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**Decision on the structure and content of annual financial statements of credit institutions**

**(Official Gazette 42/2018, 122/2020, 119/2021 and 108/2022 – unofficial consolidated version)**

**Zagreb, September 2022**

## **Decision on the structure and content of annual financial statements of credit institutions**

### **Subject matter**

#### **Article 1**

- (1) This Decision prescribes the structure and content of annual financial statements of credit institutions.
- (2) The structure and content of annual financial statements and the instructions for preparing them shall be prescribed in the Instructions for the implementation of the Decision on the structure and content of annual financial statements of credit institutions which shall constitute an integral part of this Decision.

### **Entities subject to the Decision**

#### **Article 2**

The provisions of this Decision shall apply to credit institutions with head offices in the Republic of Croatia which have been authorised by the Croatian National Bank.

### **Structure and content of annual financial statements**

#### **Article 3**

- (1) Credit institutions shall prepare the annual financial statements referred to in Article 19 of the Accounting Act (Official Gazette 78/2015, 134/2015, 120/2016, 116/2018, 42/2020 and 47/2020) in accordance with the structure and content prescribed in the Instructions for the implementation of the Decision on the structure and content of annual financial statements of credit institutions and in accordance with the provisions of International Financial Reporting Standards.

*Under Article 1 of the Decision on amendments to the Decision on the structure and content of annual financial statements of credit institutions, Official Gazette 119/2021, which enters into force on 31 December 2021, paragraph (1) has been amended in part.*

- (2) Data in the statement of financial position (balance sheet), income statement, statement of other comprehensive income, statement of cash flows and statement of changes in equity shall be presented in units of the official currency of the Republic of Croatia applicable on the reference date of the statement, for the current and the previous year.

*Under Article 1 of the Decision on amendments to the Decision on the structure and content of annual financial statements of credit institutions, Official Gazette 108/2022, which enters into force on 27 September 2022, paragraph (2) has been amended in part.*

- (3) The provisions of this Decision shall apply *mutatis mutandis* to consolidated annual financial statements if a credit institution is obligated to prepare them in accordance with accounting regulations.

### **Cessation of effect**

#### **Article 4**

- (1) The Decision on the structure and content of annual financial statements of credit institutions (Official Gazette 30/2017 and 44/2017) shall cease to have effect by virtue of the entry into force of this Decision.
- (2) Credit institutions shall prepare and submit the last statements in accordance with the Decision on the structure and content of annual financial statements of credit institutions (Official Gazette 30/2017 and 44/2017) for the reporting period ending 31 December 2017.

**Entry into force**  
**Article 5**

(1) Credit institutions shall prepare and submit the first statements in accordance with the provisions of this Decision for the reporting period beginning on 1 January 2018.

(2) This Decision shall enter into force on the eighth day after the day of its publication in the Official Gazette.

**TRANSITIONAL AND FINAL PROVISIONS**  
**(Decision on amendments to the Decision on the structure and content of annual financial statements of credit institutions, Official Gazette 122/2020, entered into force on 31 December 2020)**

**Article 3**

This Decision shall be published in the Official Gazette and shall enter into force on 31 December 2020.

**TRANSITIONAL AND FINAL PROVISIONS**  
**(Decision on amendments to the Decision on the structure and content of annual financial statements of credit institutions, Official Gazette 119/2021, entered into force on 31 December 2021)**

**Article 12**

This Decision shall be published in the Official Gazette and shall enter into force on 31 December 2021.

**TRANSITIONAL AND FINAL PROVISIONS**  
**(Decision on amendments to the Decision on the structure and content of annual financial statements of credit institutions, Official Gazette 108/2022, enters into force on 27 September 2022)**

**Article 2**

This Decision shall enter into force on the eighth day after the day of its publication in the Official Gazette.

## INSTRUCTIONS FOR THE IMPLEMENTATION OF THE DECISION ON THE STRUCTURE AND CONTENT OF ANNUAL FINANCIAL STATEMENTS OF CREDIT INSTITUTIONS

### 1. GENERAL PROVISIONS

1. These Instructions constitute an integral part of the Decision on the structure and content of annual financial statements of credit institutions.
2. These Instructions define the structure and content of annual financial statements to be prepared by credit institutions in accordance with the Accounting Act.
3. Items that shall be reported in negative are entered in brackets.
4. At the beginning of each individual report, the word "consolidated" shall be entered in the field "Report code" in case of consolidated financial statements and the word "unconsolidated" shall be entered in case of unconsolidated financial statements.

### 2. STRUCTURE AND CONTENT OF ANNUAL FINANCIAL STATEMENTS

#### 2.1. Statement of financial position (Balance sheet statement)

5. The structure of the Statement of financial position (Balance sheet statement) shall be as follows:

Name of entity:		MB:
Report code:		OIB:
Position	Name of position	
	<b>Assets</b>	
1	Cash, cash balances at central banks and other demand deposits (from 2 to 4)	
2	<i>Cash on hand</i>	
3	<i>Cash balances at central banks</i>	
4	<i>Other demand deposits</i>	
5	Financial assets held for trading (from 6 to 9)	
6	<i>Derivatives</i>	
7	<i>Equity instruments</i>	
8	<i>Debt securities</i>	
9	<i>Loans and advances</i>	
10	Non-trading financial assets mandatorily at fair value through profit or loss (from 11 to 13)	
11	<i>Equity instruments</i>	
12	<i>Debt securities</i>	
13	<i>Loans and advances</i>	
14	Financial assets designated at fair value through profit or loss (15 + 16)	
15	<i>Debt securities</i>	
16	<i>Loans and advances</i>	
17	Financial assets at fair value through other comprehensive income (from 18 to 20)	
18	<i>Equity instruments</i>	
19	<i>Debt securities</i>	
20	<i>Loans and advances</i>	
21	Financial assets at amortised cost (22 + 23)	
22	<i>Debt securities</i>	
23	<i>Loans and advances</i>	

24	Derivatives – hedge accounting
25	Fair value changes of the hedged items in portfolio hedge of interest rate risk
26	Investments in subsidiaries, joint ventures and associates
27	Tangible assets
28	Intangible assets
29	Tax assets
30	Other assets
31	Non-current assets and disposal groups classified as held for sale
32	<b>Total assets (1 + 5 + 10 + 14 + 17 + 21 + from 24 to 31)</b>
	<b>Liabilities</b>
33	Financial liabilities held for trading (from 34 to 38)
34	<i>Derivatives</i>
35	<i>Short positions</i>
36	<i>Deposits</i>
37	<i>Debt securities issued</i>
38	<i>Other financial liabilities</i>
39	Financial liabilities designated at fair value through profit or loss (from 40 to 42)
40	<i>Deposits</i>
41	<i>Debt securities issued</i>
42	<i>Other financial liabilities</i>
43	Financial liabilities measured at amortised cost (from 44 to 46)
44	<i>Deposits</i>
45	<i>Debt securities issued</i>
46	<i>Other financial liabilities</i>
47	Derivatives – hedge accounting
48	Fair value changes of the hedged items in portfolio hedge of interest rate risk
49	Provisions
50	Tax liabilities
51	Share capital repayable on demand
52	Other liabilities
53	Liabilities included in disposal groups classified as held for sale
54	<b>Total Liabilities (33 + 39 + 43 + from 47 to 53)</b>
	<b>Equity</b>
55	Capital
56	Share premium
57	Equity instruments issued other than capital
58	Other equity
59	Accumulated other comprehensive income
60	Retained earnings
61	Revaluation reserves
62	Other reserves
63	(–) Treasury shares
64	Profit or loss attributable to owners of the parent
65	(–) Interim dividends

66	Minority interests [non-controlling interests]
67	<b>Total equity (from 55 to 66)</b>
68	<b>Total liabilities and equity (54 + + 67)</b>

*Under Article 2 of the Decision on amendments to the Decision on the structure and content of annual financial statements of credit institutions, Official Gazette 119/2021, which enters into force on 31 December 2021, the table below item (5) has been amended with no relevance to the English translation.*

6. The Statement of financial position (Balance sheet statement) shall be completed in accordance with the instructions in Annex V of Commission Implementing Regulation (EU) 2021/451 of 17 December 2020 laying down implementing technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to supervisory reporting of institutions and repealing Implementing Regulation (EU) No 680/2014 (hereinafter referred to as 'Commission Implementing Regulation (EU) 2021/451').

*Under Article 3 of the Decision on amendments to the Decision on the structure and content of annual financial statements of credit institutions, Official Gazette 119/2021, which enters into force on 31 December 2021, item (6) has been amended in part.*

7. Item 66 of the Statement of financial position (Balance sheet statement) shall be filled in only by credit institutions that prepare consolidated annual statements.

## 2.2. Statement of profit or loss

8. The structure of the Statement of profit or loss shall be as follows:

Name of entity:		MB:
Report code:		OIB:
Position	Name of position	
1	Interest income	
2	(Interest expenses)	
3	(Expenses on share capital repayable on demand)	
4	Dividend income	
5	Fee and commission income	
6	(Fee and commission expenses)	
7	Gains or (–) losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	
8	Gains or (–) losses on financial assets and liabilities held for trading, net	
9	Gains or (–) losses on non-trading financial assets mandatorily at fair value through profit or loss, net	
10	Gains or (–) losses on derecognition of financial assets and liabilities designated at fair value through profit or loss, net	
11	Gains or (–) losses from hedge accounting	
12	Exchange differences [gain or (–) loss], net	
13	Gains or (–) losses on derecognition of investments in subsidiaries, joint ventures and associates, net	
14	Gains or (–) losses on derecognition of non-financial assets, net	
15	Other operating income	
16	(Other operating expenses)	

17	<b>TOTAL OPERATING INCOME, NET (1 – 2 – 3 + 4 + 5 – 6 + from 7 to 15 – 16)</b>
18	(Administrative expenses)
19	(Cash contributions to resolution funds and deposit guarantee schemes)
20	(Depreciation)
21	Modification gains or (–) losses, net
22	(Provisions or (–) reversal of provisions)
23	(Impairment or (–) reversal of impairment on financial assets not measured at fair value through profit or loss)
24	(Impairment or (–) reversal of impairment of investments in subsidiaries, joint ventures and associates)
25	(Impairment or (–) reversal of impairment on non-financial assets)
26	Negative goodwill recognised in profit or loss
27	Share of the profit or (–) loss of investments in subsidiaries, joint ventures and associates accounted for using the equity method
28	Profit or (–) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations
29	<b>PROFIT OR (–) LOSS BEFORE TAX FROM CONTINUING OPERATIONS (17 – from 18 to 20 + 21 – from 22 to 25 + from 26 to 28)</b>
30	(Tax expense or (–) income related to profit or loss from continuing operations)
31	<b>PROFIT OR (–) LOSS AFTER TAX FROM CONTINUING OPERATIONS (29 – 30)</b>
32	<b>Profit or (–) loss after tax from discontinued operations (33 – 34)</b>
33	Profit or (–) loss before tax from discontinued operations
34	(Tax expense or (–) income related to discontinued operations)
35	<b>PROFIT OR (–) LOSS FOR THE YEAR (31 + 32; 36 + 37)</b>
36	Attributable to minority interest [non-controlling interests]
37	Attributable to owners of the parent

*Under Article 1 of the Decision on amendments to the Decision on the structure and content of annual financial statements of credit institutions, Official Gazette 122/2020, which entered into force on 31 December 2020, the table below item (8) has been amended.*

*Under Article 4 of the Decision on amendments to the Decision on the structure and content of annual financial statements of credit institutions, Official Gazette 119/2021, which enters into force on 31 December 2021, the table below item (8) has been amended.*

9. The Statement of profit or loss shall be completed in accordance with the instructions in Annex V of Commission Implementing Regulation (EU) 2021/451.

*Under Article 5 of the Decision on amendments to the Decision on the structure and content of annual financial statements of credit institutions, Official Gazette 119/2021, which enters into force on 31 December 2021, item (9) has been amended in part.*

10. The use of brackets in the label of an item in the Statement of profit or loss means that this item is to be subtracted to obtain a total, but it does not mean that it shall be reported as negative.
11. Items 36 and 37 of the Statement of profit or loss shall be filled in only by credit institutions that prepare consolidated annual statements.

*Under Article 2 of the Decision on amendments to the Decision on the structure and content of annual financial statements of credit institutions, Official Gazette 122/2020, which entered into force on 31 December 2020, item (11) has been amended in part.*

*Under Article 6 of the Decision on amendments to the Decision on the structure and content of annual financial statements of credit institutions, Official Gazette 119/2021, which enters into force on 31 December 2021, item (11) has been amended in part.*

### 2.3. Statement of other comprehensive income

12. The structure of the Statement of other comprehensive income shall be as follows:

Name of entity:		MB:
Report code:		OIB:
Position	Name of position	
1	<b>Profit or (–) loss for the year</b>	
2	<b>Other comprehensive income (3 + 15)</b>	
3	<b>Items that will not be reclassified to profit or loss (from 4 to 10 + 13 + 14)</b>	
4	Tangible assets	
5	Intangible assets	
6	Actuarial gains or (–) losses on defined benefit pension plans	
7	Non-current assets and disposal groups held for sale	
8	Share of other recognised income and expense of entities accounted for using the equity method	
9	Fair value changes of equity instruments measured at fair value through other comprehensive income	
10	Gains or (–) losses from hedge accounting of equity instruments at fair value through other comprehensive income, net	
11	<i>Fair value changes of equity instruments measured at fair value through other comprehensive income [hedged item]</i>	
12	<i>Fair value changes of equity instruments measured at fair value through other comprehensive income [hedging instrument]</i>	
13	Fair value changes of financial liabilities at fair value through profit or loss attributable to changes in their credit risk	
14	Income tax relating to items that will not be reclassified	
15	<b>Items that may be reclassified to profit or loss (from 16 to 23)</b>	
16	Hedge of net investments in foreign operations [effective portion]	
17	Foreign currency translation	
18	Cash flow hedges [effective portion]	
19	Hedging instruments [not designated elements]	
20	Debt instruments at fair value through other comprehensive income	
21	Non-current assets and disposal groups held for sale	
22	Share of other recognised income and expense of investments in subsidiaries, joint ventures and associates	
23	Income tax relating to items that may be reclassified to profit or (–) loss	
24	<b>Total comprehensive income for the year (1 + 2; 25 + 26)</b>	
25	Attributable to minority interest [non-controlling interest]	



26	Attributable to owners of the parent
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*Under Article 7 of the Decision on amendments to the Decision on the structure and content of annual financial statements of credit institutions, Official Gazette 119/2021, which enters into force on 31 December 2021, the table below item (12) has been amended with no relevance to the English translation.*

13. The Statement of other comprehensive income shall be completed in accordance with the instructions in Annex V of Commission Implementing Regulation (EU) 2021/451.

*Under Article 8 of the Decision on amendments to the Decision on the structure and content of annual financial statements of credit institutions, Official Gazette 119/2021, which enters into force on 31 December 2021, item (13) has been amended in part.*

14. Items 25 and 26 of the Statement of other comprehensive income shall be filled in only by credit institutions that prepare consolidated annual statements.

#### 2.4. Statement of cash flows

15. Credit institutions may prepare a Statement of cash flows by using either a direct or an indirect method.  
16. The structure of the Statement of cash flows shall be as follows:

Name of entity:		MB:
Report code:		OIB:
Position	Name of position	
	<b>Operating activities under the direct method</b>	
1	Interest received and similar receipts	
2	Fees and commissions received	
3	(Interest paid and similar expenses)	
4	(Fees and commissions paid)	
5	(Operating expenses paid)	
6	Net gains/(losses) from financial instruments at fair value through profit or loss	
7	Other receipts	
8	(Other expenditures)	
	<b>Operating activities under the indirect method</b>	
9	Profit/(loss) before tax	
	<i>Adjustments:</i>	
10	Impairment and provisions	
11	Depreciation	
12	Net unrealised (gains)/loses on financial assets and liabilities at fair value through profit or loss	
13	(Profit)/loss from the sale of tangible assets	
14	Other non-cash items	
	<b>Changes in assets and liabilities from operating activities</b>	
15	Deposits with the Croatian National Bank	
16	Deposits with financial institutions and loans to financial institutions	
17	Loans and advances to other clients	

18	Securities and other financial instruments at fair value through other comprehensive income
19	Securities and other financial instruments held for trading
20	Non-trading securities and other financial instruments at fair value through profit or loss
21	Securities and other financial instruments mandatorily at fair value through profit or loss
22	Securities and other financial instruments at amortised cost
23	Other assets from operating activities
24	Deposits from financial institutions
25	Transaction accounts of other clients
26	Savings deposits of other clients
27	Time deposits of other clients
28	Derivative financial liabilities and other liabilities held for trading
29	Other liabilities from operating activities
30	Interest received from operating activities [indirect method]
31	Dividends received from operating activities [indirect method]
32	Interest paid from operating activities [indirect method]
33	(Income tax paid)
34	<b>Net cash flows from operating activities (from 1 to 33)</b>
	<b>Investing activities</b>
35	Cash receipts from the sale/ (payments for the purchase) of tangible and intangible assets
36	Cash receipts from the sale/ (payments for the purchase) of investments in subsidiaries, associates and joint ventures
37	Cash receipts from the sale/ (payments for the purchase) of securities and other financial instruments held to maturity
38	Dividends received from investing activities
39	Other receipts from (payments for) investing activities
40	<b>Net cash flows from investing activities (from 35 to 39)</b>
	<b>Financing activities</b>
41	Net increase/ (decrease) in loans received from financing activities
42	Net increase/ (decrease) in debt securities issued
43	Net increase/ (decrease) in tier 2 capital instruments
44	Increase in share capital
45	(Dividends paid)
46	Other receipts/ (payments) from financing activities
47	<b>Net cash flows from financing activities (from 41 to 46)</b>
48	<b>Net increase/ (decrease) in cash and cash equivalents (34 + 40 + 47)</b>
49	<b>Cash and cash equivalents at the beginning of the year</b>
50	Effect of exchange rate changes on cash and cash equivalents
51	<b>Cash and cash equivalents at the end of the year (48 + 49 + 50)</b>

17. In the Statement of cash flows, credit institutions shall allocate items into operating, investing and financing activities in accordance with the International Accounting Standard 7 – Cash Flow Statements.

18. Depending on the method used, a credit institution shall fill in rows from 1 to 8 or rows from 9 to 14.  
Rows referring to the method not used by the credit institution shall be left empty.
19. Rows 30, 31 and 32 shall be filled in only where a credit institution uses the indirect method.
20. *Deleted.*

*Under Article 9 of the Decision on amendments to the Decision on the structure and content of annual financial statements of credit institutions, Official Gazette 119/2021, which enters into force on 31 December 2021, item (20) has been in deleted.*

## 2.5. Statement of changes in equity

21. The structure of the Statement of changes in equity shall be as follows:

Name of entity:														MB:	
Report code:														OIB:	
Position	Name of position														
	Sources of equity changes	Capital	Share premium	Equity instruments issued other than capital	Other equity	Accumulated other comprehensive income	Retained earnings	Revaluation reserves	Other reserves	(–) Treasury shares	Profit or (–) loss attributable to owners of the parent	(–) Interim dividends	Minority interests		Total
													Accumulated other comprehensive income	Other items	
1	Opening balance [before restatement]														
2	Effects of corrections of errors														
3	Effects of changes in accounting policies														
4	Opening balance [current period] (1 + 2 + 3)														
5	Issuance of ordinary shares														
6	Issuance of preference shares														
7	Issuance of other equity instruments														
8	Exercise or expiration of other equity instruments issued														
9	Conversion of debt to equity														
10	Capital reduction														
11	Dividends														
12	Purchase of treasury shares														

13	Sale or cancellation of treasury shares														
14	Reclassification of financial instruments from equity to liability														
15	Reclassification of financial instruments from liability to equity														
16	Transfers among components of equity														
17	Equity increase or (–) decrease resulting from business combinations														
18	Share based payments														
19	Other increase or (–) decrease in equity														
20	Total comprehensive income for the year														
<b>21</b>	<b>Closing balance [current period] (from 4 to 20)</b>														

*Under Article 10 of the Decision on amendments to the Decision on the structure and content of annual financial statements of credit institutions, Official Gazette 119/2021, which enters into force on 31 December 2021, the table below item (21) has been amended.*

22. The Statement of changes in equity shall be completed in accordance with the instructions in Annex V of Commission Implementing Regulation (EU) 2021/451.

*Under Article 11 of the Decision on amendments to the Decision on the structure and content of annual financial statements of credit institutions, Official Gazette 119/2021, which enters into force on 31 December 2021, item (22) has been amended in part.*

## **2.6. Notes to the financial statements**

23. Notes to the financial statements provide additional and complementary information in accordance with the provisions of the International Financial Reporting Standards that are not presented in the Statement of financial position, the Statement of profit or loss, the Statement of other comprehensive income, the Statement of cash flows and the Statement of changes in equity.
24. In addition, credit institutions shall state in the notes:
  - 1) the total amount of fees charged for a given financial year by an independent auditor or audit firm for the statutory audit of annual financial statements;
  - 2) the total amount of fees for other services that an audit firm may provide in accordance with the law governing the operation of credit institutions; and
  - 3) the total amount of expenditure on research and development that serves as a basis for granting state aid.
25. In the notes to the financial statements credit institutions shall also present the following off-balance sheet items:
  1. guarantees;
  2. letters of credit;
  3. bills of exchange;
  4. credit lines and commitments;
  5. other standard off-balance sheet risky items;
  6. futures;
  7. options;
  8. swaps;
  9. forwards;
  10. other derivatives.