRK 88.2 billion in 2006 to HRK 103.1 billion in 2007), i.e. increased by 16.8%, of which the greatest share refers to retail deposits (80.7%). In 2007 foreign currency savings proved again to be the most frequent form of savings with the commercial bank.

Rast deviznih depozita prati i rast kunskih depozita koju su na kraju 2007. godine iznosili 53,6 HRK milijardi s rastom od 19,6%. Rastu kunskih depozita najviše je pridonijelo povećanje depozita ostalih bankarskih institucija, među njima i depozita investicijskih fondova.

The growth of foreign currency deposits was followed by growth in kuna deposits that already at the end of 2007 amounted to HRK 53.6 billion with a growth rate of 19.6%. The greatest contribution to kuna deposits' growth was given by the increase of deposits of other banking institutions, among which of investment funds deposits, too.

DISTRIBUCIJA DEPOZITA KOD BANAKA PO INSTITUCIONALNIM SEKTORIMA NA KRAJU 2007. GODINE  
DISTRIBUTION OF BANK DEPOSITS BY INSTITUTIONAL SECTORS AT THE END OF THE YEAR



- Nemonetarne financijske institucije
- Država
- Trgovačka društva
- Stanovništvo

Izvor:  
Bilten HNB-a, br. 134,  
veljača 2008.

Source:  
CNB Bulletin, no. 134,  
February 2008

# FINANCIJSKI PREGLED I PREGLED POSLOVANJA

## FINANCIAL AND BUSINESS OUTLINE

Banka je poslovanjem u 2007. godini ostvarila bruto dobit iz redovnih aktivnosti u iznosu od 4.190 HRK tisuća. Ostvarena dobit poslije poreza na dobit iznosi 3.424 HRK tisuća, što u odnosu na 2006. godinu predstavlja smanjenje za 9%.

Manja dobit posljedica je rasta troškova uslijed procesa restrukturiranja Banke, a koje nije uspio pratiti potreban rast poslovne aktivnosti i potencijala Banke. Ukupni potencijal Banke gledano po prosječnim vrijednostima je u 2007. godini za oko 1% niži u odnosu na 2006. godinu.

Prihodi od kamata u 2007. godini utvrđeni su u visini od 21.463 HRK tisuća, i veći su za 605 HRK tisuća (3%) u odnosu na prihode od kamata ostvarene u 2006. godini.

Porast prihoda od kamata ostvaren je na međubankarskom tržištu, kako domaćem tako i stranom, uglavnom kroz intenzivnije plasiranje slobodnih sredstava bankama i na tržište novca. Porast takvih prihoda u 2007. godini u odnosu na 2006. godinu iznosio je 1.938 HRK tisuća.

Po osnovu kamata na kredite klijentima, koji čine 81% ukupno ostvarenih prihoda od kamata, u 2007. godini prihodovano je 1.185 HRK tisuća manje nego u 2006. godini zbog stagnirajuće razine kredita klijentima te zbog opće prisutnog trenda snižavanja aktivnih kamatnih stopa.

Slobodna novčana sredstva plasirana su bankama u zemlji i inozemstvu te u novčane fondove.

Troškovi od kamata iznosili su u 2007. godini 7.595 HRK tisuća i na razini su 2006. godine. Čine ih troškovi od kamata na depozite klijenata u visini od 5.811 HRK tisuća (76%) u odnosu na 2006. godinu kada su iznosili 6.603 HRK tisuća, troškovi od kamata na međubankarske kredite u visini od 1.713 HRK tisuća (24%) koji su za 72% (715 HRK tisuća) viši nego u 2006. godini i ostali kamatni troškovi (troškovi osiguranja štednih depozita) u visini od 71 HRK tisuća (0,9%). Troškovi od kamata na međubankarske kredite viši su zbog prosječno znatno više korištenih sredstava Hrvatske banke za obnovu i razvoj (HBOR) tijekom 2007. godine u odnosu na 2006. godinu.

Od ukupnog iznosa troškova kamata na depozite klijenata (5.811 HRK tisuća), na troškove kamata po žiro računima i sredstvima po viđenju odnosi se 883 HRK tisuća, a 4.928 HRK tisuća su troškovi kamata na oročena sredstva. Pravne osobe su pretežito oročavale kunska sredstva, a stanovništvo devizna.

Prosječna cijena oročenih sredstava tijekom 2007. godine bila je nešto niža nego u 2006. godini jer je dio skupljih depozita zamijenjen jeftinijima. Stoga je unatoč rastu iznosa oročenih sredstava, trošak kamata bio manji u 2007. godini u odnosu na 2006. godinu.

Oko 80% ukupnog iznosa troškova kamata na međubankarske kredite odnosi se na primljena sredstva od HBOR-a.

Neto prihod od naknada na dan 31.12.2007. godine iznosio je 3.568 HRK tisuća (1,7% manje nego u 2006. godini), od čega se na neto prihode od transakcija platnog prometa odnosi 53% ili 1.873 HRK tisuća (7,9% više nego u 2006.

In the course of its activity in 2007 the Bank recorded gross profit from ordinary activities of HRK 4,190 thousand. Profit after taxation amounted to HRK 3,424 thousand which compared to the year 2006 represents a fall by 9%.

The lower profit is the consequence of the growth in expenses linked to the Bank restructuring process, which was not matched by the required growth in the Bank's business activity and potential. In terms of average values, the Bank's total potential in 2007 was lower by 1% ca compared to the year 2006.

Interest income in 2007 amounted to HRK 21,463 thousand, and was HRK 605 thousand (3%) higher compared to the interest income recorded in 2006.

The interest income increase recorded on the interbank market, both domestic and foreign, was mostly due to higher placements of available funds to banks and on the money market. The increase of such income in 2007 compared to 2006 amounted to HRK 1,938 thousand.

In terms of interest on loans to clients, which accounts to 81% of total interest income, in 2007 it was lower by HRK 1,185 thousand than the preceding year due to the stagnation level of loans to clients caused by the general downward trend of interest rates receivable.

Available funds were placed to banks in the country and abroad and in monetary funds.

Interest expenses in 2007 amounted to HRK 7,595 thousand and were at 2006 level. They consisted of interest expenses linked to clients deposits in the amount of HRK 5,811 thousand (76%) compared to the year 2006 when they amounted to HRK 6,603 thousand, interest expenses on interbank loans in the amount of HRK 1,713 thousand (24%) that were by 72% (HRK 715 thousand) higher than in 2006 and other interest expenses (expenses related to savings deposits' insurance) in the amount of HRK 71 thousand (0.9%). Interest expenses related to interbank loans were higher due to the fact that, on average, Croatian Bank for Reconstruction and Development (HBOR) funds were used much more in the course of 2007 than in 2006.

Of the total amount of interest expenses on clients deposits (HRK 5,811 thousand), interest expenses related to giro accounts and sight deposits account for HRK 883 thousand, while HRK 4,928 thousand represent interest expenses on time deposits. Corporate entities held predominantly time deposits in kunas while citizens maintained chiefly time deposits in foreign currency.

The average price of term-funds in the course of 2007 was somewhat lower than in 2006 since part of more expensive deposits had been replaced by lower cost ones. Therefore, despite the increase in term deposits, interest expenses were lower in 2007 than in 2006.

About 80% of the total amount of interest expenses on interbank loans refers to funds received from HBOR.

Net fee income as at 31st December 2007 amounted to HRK 3,568 thousand (1.7% less than in 2006), of which 53% or HRK 1,873 thousand refer to net income from payment

godini), a na prihode od naknada po garantnim poslovima 44% odnosno 1.584 HRK tisuća (16 % manje nego prethodne godine). Ostale neto naknade u porastu su 3% u odnosu na 2006. godinu.

Razlozi pada neto prihoda od naknada u 2007. godini uglavnom nalazimo u stagnaciji garantnih poslova banke (uključujući otvaranje akreditiva) uz smanjenje naknada po tim poslovima. Postoji znatan slobodan prostor u povećanju prihoda od naknada kroz vezivanje prodaje različitih proizvoda, koju mogućnost Banka još gotovo da ni ne koristi.

Tijekom 2007. godine Banka je od vlasničkih udjela i udjela u investicijskim fondovima ostvarila prihod od 2.318 HRK tisuća. Pri tome se na dividendu ostvarenu temeljem vlasničkog udjela u „Trans RI“ d.o.o. Rijeka odnosi iznos od 209 HRK tisuća, a na prihode ostvarene kupoprodajom udjela u investicijskim fondovima iznos od 2.109 HRK tisuća.

Ostali prihodi od poslovanja ostvareni u neto iznosu od 2.537 HRK tisuća, uglavnom su rezultat kupoprodaja deviznih sredstava klijentima. U 2007. godini od kupoprodaja deviza ostvaren je neto prihod od 2.498 HRK tisuća, a u 2006. godini 2.396 HRK tisuća.

Prihodi iz poslovanja koji su na dan 31.12.2007. godine iznosili 22.291 HRK tisuća veći su za 7% u odnosu na 31.12.2006. godine. Na porast prihoda iz poslovanja najveći utjecaj imali su prihodi od: udjela u fondovima, dividende i kamata od međubankarskih plasmana.

Kretanje troškova iz poslovanja bilo je u 2007. godini znatno dinamičnije od prihoda. Troškovi osoblja iako po pokazateljima nešto niži nego u prethodnoj godini, nominalno su na razini 2006. godine. Smanjenje iskazano na troškovima osoblja u visini od 202 HRK tisuća nastalo je zbog internih organizacijskih promjena, rezultiralo je povećanjem ostalih administrativnih troškova u istom iznosu. (Interni revizor Banke bio je angažiran od 01.05.2007. godine putem ugovora o djelu.)

Ostali administrativni troškovi sa iznosom od 6.232 HRK tisuće veći su u odnosu na 2006. godinu za 965 HRK tisuća. Povećanje se odnosi na troškove usluga trećih osoba.

Porast troškova amortizacije logična je posljedica značajnih ulaganja u nematerijalnu i materijalnu imovinu. U nematerijalnu i materijalnu imovinu tijekom 2007. godine uloženo je 3.848 HRK tisuća.

Sa 31.12.2007. godine formirani su dodatni troškovi rezerviranja za godišnje odmore neiskorištene u 2007. godini te za mirovine i jubilarne nagrade, u visini od 885 HRK tisuća tako da iznos ukupnih rezerviranja za navedene svrhe zajedno za iznosom formiranim u 2006. godini iznosi 1.047 HRK tisuća.

Ukupna visina troškova vrijednosnih usklađivanja po plasmanima i potencijalnim i preuzetim obvezama Banke u 2007. godini nije se bitno promijenila u odnosu na 2006. godinu (smanjenje za 82 HRK tisuća). Strukturna promjena mnogo je bitnija. Troškovi identificiranih gubitaka po plasmanima povećani su a troškovi ne identificiranih gubitaka po izvan bilančnim obvezama smanjeni su uslijed smanjenja visine potencijalnih obveza.

transactions (7.9 % more than in 2006), and 44% or HRK 1,584 thousand to fee income related to guarantee operations (16 % less than the year before). Other net fee increased by 3% compared to the year 2006.

The reasons of the fall in net fee income in 2007 are to be found mainly in the stagnation of the Bank's guarantee operations (including opening of letters of credit) with the decrease in fees related to these transactions. There is room to increase fee income by combining the sale of different products, possibility that has hardly been utilized by the Bank so far.

In the course of 2007 the Bank earned income from equity shares and shares in investment funds amounting to HRK 2,318 thousand. Of this amount, HRK 209 thousand refers to dividends earned on the basis of equity shares in „Trans RI“ d.o.o. Rijeka, and HRK 2,109 thousand to income realized by selling shares in investment funds.

Other operating income has been realized in the net amount of HRK 2,537 thousand, mostly as the result of foreign currency sales to the clients. In 2007 net income from the sale of foreign currency amounted to HRK 2,498 thousand, 2,396 thousand in 2006.

Operating income that as at 31st December 2007 amounted to HRK 22,291 thousand was 7% higher compared to 31st December 2006. The greatest impact on the increase of operating income was exerted by income from: shares in funds, dividends and income from interbank loans.

Operating expenses in 2007 showed more dynamic trends than operating income. Staff expenses, though somewhat lower than the year before according to indicators, nominally remained at 2006 level. The reduction disclosed in staff expenses in the amount of HRK 202 thousand was caused by internal organizational changes and resulted in the increase of other administrative expenses in the same amount. (The Bank's internal auditor was engaged from 1<sup>st</sup> May 2007 through temporary service contract.)

Other administrative expenses in the amount of HRK 6,232 thousand were higher compared to the year 2006 by HRK 965 thousand. The increase refers to expenses related to third party services.

The increase in depreciation expenses has been the logical consequence of significant investments in both tangible and intangible assets. In the course of 2007 HRK 3,848 thousand were invested in these assets.

As at 31st December 2007 additional provisions were formed for holidays not utilized in the course of the year, as well as for pensions and anniversary bonuses, in the amount of HRK 885 thousand, so that the amount of total provisions for the above mentioned purposes, together with the amount set aside in 2006, amounted to HRK 1.047 thousand.

The total amount of expenses related to value adjustments for loans and contingent liabilities and commitments undertaken by the Bank in 2007 did not change considerably compared to 2006 (reduction by HRK 82 thousand). Structural changes are much more significant. Expenses related to identified losses for loans increased, while those for non-identified losses in connection with off-balance sheet liabilities decreased due to the decrease in the contingent liabilities' level.

Dobit iz redovnih aktivnosti na dan 31.12.2007.godine iznosi 4.190 HRK tisuća. Obzirom da je s 31.12.2007. godine na iznose rezerviranja po obvezama prema djelatnicima, sukladno propisima, obračunat porez na dobit u visini od 20%, dobiveni iznos od 209 HRK tisuća iskazan je u bilanci Banke kao odgođena porezna imovina. Dobit iz redovnih aktivnosti uvećana je za navedeno povećanje porezne imovine te je utvrđena dobit prije oporezivanja u visini od 4.400 HRK tisuća.

Za 2007. godinu utvrđena je obveza poreza na dobit u visini 975 HRK tisuća, te dobit poslije oporezivanja iznosi 3.424 HRK tisuća.

Neto dobit po dionici, pojedinačne nominalne vrijednosti od 100 HRK, iznosi 5.70 HRK (2006. godine 6.25 HRK). U 2007. godini ROE (povrat na kapital) iznosi 5.94%, a ROA (povrat na sredstva) 1.07%. U 2006. godini ROE je iznosio 6.43% a ROA 1.28 %.

Profit from ordinary activity as at 31st December 2007 amounted to HRK 4,190 thousand. Considering the fact that as at 31st December 2007 profit tax of 20% was calculated on the provisions related to liabilities for the staff, the resulting amount of HRK 209 thousand was disclosed in the Bank balance sheet as deferred tax assets. Income from ordinary activities increased for the mentioned increase of tax assets, so that profit before taxation amounted to HRK 4.400 thousand.

The profit tax set for the year 2007 amounted to HRK 975 HRK thousand and thus profit after taxation to HRK 3.424 HRK thousand.

Net income per share, of the single nominal value of HRK 100, amounted to HRK 5.70 HRK (HRK 6.25 in 2006). In 2007 ROE (return on equity) amounted to 5.94%, and ROA (return on assets) 1.07%. In 2006, ROE amounted to 6.43% and ROA to 1.28 %.

# IZVORI SREDSTAVA

## FUNDS SOURCES

### Povećanje učešća tuđih izvora sredstava

Izvori sredstava Banke na dan 31.12. 2007. godine iznosili su 428.933 HRK tisuća i veći su u odnosu na prethodnu godinu za nešto više od 9%.

Nastavljen je trend smanjivanja učešća vlastitih sredstava (kapital, dobit i rezerve). U strukturi ukupnih izvora 83% čine tuđi, a 17% vlastiti izvori sredstava. U tuđim izvorima, 89% čine prikupljeni depoziti i ostale obveze, a na sekundarne izvore otpada 11%.

Kunski i devizni depoziti su porasli ukupno u odnosu na prethodnu godinu oko 19%, a njihov udjel u ukupnim izvorima iznosi 71% (2006. godine 65%). Devizni depoziti pokazuju pad od 6% (u prošloj rasli su više od 17%) u odnosu na prethodnu godinu, za razliku od kunskih depozita koji su porasli za 30%, učešće u ukupnim depozitima iznosi više od 76%. Što se ročne strukture depozita tiče, unutar deviznih depozita oročenih je oko 60%, dok kod kunskih depozita, oročeni depoziti imaju učešće od 45%.

Sa stanovišta sektorske strukture, depoziti poduzetnika zauzimaju više od 74,5%, dok sredstva građana pokazuju blagi pad i iznose oko 25%. Udio depozita jedinica lokalne uprave i samouprave sveo se na minornih 0,36 % budući da se Banka praktično više ne uključuje u programe županija, gradova i općina za financiranje malih i srednjih poduzetnika.

### Increase in the share of foreign sources of funds

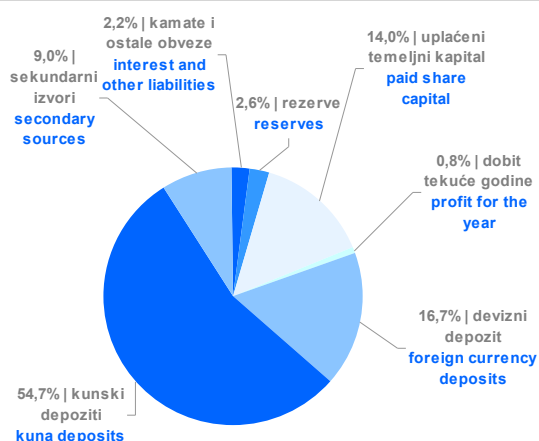
As at 31st December 2007 the Bank's liabilities amounted to HRK 428,933 thousand and were some 9% higher compared to the year before.

The downward trend of the share of own sources (capital, profit and reserves) continued. Within the structure of total liabilities, 83% are accounted for by foreign sources, and 1% by own sources. Of foreign sources, 89% are accounted for by raised deposits and other liabilities, and 11% by secondary sources.

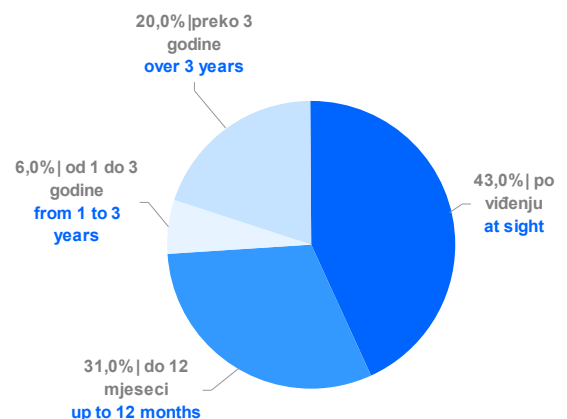
Deposits in kuna and foreign currency increased in total compared to the preceding year by about 19%, and their share in total sources amounted to 71% (65% in 2006). Deposits in foreign currency recorded a fall of 6% (the year before they had increased by more than 17%) compared to 2006, as opposed to kuna deposits that increased by 30%, the total deposits' share accounting for more than 76%. As to the deposits' maturity structure, about 60% of foreign currency deposits are time deposits, while in kuna deposits the share of term deposits amounts to 45%.

As to sector structure, entrepreneurs' deposits account for more than 74.5%, while citizens' deposits show a mild decrease and amount to approximately 25%. The share of local administration and self-government units fell to low 0.36 % given the fact that the Bank is practically no longer engaged in county, town and municipal programmes for the financing of small and medium entrepreneurs.

STRUKTURA UKUPNIH IZVORA U 2007. GODINI (sa stanjem 1.12.2007.)  
STRUCTURE OF TOTAL LIABILITIES IN 2007. (as at 31<sup>st</sup> December)



STRUKTURA PASIVE (sa stanjem 1.12.2007.)  
LIABILITIES MATURITY STRUCTURE (as at 31<sup>st</sup> December)



## Visoka koncentracija depozita

Banka nije uspjela smanjiti izuzetno visoku koncentraciju depozitne osnovice. Sredstva dvadesetak najvećih deponenata Banke čini negdje oko 50% ukupnih depozita, a među njima vrlo značajno mjesto zauzimaju depoziti poduzeća u stečaju. Proširenje i diversifikacija depozitne baze i nadalje će biti važna zadaća u narednom razdoblju poslovanja Banke, čime bi se bitno smanjio rizik likvidnosti.

Učešće depozita građana u ukupnim depozitima palo je sa 31,15% u 2006. godini na 25,27% u 2007. godini (33.127 HRK tisuća), prvenstveno uslijed povlačenja dijela deviznih depozita od strane do tada najvećeg deponenta nerezidenta. Time je učešće deviznih depozita građana u ukupnim depozitima građana smanjeno na 43%. Preko 85% deviznih depozita nominirano je u EUR. Oko polovice ukupnih depozita građana čine oročeni depoziti.

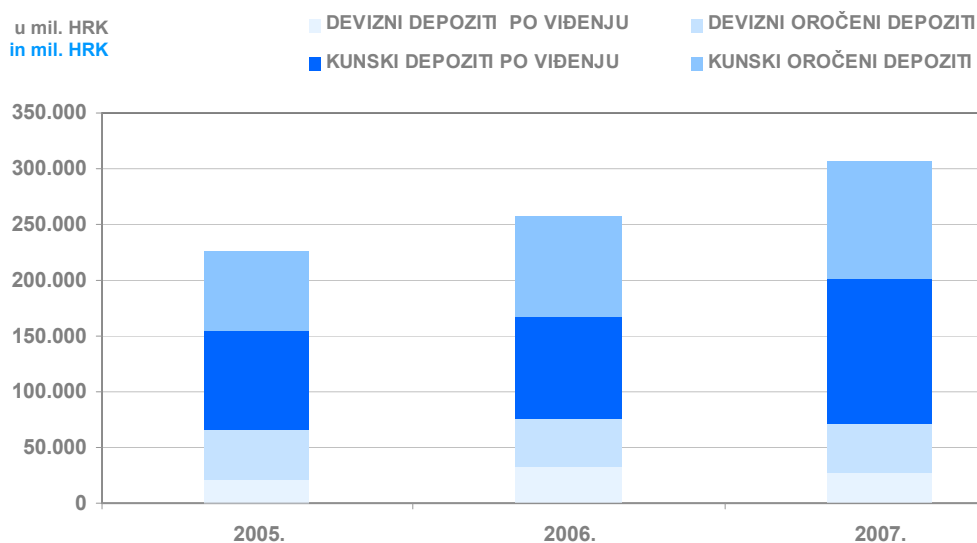
## High deposits concentration

The Bank has not managed to reduce the exceptionally high deposit base concentration. Funds of some 20 major Bank depositors account for approximately 50% of total deposits and among them a very significant place is occupied by deposits of firms in bankruptcy. The expansion and diversification of the deposit base still represents an important goal in the forthcoming period of the Bank's activity, whereby the liquidity risk would be considerably reduced.

The share of citizens' deposits in total deposits fell from 31.15% in 2006 to 25.27% in 2007 (HRK 33,127 thousand), primarily due to the withdrawal of part of foreign currency deposits by the then major non-resident depositor. Thereby the share of citizens' foreign currency deposits in total deposits fell to 43%. Over 85% of foreign currency deposits were denominated in EUR. About one half of citizens' deposits are time deposits.

### VALUTNA I ROČNA STRUKTURA DEPOZITA (sa stanjem 31.12.2007.) DEPOSITS' CURRENCY AND MATURITY STRUCTURE (as at Dec 31<sup>st</sup> 2007)

u mil. HRK  
in mil. HRK



# OBVEZNA PRIČUVA, LIKVIDNOST I RIZNICA

## OBLIGATORY RESERVE, LIQUIDITY AND TREASURY

S ciljem usporavanja rasta inozaduženja i, unutar toga, posebno zaduživanja banaka radi povećanja volumena kreditiranja klijenata na domaćem tržištu, Hrvatska narodna banka je u 2007. godini zadržala restriktivnu monetarnu politiku.

Stopa za obračun kunske i devizne obvezne pričuve tijekom cijele godine iznosila je 17%, uz obvezu izdvajanja u visini od 70% za kunsku i 60% za deviznu obveznu pričuvu. Stopa granične obvezne pričuve zadržana je u visini od 55%. U prosincu 2006. godine donesena je i Odluka o upisu obveznih blagajničkih zapisa HNB koja je ostala na snazi tijekom cijele prošle godine i prema kojoj su banke obvezne upisati zapise po stopi od 50% na rast plasmana preko 12% u odnosu na stanje 31.12.2006. godine. U prosincu 2007. godine navedena Odluka je ukinuta, svi već upisani blagajnički zapisi dospjeli su 01. 01. 2008. godine, a od tog dana na snazi je već nova Odluka HNB kojom se 31. 12. 2007. godine utvrđuje kao novi početni datum, kao osnovica za obračun obveznih blagajničkih zapisa, a 01. 01 2008. godine kao početak novog obračunskog razdoblja. Dozvoljena stopa rasta za siječanj iznosi 1% te se u svakom slijedećem mjesecu povećava za jedan postotni poen. Osim toga, stopa upisa blagajničkih zapisa je povećana sa 50% na 75% na iznos prekoračenja dozvoljenog rasta, uz istovremeno smanjenje kamatne stope na upisane obvezne blagajničke zapise sa 0,75% na 0,25% godišnje. Kvarner banka je s osnova prekoračenja dozvoljenog rasta plasmana u studenom, u prosincu upisala 2.003 HRK tisuća obveznih blagajničkih zapisa, vraćenih 02. 01. 2008. godine temeljem spomenute izmjene Odluke.

Ukupno obračunata obvezna pričuva u kunama kretala se u rasponu od 41,5 HRK milijuna kuna u srpnju i kolovozu do 46,57 HRK milijuna u studenom temeljem značajnijeg porasta depozita u listopadu (naročito oročenih), bez nekih značajnih oscilacija. Obračunata obvezna pričuva na devizne izvore i izdvojena u devizama iznosila je najviše 447 EUR tisuća i 253 USD tisuća, također u studenom.

Iako se Kvarner banka u svom poslovanju uglavnom oslanja na domaće izvore, temeljem stanja depozita nerezidenata i porasta istih u odnosu na lipanj 2004. godine kao početno obračunsko razdoblje, Banka je u graničnoj obveznoj pričuvi imala beskatmatno imobilizirano u 2007. godini prosječno oko 480 EUR tisuća. Ipak, zbog postupnog transfera u inozemstvo sredstava najznačajnijeg nerezidenta-fizičke osobe, taj se iznos smanjuje.

In order to slow down the growth of foreign indebtedness and especially of bank's borrowing with the purpose of expanding their lending volumes to the clients on the domestic market, the Croatian National Bank maintained its restrictive monetary policy in 2007.

The rate for the calculation of the obligatory reserve both in kunas and in foreign currency amounted to 17% throughout the year, with compulsory allocation of 70% for kuna reserve and 60% for the reserve in foreign currency. The rate of maximum obligatory reserve was maintained to 55%. In December 2006 a Decision was enacted on the subscription of obligatory CNB treasury bills, that remained in force throughout the past year and according to which the banks were obliged to subscribe the bills at a rate of 50% on the growth of loans exceeding the balance recorded as at 31st December 2006 by 12%. In December 2007 the mentioned Decision was abolished, all previously subscribed treasury bills matured as at 1st January 2008 and since that date a new CNB Decision has been in force whereby 31st December 2007 was set as the new starting date, as the calculation base of the obligatory treasury bills and 1st January 2008 as the beginning of the new accrual period. The allowed growth rate for January amounts to 1% and increases by 1 percentage point in each following month. Besides, the rate of treasury bills' subscription increased from 50% to 75% for the amount exceeding the allowed growth, with a simultaneous decrease of interest on subscribed obligatory treasury bills from 0.75% to 0.25% per year. In December, based on the exceeded allowed loans growth in the month of November, Kvarner banka had subscribed HRK 2,003 HRK thousand in obligatory treasury bills, that were returned on 2nd January 2008 pursuant to the mentioned modified Decision.

The total accrued obligatory reserve in kunas ranged from HRK 41,5 HRK million in July and August to HRK 46.57 million in November, based on a major increase of deposits in October (especially term deposits), with no major oscillations. The accrued obligatory reserve on foreign currency sources, set aside in foreign currency amounted to a maximum of EUR 447 EUR thousand and USD 253 thousand, again recorded in the month of November.

Although in its activity Kvarner banka relies mainly on domestic sources, based on the balance of non-residents' deposits and their increase compared to June 2004, being the beginning of the accrual period, the Bank held an average of EUR 480 thousand, immobilized at no interest, as obligatory reserve in the course of 2007. However, due to the gradual transfer abroad of the funds of the Bank's major non resident-physical person, this amount has been decreasing.

Tijekom cijele 2007. godine Banka je raspolagala značajnim viškovima likvidnih kunskih sredstava, a najviše rezerve likvidnosti podržavala je u razdoblju od kolovoza do studenog, sukladno rastu depozita klijenata u tom periodu. Rezerve likvidnih sredstava su u tom periodu bile na razini između 62 i 69 HRK milijuna, u prosjeku, što je značajno manje nego prethodne godine, kada su u mjesecima najveće likvidnosti iznosile između 70 i 112 HRK milijuna. Rezerve likvidnost držale su se u kratkoročnim plasmanima bankama, trezorskim zapisima Ministarstva financija, u udjelima u investicijskim fondovima u zemlji te u prekonoćnom depozitu Hrvatske narodne banke. Tijekom 2007. godine, prosječno dnevno stanje takvih plasmana iznosilo je preko 55 HRK milijuna.

Plasmani u udjele investicijskih fondova u zemlji smanjeni su u odnosu na prethodnu godinu sa 31,5 HRK milijuna na prosječno dnevno oko 9 HRK milijuna. Od svibnja nadalje, zadržano je samo ulaganje u mješoviti PBZ Global fond, rukovodeći se izuzetno visokim prinosom od preko 40% na godišnjoj razini. Međutim, uslijed poznatih poremećaja na tržištu kapitala i pada cijena dionica, prinosi na mješovite fondove općenito pokazuju izrazit pad, tako da na kraju 2007. godine Banka iskazuje minimalan prinos po tom osnovu s tendencijom daljnjeg pada vrijednosti udjela početkom 2008. godine.

Prosječne kamatne stope na tržištu novca značajno su porasle u odnosu na prethodnu godinu, s time da su postepeno kontinuirano rasle od 2,5% u siječnju do preko 6,5% od listopada do kraja godine. Temeljem međubankarskih kunskih plasmana u prošloj godini Banka je ostvarila 1,7 HRK milijuna prihoda.

Kamatne stope na aukcijama trezorskih zapisa i u 2007. godini kretale su se općenito u rasponu od 3,5% do 4% ovisno o roku dospelosti. Tijekom cijele godine Banka je podržavala prosječno oko 10,5 HRK milijuna, na rok od 364 dana.

S obzirom na tako visoku likvidnost, Banka je u prošloj godini uopće nije koristila pozajmice za likvidnost.

Devizna likvidnost Banke također je bila izrazito visoka. Odnos likvidnih potraživanja i ukupnih deviznih obveza tijekom čitave 2007. godine kreće se u mnogo većem postotku od propisanog (32%), a višak sredstava oročavao se na kraće rokove kod inozemnih banaka i domaćih banaka, tako da je s osnova podržavanja deviznih računa i oročenih deviznih depozita prihodovano kamate u iznosu od preko 1,6 HRK milijuna.

Sukladno internim politikama, Banka je svakodnevno vodila računa da se izloženost valutnom riziku održava na optimalnom nivou i u propisanim internim i zakonskim okvirima, kako bi se, čim je moguće više, umanjio utjecaj promjena tečaja kune u odnosu na druge strane valute i kretanja međ valutnih odnosa na povećanje troškova s osnova negativnih tečajnih razlika. Budući da klijenti Banke imaju veći devizni priljev od odljeva, otvorenu dugu deviznu poziciju, u razdobljima manjih potreba klijenata za devizama, Banka je dovodila u ravnotežu prodajom deviza na deviznom tržištu, a rijetku otvorenost kratke pozicije regulirala kupovinom deviza na deviznom međubankarskom tržištu.

Throughout the year 2007 the Bank had significant surpluses of liquid funds in kunas, and maintained the highest liquidity reserves on the period August-November, in line with the growth of clients' deposits then. Liquid funds reserves in that period ranged between HRK 62 and 69 million, on average, which is significantly less than the year before, when in the months of highest liquidity they had ranged between HRK 70 and 112 million. Liquidity reserves were kept in short-term loans to banks, MF treasury notes, shares in investment funds in the country and CNB overnight deposits. In the course of 2007, the average daily balance of these loans exceeded HRK 55 million.

Placements in investment fund shares in the country were reduced compared to the year before from HRK 31.5 HRK million to a daily average of approximately HRK 9 million. Since May, only the investment in the mixed PBZ Global fund was retained, owing to its exceptionally high return of over 40% at yearly level. However, due to the known disturbances on the capital market and the fall in share prices, the return on mixed funds show a marked decrease in general, so that at the end of 2007 the Bank disclosed a minimal return on these grounds, with a further downward trend in shares' value at the beginning of 2008.

Average interest rates on the money market increased significantly compared to the year before, rising gradually and constantly from 2.5% in January to over 6.5% from October to year end. In terms of interbank loans in kunas last year the Bank recorded income in the amount of HRK 1,7 million.

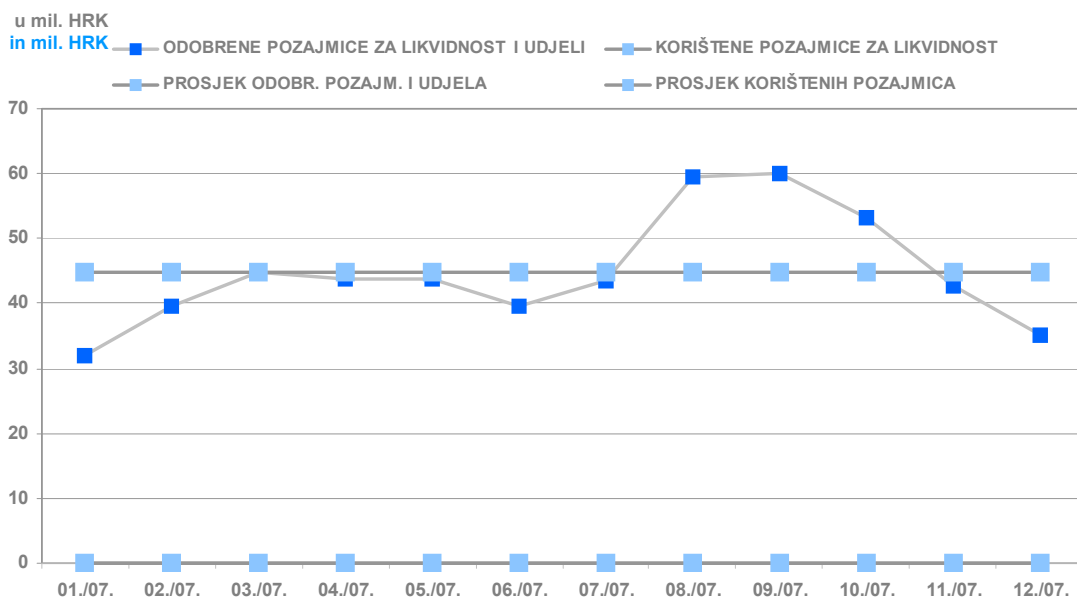
In 2007 interest rates at treasury bills' auctions ranged generally from 3.5% to 4% depending on the maturity term. Throughout the year the Bank maintained an average of about HRK 10.5 million, on a term of 364 days.

Given such a high liquidity, last year the Bank did not use liquidity loans at all.

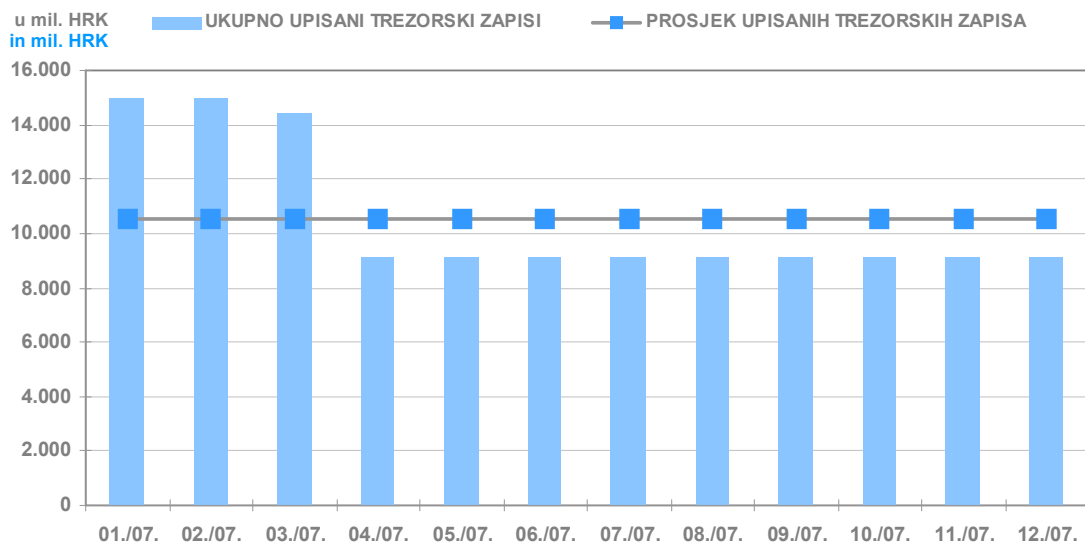
The Bank's liquidity in foreign currency was also exceptionally high. Throughout 2007 the percentage ratio of liquid receivables to total liabilities in foreign currency was higher than prescribed (32 percent). The surplus of funds was tied for shorter time periods both with foreign and domestic banks, so that income realized in connection with maintaining foreign currency accounts and term deposits in foreign currency amounted to more than HRK 1.6 million.

In line with its internal policies, the Bank paid daily attention to keep currency risk exposure at an optimal level and within defined internal and statutory limits in order to reduce, as much as possible, the impact of kuna exchange rate fluctuations against other foreign currencies and of intercurrency movements on the growth of expenses based on of foreign exchange losses. Since the Bank clients predominantly have foreign currency surpluses, an open long foreign currency position, in the periods of lower demand of foreign currency by the clients, the Bank tried to reach a balance by selling foreign exchange on the market and on the other hand it regulated the occasional short position openness by purchasing foreign currency on the interbank market.

**PROSJEČNO ODOBRENE POZAJMICE, UDJELI U NOVČANIM FONDovima I ORIŠTENE POZAJMICE U 2007. GODINI**  
**AVERAGE OF GRANTED, SHARES IN CASH FUNDS AND BORROWINGS IN 2007**



**PROSJEČNO STANJE UPISANIH TREZORSKIH ZAPISA U 2007. GODINI**  
**AVERAGE BALANCE OF SUBSCRIBED TREASURY NOTES IN 2007**



# KREDITI I DRUGI PLASMANI KLIJENTIMA

## LOANS AND OTHER PLACEMENTS TO THE CLIENTS

### Usmjerenost Banke na male i srednje poduzetnike te obrtnike

Ciljanu tržišnu nišu Kvarner banke općenito i, posebno, u poslovnima plasmana, čine mala i srednja poduzeća te obrtnike.

Ukupni likvidni plasmani klijentima (kredit, otkupi potraživanja, eskonti mjenica) iznosili su na dan 31.12.2007. godine preko 240 HRK milijuna, što predstavlja povećanje u odnosu na prethodnu godinu od 9%.

U ponudi Banke, ključni proizvodi u području plasmana su: kratkoročni krediti i dugoročni krediti za različite namjene poslovnim subjektima, otkupi potraživanja i eskonti mjenica. izdavanje garancija (osobito činidbenih), otvaranje dokumentarnih akreditiva (najvećim dijelom s odloženim polaganjem pokrića).

Stanje potencijalnih i preuzetih obveza po osnovu izdanih garancija te otvorenih akreditiva s odloženim polaganjem pokrića na dan 31.12.2007. godine iznosilo je 48,4 HRK milijuna. U odnosu na 2006. godinu garancije su manje za 14,4 HRK milijuna uglavnom zbog smanjene potražnje za deviznim garancijama za osiguranje plaćanja robe (Brodokomerc Nova) i jer građevinska društva kao najveći korisnici licitacijskih garancija nisu odabrani kao najbolji ponuđači, pa im garancije za dobro izvršenje posla nisu trebale.

U portfelju likvidnih plasmana, značajan je udio plasmana (eskonti mjenica, otkupi potraživanja) tvrtkama koje ne podržavaju temeljne poslovne odnose s Bankom (račun, platni promet, itd.), čime otpada mogućnost povećanja prihoda po osnovu naknada, a zbog otežanog praćenja poslovanja i kreditne sposobnosti takvih dužnika, immanentan je viši kreditni rizik.

U suradnji s BKS Bank promijenjen je pristup ocjeni boniteta klijenata. Utvrđivanje ratinga dužnika obavlja se po metodologiji BKS Bank, za sada većim dijelom i od strane kompetentnih službi te Banke. Međutim, tijekom 2008. godine osposobit će se i ovlastiti zaposlenici Kvarner banke za utvrđivanje ratinga dijela klijenata.

Može se uočiti da nije došlo do značajnijih pomaka u sektorskoj usmjerenosti plasmana Banke u odnosu na prethodnu godinu.

### Bank orientation to small and medium entrepreneurs and craftsmen

The target market niche of Kvarner banka in general and, specifically, in its lending operations, is represented by small and medium enterprises and craftsmen.

As at 31st December 2007 liquid placements to clients (loans, claim purchases, B/E discounts) exceeded HRK 240 million, which represents a 9% increase compared to the year before.

Among the Bank products, the key products in the field of placements are: short and long-term loans for various purposes to business entities, claim purchases and B/E discounts, issuing of guarantees (especially performance guarantees), opening of documentary letters of credit (mostly deferred cover letters of credit).

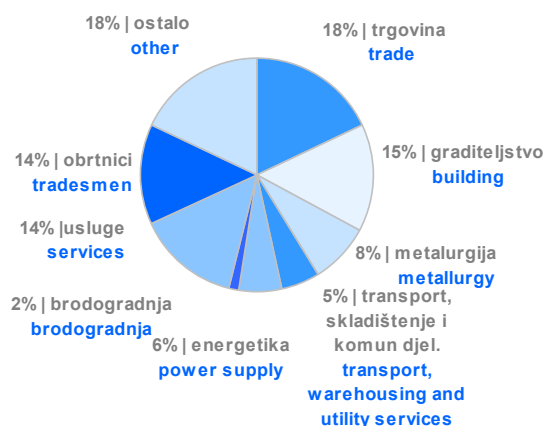
The balance of contingent liabilities and commitments linked to issued guarantees and opened deferred-cover letters of credit as at 31st December 2007 amounted to HRK 48,4 million. Compared to the year 2006 guarantees were lower by HRK 14,4 million, mostly due to reduced demand for foreign currency guarantees for the purpose of ensuring the payment of goods (Brodokomerc Nova) and because of the fact that construction companies as the major beneficiary of bidding guarantees were not selected as best bidders, so that they did not require performance guarantees.

In the liquid placements portfolio, a significant share of placements (B/E discounts, claims purchases) is granted to firms not maintaining the basic business relations with the Bank (account, payment operations, etc.), whereby the possibility of fee income growth declines, and because of more difficult monitoring of such debtors' activity and creditworthiness, higher credit risks are implied.

In cooperation with BKS Bank the approach to the assessment of clients' creditworthiness has changed. The debtors' rating is assessed according to BKS Bank methodology which, for the time being, is predominantly carried out by this Bank's competent technical staff. However, in the course of 2008 Kvarner banka employees will be trained and qualified for assessing the rating of part of the Bank clients.

It can be noticed that there have been no significant breakthroughs in the channeling of Bank's placements to the single sectors compared to the year before.

**STRUKTURA UKUPNIH IZVORA U 2007. GODINI (sa stanjem 1.12.2007.)**  
**STRUCTURE OF TOTAL LIABILITIES IN 2007. (as at 31<sup>st</sup> December)**



#### Porast poslova eskontiranja mjenica

Tijekom 2007. godine Banka je otkupila komercijalnih mjenica od različitih klijenata Banke u ukupnoj vrijednosti od 104 HRK milijuna, u odnosu na 74 HRK milijuna vrijednosti otkupljenih mjenica u 2006. godini, što predstavlja porast od 40%. Na dan 31.12.2007. godine, portfolio otkupljenih mjenica iznosilo je 40,3 HRK milijuna.

#### Increase in B/E discounting operations

In the course of 2007 the Bank purchased commercial bills of exchange from different Bank clients in the total value of HRK 104 million, compared to the value of HRK 74 million of bills of exchange repurchased in 2006, which represents a 40% increase. As at 31st December 2007, the purchased bills of exchange portfolio amounted to HRK 40,3 million.

#### Izdavanje činidbenih (i ostalih) garancija

Značajne prihode od naknada i nadalje Kvarner banka ostvaruje izdavanjem činidbenih garancija (npr. za sudjelovanje u javnim natječajima, garancije za dobro izvršenje posla, garancije za ispunjenje obveza u jamstvenom roku, carinske garancije) i plativih garancija (za osiguranje plaćanja robe, za povrat avansa). Nažalost, bilježi se stagnacija tih prihoda budući da su isti najvećim dijelom vezani uz građevinsku djelatnost (a eventualno daljnje povećanje portfolia plasmana tom sektoru bi nosilo povećani rizik) te zbog pritiska klijenata na smanjenje naknada.

#### Issuing of performance (and other) guarantees

Kvarner banka continues to earn significant fee income from issuing performance guarantees (e.g. for participation in public biddings, performance guarantees, guarantees for the fulfillment of obligations within the guarantee period, customs bonds) and payment guarantees (for insuring the payment of goods, for advance payment refunding). Unfortunately there has been a stagnation in this income category since it is mainly linked to construction activities (and any further increase in the loan portfolio in this sector would entail increased risk) and also due to clients pressures for fees reduction.

#### Nerazvijeno kreditiranje građana

Kreditu sektoru građana na dan 31.12.2007. godine iznosili su 27,8 HRK milijuna ili 11,1% ukupnog portfolia kredita Banke što u odnosu na prethodnu godinu predstavlja smanjenje za 4,4 HRK milijuna (13,7 %). Osnovni razlog takvom kretanju je naplate značajnog iznosa kredita (8,4 HRK milijuna) odobrenog jednom obrtniku za financiranje izgradnje stanova za tržište.

#### Underdeveloped lending to citizens

Loans to the retail sector as at 31st December 2007 amounted to HRK 27.8 million or to 11.1% of the Bank's total lending portfolio which, compared to the year before represents a reduction by HRK 4.4 million (13.7 %). The main reason of such a trend is the collection of a significant loan amount (HRK 8.4 million) that was granted to a single craftsman for financing the construction of flats for the market.

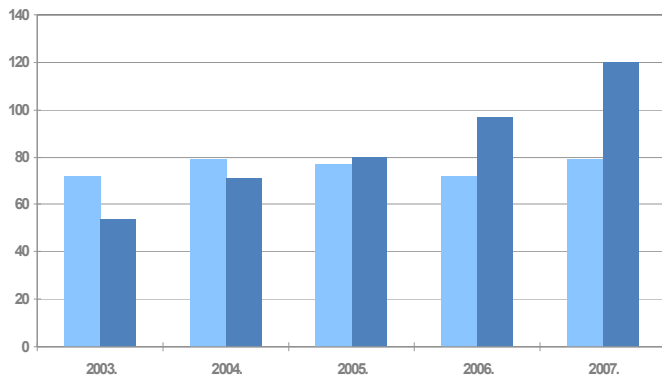
Banka nije posebno aktivna na području kreditiranja građana (kao ni poslovanja s građanima, općenito), pa su krediti građanima najvećim dijelom usmjereni na dugoročno kreditiranje suvlasnika stambenih zgrada za popravke i poboljšice zgrada, kratkoročne i dugoročne kredite obrtnicima i malim dijelom, razne vrste dugoročnih kredita građanima.

The Bank has not been particularly active in the field of retail lending (and retail operations in general), so that loans to citizens are mainly granted for long-term crediting of co-owners of residential houses, for repairs and improvements of the buildings, short and long-term loans to craftsmen and to a smaller extent, to various kinds of long-term retail loans.

**KREDITI POSLOVNIM SUBJEKTIMA (sa stanjem 31.12.2007.)**  
**LOANS TO BUSINESS ENTITIES (with balance as at 31<sup>st</sup> December)**

u mil. HRK  
 in mil. HRK

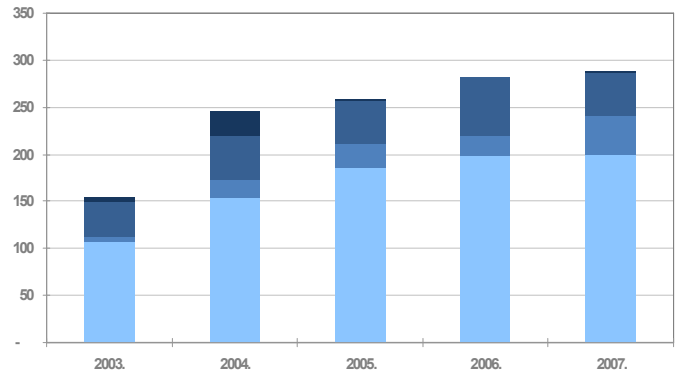
■ KRATKOROČNI KREDITI ■ DUGOROČNI KREDITI



**PLASMANI KLIJENTIMA PO VRSTAMA PROIZVODA (sa stanjem 31.12.2007.)**  
**LOANS TO CLIENTS BY PRODUCT TYPE (with balance as at 31<sup>st</sup> December)**

u mil. HRK  
 in mil. HRK

■ KREDITI I OTKUPI POTRAŽIVANJA ■ ESKONTI MJENICA ■ GARANCIJE ■ AKREDITIVI



# PLATNI PROMET

## PAYMENT OPERATIONS

U 2007. godina obilježena je daljnjim funkcionalnim unaprjeđenjima kunskog platnog prometa, uvođenjem internet bankarstva, uz pripremu podrške za slanje izvadaka s računa putem e-maila.

Internet bankarstvo (KB-Online), iako za sada ograničeno na područje platnog prometa u zemlji, dobro je prihvaćeno od strane klijenata što je rezultiralo prometom od oko HRK 340 milijuna, već u prvoj godini rada. Broj platnih naloga obrađenih putem internet bankarstva postupno sustiže onaj dio koji se dostavlja Banci na jedan od ugovorenih načina.

Intenzivan je bio angažman na uvođenju nove devizne aplikacije Jmoneta (koja se nadovezuje na aplikaciju Moneta koja poslužuje domaći platni promet), s ciljem unaprjeđenja tehnoloških rješenja, kako bi Banka omogućila bržu i kvalitetniju, te jeftiniju uslugu klijentima i na području platnog prometa s inozemstvom.

Uvođenjem aplikacije JMoneta Banka je ispoštovala i zakonske odredbe o obveznom uvođenju IBAN-a (International Bank Account Number).

Banka pruža podršku klijentima u akreditivnom poslovanju, kao i kreditno-garantnim poslovima s inozemstvom.

Na dan 31.12.2007. godine broj otvorenih deviznih računa bio je 117 za valutu EUR i 30 računa za valutu USD.

The year 2007 was marked by further functional improvements of payment operations in kunas, by the introduction of Internet banking, with preparations of the support for sending account statements by e-mail.

Internet banking (KB-Online), although limited - for the time being - to domestic payment operations, has been well accepted by the clients, which resulted in a turnover of about HRK 340 million, already during the first year of activity. The number of payment orders processed through Internet banking is gradually approaching the number of those submitted to the Bank in one of the agreed methods.

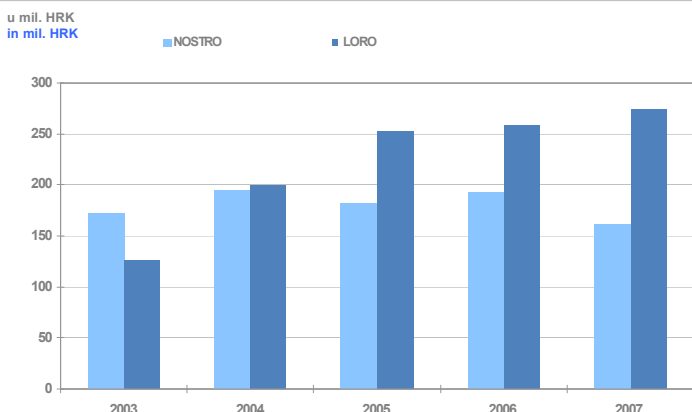
Great efforts were made in the introduction of the new foreign currency application Jmoneta (as an extension to the application Moneta, used in domestic payment operations), aiming at the promotion of technological solutions, to enable the Bank to provide quicker, high quality and cost-effective services to the clients in the field of foreign payment operations, too.

With the introduction of the Jmoneta application the Bank has also fulfilled the legal requirement of obligatory introduction of the IBAN (International Bank Account Number).

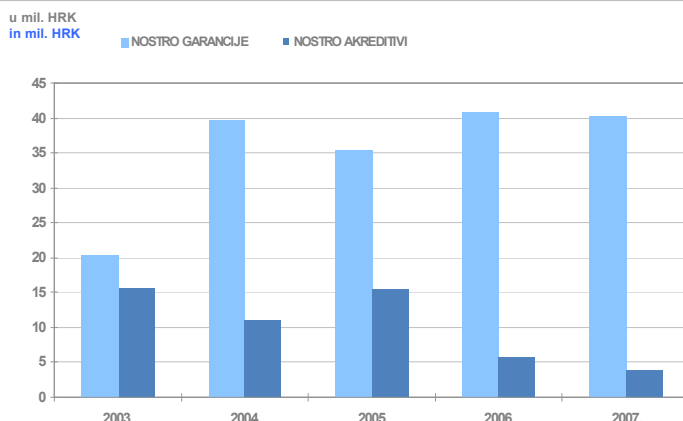
The Bank supports the clients in their letter of credit operations, as well as in foreign lending and guarantee operations.

As at 31st December 2007 the number of opened foreign currency accounts amounted to 117 EUR accounts and 30 accounts in USD.

UKUPNE DEVIZNE NOSTRO I LORO DOZNAKE (sa stanjem 31.12.2007.)  
TOTAL NOSTRO AND LORO REMITTANCES IN F.C. (with balance as at 31<sup>st</sup> December)



UKUPNI DEVIZNI NOSTRO AKREDITIVI I GARANCIJE (sa stanjem 31.12.2007.)  
TOTAL LETTERS OF CREDIT AND GUARENTEES in F.C. (with balance as at 31<sup>st</sup> December)



# LJUDSKI RESURSI

## HUMAN RESOURCES

Preuzimanje većinskog paketa dionica Kvarner banke od strane BKS Bank rezultiralo je kvalitativnim i kvantitativnim promjenama vezanim uz organizacijsku strukturu i kadrove u Banci, u cilju funkcionalnog usklađivanja odnosno provođenja integracije s BKS Bank.

Ukinut je devizni odjel čiji su poslovi pridruženi postojećim odjelima (Odjelu platnog prometa i dokumentarnog poslovanja, Odjelu poslova sredstava i Kreditnom odjelu). U drugoj polovici godine, zaposlen je radnik kvalificiran i odgovoran za upravljanje ljudskim resursima kao izraz razumijevanja značaja ljudskih resursa.

Pristupilo se sustavnoj selekciji kadrova, te započelo s edukacijama postojećih zaposlenika, što je ostao jednim od osnovnih ciljeva za 2008. godinu. Uvode se nove korporacijske vrijednosti, koje uključuju mogućnosti i potrebu stalne edukacije i razvoja vještina, unapređenje pozitivne organizacijske klime i kulture. Nastoji se prepoznati želje i potaknuti zaposlenike za napredovanjem na istim ili drugim poslovima unutar Banke.

Tijekom godine, zaposleno je i 6 (šest) novih kvalificiranih radnika sa svrhom uspostave i urednog obavljanja funkcija koje nisu do sada sustavno obavljane te radi nadopune postojećeg broja zaposlenika zbog povećanih potreba posla. Pored toga, nastoje se stvoriti uvjeti za postupno zamjenu osoblja na ključnim pozicijama.

U okviru istog nastojanja, Banka nastoji regrutirati i mlade ljude koje su se dokazali kao izvrsni studenti, stoga u suradnji s pojedinim fakultetima Sveučilišta u Rijeci, povremeno, kao ispomoć, angažira redovne studente, među kojima nastoji prepoznati potencijalne djelatnike Banke.

Započet je dugotrajan proces normativnog reguliranja i reorganiziranja pitanja vezana uz različite aspekte radnih odnosa. Ključne aktivnosti vezane uz ljudske resurse temeljit će se na planiranim promjenama organizacije te širenje poslovne mreže.

Na 31.12.2007. godine, Banka je brojila 39 zaposlenika, od kojih 32 žene i 7 muškaraca. Prosječna dob zaposlenika iznosila je 39,46 godina.

The taking over of the majority block of shares of Kvarner banka by BKS Bank resulted in quality and quantity changes in the Bank's organizational structure and staff, with the aim of achieving a functional adjustment, i.e. of implementing the integration with BKS Bank.

The International Operations Department has been abolished and its operations have been transferred to the existing departments (Payment and Documentary Operations Department, Treasury Department and Loans Department). In the second half of the year, an employee qualified and responsible for human resources management has been employed, as an expression of appreciation of the significance of human resources.

Steps have been made towards the systematic selection of human resources, the training of the existing staff started and still remains one of the main targets in 2008. New corporate values are being introduced, which include the opportunity and need for constant training and skills development, promotion of a positive organizational climate and structure. Efforts are being made to meet employees' wishes and to encourage them to make progress, either on the same or on other positions in the Bank.

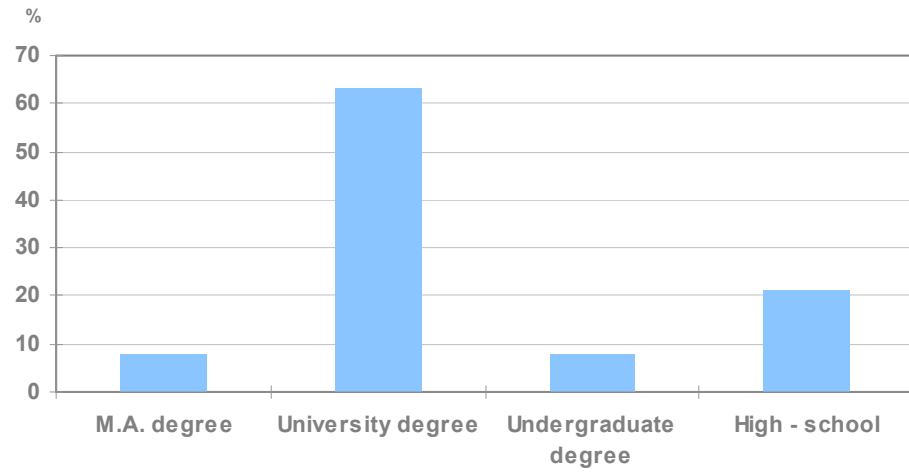
In the course of the year 6 (six) new qualified persons were employed for the establishment and orderly execution of functions that had not been performed systematically so far and in order to increase the existing number of employees, because of higher business requirements. Besides, efforts are also being made to gradually substitute employees holding key positions.

With the same objective the Bank also makes efforts to recruit young people who have proven themselves as excellent students and it therefore engages occasionally, for auxiliary services and in cooperation with various faculties of the University of Rijeka, full-time students, among whom it tries to single out potential future employees.

The time-consuming process of legal regulation and reorganization of issues linked to various aspects of work relations has started. The key activities linked to human resources will be based on planned organizational changes and business network expansion.

As at 31st December 2007 the Bank had 39 employees, 32 women and 7 men. The employees average age amounted to 39.46 years.

**OBRAZOVNA STRUKTURA ZAPOSLENIKA U 2007. GODINI**  
**STRUCTURE OF EMPLOYEES BY EDUCATION DEGREE IN 2007**



# UPRAVLJANJE RIZICIMA

## RISK MANAGEMENT

Upravljanje poslovnim rizicima nije objedinjeno u jednom odjelu već je raspoređeno po pojedinim odjelima Banke te je jedan dio delegiran u BKS Bank.

U 2007. godini nastavlja se unapređenje sustava upravljanja poslovnim rizicima započeto tijekom prethodnih godina. Obzirom na preuzimanje Banke od strane BKS Bank, obavljanje dijela funkcija upravljanja rizicima delegirati će se u BKS Bank. To se posebno odnosi na kreditni rizik i izradu rejtinga klijenata. BKS Bank posjeduje sustav za izradu rejtinga klijenata koji je prilagođen hrvatskom tržištu obzirom da je BKS Bank već izrađivala rejtinge za klijente iz Republike Hrvatske koje je izravno financirala.

Započeto je praćenje operativnog rizika te je kreirana baza podataka o gubicima. U svrhu evidentiranja operativnog rizika evidentiraju se svi gubici nastali uslijed operativnog rizika koji prelaze iznos od 100 EUR. Podaci se objedinjuju u Službi za upravljanje poslovnim rizicima a za dostavu podataka zaduženi su voditelji odjela.

Valutna usklađenost imovine i obveza Banke prati se u Odjelu poslova sredstava dok se izvješćivanje obavlja u Odjelu za kontroling i računovodstvo. Banka u pravilu ne prelazi 5% izloženosti valutnom riziku.

Osim praćenja valutne usklađenosti imovine i obveza Banke, Banka pažnju posvećuje i valutnoj usklađenosti imovine i obveza svojih klijenata (prvenstveno dužnika). Valutna neusklađenost na strani klijenata može rezultirati kreditnim rizikom na strani Banke te je u takvim slučajevima potrebno izvršiti dodatna rezerviranja za rizike.

Zaduženja Službe za upravljanje poslovnim rizicima vezana uz izvješćivanja dodatno su se intenzivirala posebice u dijelu koji se odnosi na izvješćivanje prema BKS Bank. Tijekom 2007. godine izvješća prema BKS postajala su kompleksnija i učestalija. Podaci koji se dostavljaju pokrivaju područja rizika kamatne stope te operativnog rizika. Sredinom godine započeo je projekt uvođenja novog sustava ARPIS-HIBIS čije će nove funkcionalnosti olakšati prikupljanje i obradu podataka za izvješća. Sukladno zahtjevima HNB, započete su predradnje vezane uz pripremu Izvještajnog zahtjeva za potrebe statistike i nadzora banaka koji bi u budućnosti trebao zamijeniti većinu izvješća koja se dostavljaju u HNB.

U 2007. godini HNB je također najavila izmjene i dopune određenih propisa u težnji za usklađenjem pravne regulative s Basel II odredbama.

Risks management is not covered by a single department but has been distributed among the single Bank departments and one part has been delegated to BKS Bank.

In 2007 the risks management system initiated in the past years continued. Given the taking over of the Bank by BKS Bank, part of the risk management function will be delegated to BKS Bank. This refers particularly to credit risk and clients' rating. BKS Bank possesses a clients rating system adjusted to the Croatian market considering the fact that BKS Bank has already made ratings for clients from the Republic of Croatia that it financed directly.

Operating risks started to be monitored and a losses data base was created. In order to record operating risk all losses occurring due to operative risks and exceeding € 100 are being recorded. The data are consolidated in the Risk Management Operations, while data submission falls under the competence of single Department Managers.

Currency matching of the Bank assets and liabilities is monitored in the Treasury Department while reporting is performed in the Controlling and Accounting Dept. As a rule, the Bank does not exceed 5% of currency exposure.

In addition to the monitoring of currency matching of the Bank's assets and liabilities, the Bank pays also attention to the currency matching of assets and liabilities of its clients (primarily debtors). Currency mismatches on the part of the clients can result in credit risk in the Bank and in these cases additional risk provisions become necessary.

The Risk Management Operation's reporting tasks have further intensified especially in the part related to reporting to BKS Bank. In the course of 2007 reporting to BKS became more complex and frequent. The submitted data cover the area of interest and operating risk. By the middle of the year the implementation project of the new system ARPIS-HIBIS started which will facilitate gathering and processing of data for the reports. In line with CNB requirements, preparations have started for the Report request for banks' statistical and monitoring purposes that in future will replace most of the reports submitted to the CNB.

In 2007 the CNB also announced changes and amendments of certain regulations with the purpose of adjusting the legislation to Basel II provisions.

# INFORMACIJSKA TEHNOLOGIJA

## INFORMATION TECHNOLOGY

Na području unapređenja IT podrške, 2007. godina je bila dosta dinamična godina.

Shvaćajući važnost IT podrške poslovnom sustavu, BKS Bank kao ključni dioničar Banke odmah se zauzeo za brze i strateške promjene.

Kao dodatni i nezaobilazni čimbenik odlučivanja i rada, uključena je tvrtka u djelomičnom suvlasništvu BKS Bank – „3Banken EDV“ GmbH, Linz (skraćeno: 3BEG). Od Kvarner banke traži se uvođenje i poštivanje novih tehničkih, telekomunikacijskih i informatičkih standarda.

Sukladno tome ostvarena su znatna ulaganja u opremu i aplikacije. Promjene su prvenstveno ostvarene u slijedećim područjima

- Instaliranje Cisco opreme i uspostava stalne veze Kvarner banka – BKS Bank -3BEG
- Preusmjeravanje e-mail i Internet prometa te remodeliranje SWIFT konekcije
- Implementacija nove aplikacije za devizni platni promet- JMoneta
- Implementacija Internet bankarstva - KB-online
- Donošenje odluke o upgrade-u postojećeg core IS i početak implementacije

### Cisco oprema i stalna veza Rijeka-Klagenfurt

Nabavljena je nova mrežna oprema marke Cisco iz porodice Catalyst. Namjena te opreme je migriranje postojeće mreže Banke sa layer-1 tehnologije na layer-3 tehnologiju, kao i promjena topologije mreže. Uz pomoć te opreme Kvarner Banka će moći preći na standarde 3 banken grupe, te će se moći u budućnosti pripojiti međunarodnoj BKS-ovoj mreži računalnih centara.

### e-mail i Internet promet

Premigrirana je postojeća ruta kojom idu e-mailovi na način da se koristi iznajmljena linija Rijeka-Klagenfurt. Migracijom mailova na ovu vezu omogućeno je da se mailovi koji se šalju prema adresama iz BKS-a i 3BEG-a šalju internim putem te ne izlaze na Internet.

Sve aktivnosti vezane uz Internet surfanje prebačene su na novu iznajmljenu liniju. Time je omogućena sustavna kontrola Internet prometa sukladno BKS Bank i 3BEG standardima, kao i ušteda troškova pristupa Interneta. Obavljene su temeljite pripreme za uključivanje Kvarner banke u Intranet BKS Bank.

In the segment of IT support upgrading, the year 2007 was a truly dynamic year.

Aware of the importance IT support has for the business system, BKS Bank, as the Bank's key shareholder, engaged immediately to make fast and strategic changes.

The firm „3Banken EDV“ GmbH, Linz (abbreviated: 3BEG), partially owned by BKS Bank, was also included as an additional and unavoidable decision-making and business factor. Kvarner banka is expected to introduce and adhere to new technical, telecommunication and information standards.

Consequently significant investments were made in equipment and applications. The changes were primarily recorded in the following fields

- Cisco equipment installation and establishment of permanent communication Kvarner banka – BKS Bank -3BEG
- Redirecting of e-mail and Internet communications and SWIFT connection remodeling
- Implementation of the new application for payment operations in foreign currency- JMoneta
- Implementation of Internet banking - KB-online
- Enactment of the decision on the upgrading of the existing core IS and beginning of implementation

### Cisco equipment and permanent communication Rijeka-Klagenfurt

New Cisco network equipment from the Catalyst family has been purchased. The purpose of this equipment is the migration of the existing Bank network from layer-1 to layer-3 technology, as well as the change of the network topology. By means of this equipment Kvarner Banka will be able to switch to 3 Banken Grupe standards, and will be able to link to BKS's international computer centres' network in the future.

### e-mail and Internet

The existing route of e-mails has been remigrated by using the rented line Rijeka-Klagenfurt. By migration of the mails to this route it is possible to send e-mails towards addresses from BKS and 3BEG-a internally, i.e. without having to access the Internet.

All activities linked to Internet surfing have been transferred to the newly rented line. This has enabled a systematic control of Internet traffic in line with BKS Bank and 3BEG standards, as well as savings in Internet access expenses. Detailed preparations have been carried out for the integration of Kvarner banka in BKS Bank Intranet.

### **Swift**

Prestalo se sa korištenjem dosadašnje tehnologije Turboswift, te je Swift premigriran na sustav Merva. Promijenjen je BIC banke sa KVRBHR na BFKKAT. Obavljene su sve potrebne radnje za rad s novom tehnologijom uključujući edukaciju zaposlenika.

### **JMoneta**

U studenom je stavljen u produkciju nova aplikacija za podršku obavljanju poslova deviznog platnog prometa pod nazivom JMoneta. Ovaj sustav nadovezuje se na postojeći sustav za podršku poslovima domaćeg platnog prometa Moneta. Osnovu predstavlja multivalutni račun. Novi sustav omogućava automatizirano slanje i učitavanje SWIFT poruka i druge pogodnosti. Razvoj sustava ići će u pravcu potpune integracije Monete i JMonete.

### **KB-online**

Početkom 2007. Godine započeo je sa radom KB-online, elektronski platni promet za pravne osobe u kunama. Tijekom 2007. godine uneseno je 21.423 naloga.. Sustav se pokazao vrlo stabilnim, te klijenti pozitivno reaguju na njega. Rezultat toga je i konstantno povećanje broja naloga i broja klijenata iz mjeseca u mjesec.

### **Arpis-Hibis upgrade**

U listopadu je potpisan ugovor za upgrade Bančinog postojećeg core sustava Arpis-Hibis. Banka godinama nije ulagala u razvoj tog sustava te spomenuti upgrade pretpostavlja korjenite promjene i u poslovnom sustavu. Implementacija Upgrade-a Arpis-Hibisa je u tijeku, a puštanje u produkciju planirano je za svibanj 2008. godine.

### **Swift**

The Turboswift technology has been abandoned and Swift has been remigrated to the Merva system. The Bank's BIC has changed from KVRBHR to BFKKAT. All preparations for the work with new technology have been completed, including employees training.

### **JMoneta**

In November a new application supporting payment operations in foreign currency has been put into operation under the title JMoneta. This system is an extension of the existing system that supports domestic payment operations, Moneta. Its basis is the multicurrency account. The new system enables automatic sending and loading of SWIFT messages and other facilities. The system development aims at full integration of Moneta and JMoneta.

### **KB-online**

KB-online, the electronic corporate payment system in kunas started to operate at the beginning of 2007. In the course of 2007 21,423 orders were entered in the system. The system proved to be very stable, and has met positive response by the clients. This has resulted in a constant monthly increase in the number of orders and clients.

### **Arpis-Hibis upgrade**

A Contract was signed in October for the upgrading of the Bank's existing core Arpis-Hibis system. The bank had not invested in the development of this system for years so that the mentioned upgrade implied radical changes in the business system too. The Arpis-Hibis Upgrade is currently under way, and its entering into operation has been scheduled for May 2008.

# PROFIL DRUŠTVA

## COMPANY PROFILE

### Nastanak i povijest

Kvarner banka d.d. Rijeka osnovana je 1993. godine sa sjedištem u Rijeci. Iste godine postala je prva banka u Hrvatskoj sa stranim dioničarima. Od 14.02.2000. godine upisani i uplaćeni temeljni kapital Banke iznosi 60.000.000,00 HRK, podijeljen je u 600.000 redovnih dionica vrijednosti po 100,00 HRK svaka.

Nakon dobivanja suglasnosti HNB za stjecanje kvalificiranog udjela, zaključenja ugovornih obveza s postojećim ključnim dioničarima, početkom ožujka 2007. godine, najveći pojedinačni dioničar s 96,616% izdanih dionica Kvarner banke u svom vlasništvu postala je BKS Bank AG iz Klagenfurta, Republika Austrija. Stvarni nadzor i upravljačku funkciju, BKS Bank preuzela je na Izvanrednoj skupštini dioničara održanoj 24. travnja 2007. godine. Od tada Bks bank stekla je dodatne dionice od malih dioničara tako da je sa stanjem 31.12.2007. BKS Bank raspolagala s 99,66175% dionica Kvarner banke.

Kvarner banka pažljivo i temeljito vodi računa o svojim zaposlenicima te ulaže u stvaranje ugodnog radnog okružja. Banka je na dan 31. prosinca 2007. godine imala 39 zaposlenika, od kojih više od 60% sa visokom stručnom spremom.

### Registracija i djelatnost

Kvarner banka je upisana u registar kod Trgovačkog suda u Rijeci pod brojem Tt-95/96-5.

Osnovna djelatnost Kvarner banke d.d. Rijeka je obavljanje svih vrsta bankarskih poslova u zemlji i inozemstvu.

### Establishment and History

Kvarner banka d.d. Rijeka was established in 1993 with seat in Rijeka. The same year it became the first bank in Croatia with foreign shareholders. Since 14th February 2000 the Bank subscribed and paid-in capital has amounted to HRK 60,000,000.00, divided into 600.000 ordinary shares of the nominal value of HRK 100.00 each.

After obtaining CNB approval for the acquisition of a qualified share and the conclusion of contractual obligations with existing key shareholders at the beginning of March 2007, BKS Bank AG, Republic of Austria, with 96,616 percent of issued Kvarner banka shares in its ownership, became the Bank's major single shareholder. Actual supervision and management functions were taken over by BKS Bank at the Extraordinary Shareholders Meeting held on 24th April 2007. Since then, BKS Bank has acquired additional shares from small shareholders having a total of 99.66175% of Kvarner banka shares at 31<sup>st</sup> December 2007.

Kvarner banka has always devoted careful and thorough attention to its employees and made efforts to create a pleasant working environment for them. As at 31st December 2007 the Bank had 39 employees, of which more than 60 percent with university qualifications.

### Registration and activity

Kvarner banka is recorded in the Register held with the Commercial Court of Rijeka, under no. Tt-95/96-5.

The Bank's core activity is the performance of all banking operations in the country and abroad

<b>Organi Banke   Bank Bodies</b>	<b>nakon 24.travnja 2007.   after 24th April 2007</b>
<b>Glavna skupština   General Meeting</b>	<b>Predsjedavajući se bira iz redova članova Nadzornog odbora   Chairman is elected among the Supervisory Board members</b>
<b>Nadzorni odbor   Supervisory Board</b>	<b>Herta Stockbauer, predsjednik   President Heimo Penker, zamjenik predsjednika   Deputy President Josef Morak, član   member Marijan Ključariček, član   member Dubravko Orlovac, član   member</b>
<b>Uprava   Management Board</b>	<b>Goran Rameša, predsjednik   President Mr. Milivoj Debelić, član   member</b>

OPĆI PODACI  
GENERAL DATA

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Adresa | [Address](#)  
Mijekarski trg 3, 51000 Rijeka, Hrvatska

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SWIFT :  
BFKKHR22

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Web :  
[www.kvarnerbanka.hr](http://www.kvarnerbanka.hr)

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Žiro račun | [Giro account](#):  
2488001-1011111116

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