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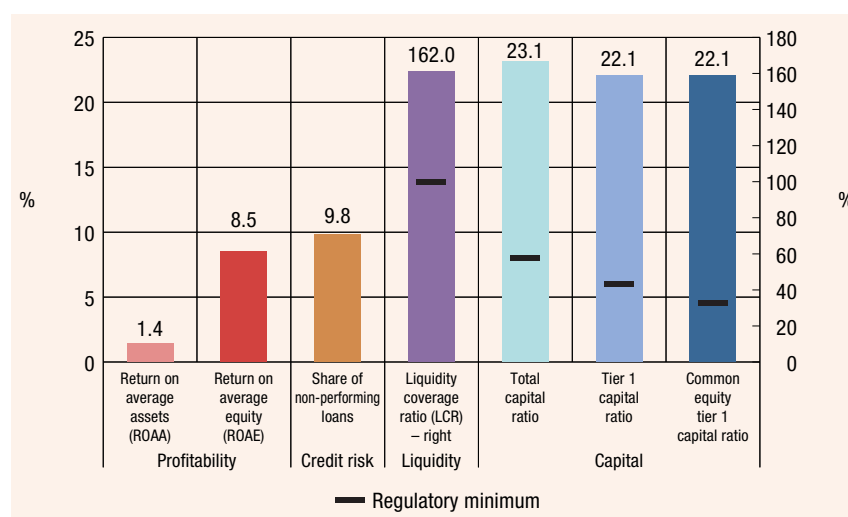
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1 Performance indicators of credit institutions

Summary

The banking system consolidation process accelerated in 2018. The number of credit institutions fell by 5, to 25, as a result of three mergers and two exits from the system (bankruptcy and winding-up proceedings). The most significant factor was the merger of Splitska banka and OTP banka Hrvatska in December 2018, which slowed down the growth rate of bank assets, affecting operating results for 2018 and capital adequacy ratios.¹ However, as these effects were not significant, all key indicators (Figure 1) continued to confirm the stability and safety of banking system operations.

Figure 1 Key performance indicators of banks, as at 31 December 2018



The six year period of decrease and stagnation came to an end – bank assets increased considerably in 2018 (HRK 17.3bn or 4.4%) and reached their record high. Domestic deposits grew significantly (HRK 18.2bn), especially household deposits, and lending activity intensified, notably in the form of general-purpose cash loans to households. The years-long increase in this type of loan picked up significantly in 2018, especially unsecured loans with long-term maturities. Hence, the CNB issued recommendations for banks on actions in granting non-housing consumer loans at the beginning of 2019. Notwithstanding the growth of loans, their share in the structure of bank assets remained at a level similar to that of 2017. This development

¹ The income statement of Splitska banka was balanced at the date of the merger and the profit was transferred into retained earnings of OTP banka Hrvatska. As a result, the data for Splitska banka “disappeared” from the aggregated income statement of banks for 2018 and own funds increased (due to the rise in retained earnings). The finalisation of results of Splitska banka before the end of the year, i.e. the absence of these data at the end of 2018, decreased the overall operating results of banks and the increase in total bank profit would have been even greater had it not been for the merger.

resulted from the introduction of IFRS 9 and the related increase in loan impairments as well as from the sale of claims. The assets were also marked by an increase in the importance of highly liquid items, particularly cash and deposits with the central bank, and investments in domestic central government debt (further increasing the sizeable exposure to this sector). The indicators of liquidity, both short-term and structural, were high, with LCR and NSFR ratios standing at 161.0% and 144.2%, respectively.

In 2018, loans granted increased (3.5%), halting their four-year downward trend. In addition to the growth in general-purpose cash loans, the household sector was also marked by an increase in housing loans which for the second year in a row was influenced by government subsidies for housing loans for young people. Lending to non-financial corporations, in line with the years-long trend, was mainly focused on the tourism industry (accommodation and food service activity). The share of loans in kuna and loans granted at fixed interest rates continued to increase, leading to the decrease in bank exposure to currency- and interest rate-induced credit risk. However, the management of direct exposures, notably those to interest rate risk, became more challenging due to a low level of long-term kuna funding and further rise in transaction account deposits – at the end of 2018, they accounted for more than a half of total bank deposits. The downward trend in time deposits, i.e. their transformation into transaction accounts, continued as a result of low interest rates and taxation of interest payments on savings introduced in 2015.

In 2018, the quality of loans improved, with the sale of claims playing a key role, as in previous year. The share of non-performing loans fell below 10%, decreasing from 11.3% to 9.8%, the upward trend in the quality of loans thus continuing for the fourth consecutive year. An improvement was also observed in both non-financial corporations and households, with the shares of non-performing loans standing at 20.4% and 6.6% respectively. However, this indicator for non-financial corporations remained high due to the crisis in the Agrokor Group, which in 2017 resulted in a strong growth of non-performing loans of the Group, and difficulties in the business operations of corporations engaged in shipbuilding and sugar refining in 2018.

The fall in the coverage of non-performing loans by impairment continued for the second year in a row. This indicator fell to 59.5% owing to the sale of claims with an above-average coverage and the inflow of new non-performing loans marked by a still low level of impairment. The coverage of non-performing loans trended up from 2013, marked by the introduction of the regulatory rules on the gradual increase in impairment for long-term delinquent exposures (adding a 5% impairment every six months), until 2016, and the rise in related costs motivated banks to pursue a more active approach in resolving non-performing loans, especially through the sale of claims. After reaching a record high in 2017, the amount of claims sold fell by one third in 2018, amounting to HRK 5.4bn. Non-financial corporations and

professional buyers accounted for the bulk of claims sold, while construction held the largest share of claims sold of non-financial corporations.

After being burdened by expenses related to credit risk of the Agrokor Group in 2017, bank profits recovered. In 2018, profits increased by almost 50% due to a sharp decline in impairment and provision expenses. In addition to lower additional impairment expenses related to the Agrokor Group in 2018 than in 2017, bank profits were further stimulated by income from the sale of claims (based on the reversal of impairment and provisions). Following the fall in credit risk expenses, ROAA and ROAE indicators recovered, increasing to 1.4% and 8.5% respectively. However, operating profit edged down due to a decline in all components, most notably in net interest income, the main source of bank income. The influence of savings on interest expenses weakened due to the low level already reached, and the prevailing impact came from the fall in interest income from loans in all key sectors (government, households and non-financial corporations), primarily due to declining interest rates. The strongest fall in interest income was observed in the road sector due to its operational and financial restructuring – an early repayment of large loan amount at the end of 2017 and refinancing at much lower interest rates in April 2018. The focus of banks on general-purpose cash loans to households may be linked with the simplicity of their approval and the rewards they bring – they remained the key source of total interest income from loans, with the share of 29.2% at the end of 2018 or more than ten percentage points higher than the share of these loans in the structure of total loans. Three small banks reported losses for the current year.

Total capital ratio decreased but remained high (23.1%). Risk exposures, to credit risk in particular, increased due to heightened business activities of banks and changes in the regulatory treatment of euro-denominated exposures to the domestic central government – their credit risk weight was increased from 0% to 20%. Own funds rose slightly, notwithstanding losses of HRK 1.4bn caused by the introduction of IFRS 9. This was largely the result of the inclusion of unrealised gains on assets measured at fair value, which in line with regulations were excluded from the calculation of own funds until the end of 2017. The leverage ratio was also high, amounting to 12.0% at the end of 2018.

In 2018, assets of housing savings banks declined and the profitability of their operations significantly deteriorated. Due to the merger between Prva stambena štedionica and Zagrebačka banka, housing savings banks' assets declined by one third. This effect excluded, assets grew by 3.5% and housing loans (gross) went up by 8.0%. The quality of their loans improved, with the share of non-performing loans decreasing to 1.4%. Housing savings banks reported a decrease in all operating income items, with ROAA and ROAE standing at only 0.2% and 1.5%, respectively. The total capital ratio, although reduced, remained high (25.2%).

1.1 Introduction

The slight downward trend in the number of credit institutions present since 2010 accelerated in 2018. The number of credit institutions fell by five as a result of three mergers and the initiation of one bankruptcy and one winding-up. Hence, 25 credit institutions operated at the end of 2018 – 21 banks and four housing savings banks. In addition to domestic credit institutions, there was one branch of an EU credit institution, while about 160 institutions from the EU (and the European Economic Area²) notified the CNB of their intention to directly provide mutually recognised services in the territory of the Republic of Croatia.³

1.2 Banks

1.2.1 Structural features

Compared with the end of 2017, the number of banks decreased by four. Bankruptcy proceedings were instituted against Tesla štedna banka⁴ in March 2018, and voluntary winding-up proceedings were initiated in Primorska banka in June. Veneto banka merged with Privredna banka Zagreb in October and Splitska banka merged with OTP banka Hrvatska in December. This trend continued in 2019 with the merger of Jadranska banka and Hrvatska poštanska banka at the beginning of April. These developments had an impact on the level of concentration in the system.

The indicators of banking system concentration trended up. The share of assets of the first five banks, which has been oscillating at some 75% for a period of several years, increased to 81.4%, while the Herfindahl-Hirschman Index (HHI) for assets, which has trended slowly upwards for several years, grew to 1,634 (Figure 2). Although significantly higher, its value continued to indicate a moderate concentration in the market⁵. The merger between

- 2 The European Economic Area consists of EU member states and Norway, Iceland and Liechtenstein.
- 3 Updated information on credit institutions operating in the territory of the Republic of Croatia may be found [here](#).
- 4 Tesla štedna banka did not submit the audited data as at the end of 2017 and is therefore not included in the aggregated data as at the date presented in tables and figures (it is included in the data relating to the number of banks). This had no bearing on the analysis given that, pursuant to the latest available data, the assets of this bank totalled only HRK 1.5m or 0.0004% of total assets of credit institutions.
- 5 In line with the Instruction on the assessment of compatibility of horizontal concentrations between undertakings (Croatian Competition Agency, November 2005), a HHI of between 0 and 1,000 indicates low market concentration, while HHIs between 1,000 and 1,800 and 1,800 and 10,000 indicate moderately and highly concentrated markets.

Splitska banka and OTP banka Hrvatska had a significant impact on the growth of concentration indicators, while a considerable contribution was also provided by the rise in assets of other O-SII banks⁶. The assets growth dynamics of the group of other banks was much weaker.

The system continued to be dominated by foreign-owned banks. The number of foreign-owned banks fell markedly, from 15 to 11, but their share in total bank assets increased, albeit at a very mild pace, and stood at 90.2% (Table 1). Banks in Italian ownership accounted for close to half of total bank assets (48.9%). Banks in Austrian ownership followed, with a share of 29.9%. The share of assets of banks in domestic ownership decreased slightly.

Figure 2 Number of banks and the Herfindahl-Hirschman Index (HHI) for bank assets

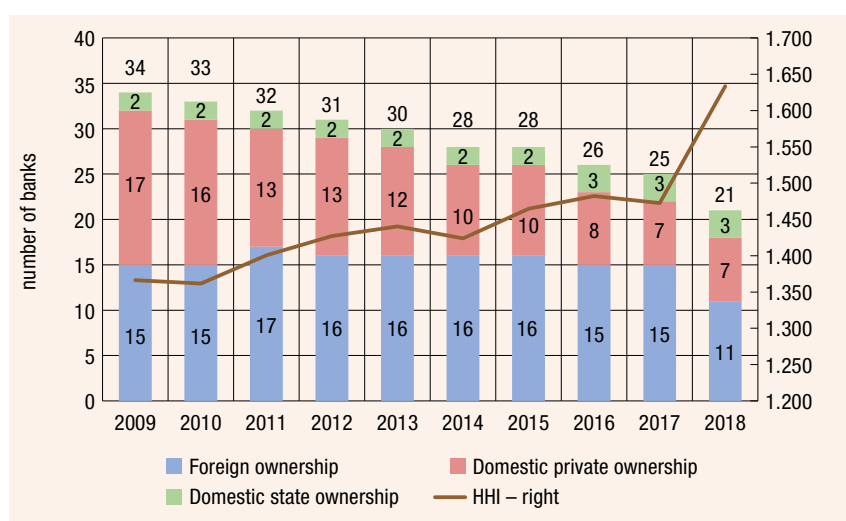


Table 1 Ownership structure of banks and their share in total bank assets, end of period

	Dec. 2016		Dec. 2017		Dec. 2018	
	Number of banks	Share	Number of banks	Share	Number of banks	Share
Domestic ownership	11.0	10.3	10.0	9.9	10.0	9.8
Domestic private ownership	8.0	4.0	7.0	3.7	7.0	3.6
Domestic state ownership	3.0	6.3	3.0	6.1	3.0	6.2
Foreign ownership	15.0	89.7	15.0	90.1	11.0	90.2
Total	26.0	100.0	25.0	100.0	21.0	100.0

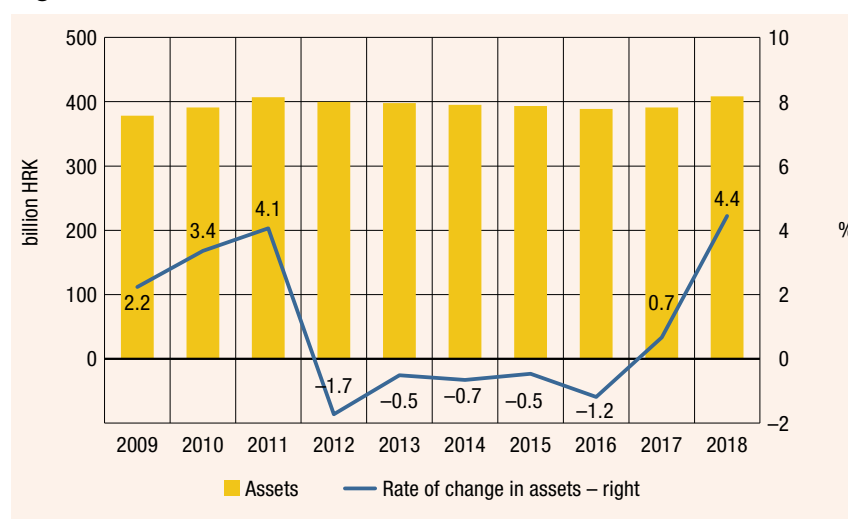
6 Other systemically important (O-SII) credit institutions are credit institutions the failure or malfunction of which could lead to systemic risk in the Republic of Croatia. The last review of other systemically important credit institutions, carried out in January 2019, identified a total of seven O-SII credit institutions: Zagrebačka banka, Erste&Steiermärkische Bank, Privredna banka Zagreb, Raiffeisenbank Austria, OTP banka Hrvatska, Addiko Bank and Hrvatska poštanska banka.

1.2.2 Balance sheet

Assets

The six year period of decrease and stagnation in assets came to an end – bank assets increased considerably in 2018 (4.4%) and reached their record high (Figure 3). Domestic deposits grew significantly, especially household deposits, and lending activity intensified, notably general-purpose cash loans to households. The rise in this type of loan has been observed for years; due to their simplicity and the rewards they bring they have crowded out other loan types over time (Figure 4). In 2018, the growth of general-purpose cash loans accelerated due in part to the tightening of the rules on consumer housing loans⁷. The CNB issued the recommendation⁸ in order to ensure the consistency of criteria for determining consumers' creditworthiness for housing loans and non-housing consumer loans with longer initial maturities and asked for the appropriate inclusion of risks into the internal capital adequacy assessment process (ICAAP) to adequately address potential risks and promote more cautious terms and conditions for granting new general-purpose cash loans.

Figure 3 Bank assets



The structure of assets saw an increase in the importance of highly liquid items, particularly cash and deposits with the central bank, and investments in domestic central government debt. The liquidity surpluses were high throughout the year, with the balance in giro accounts with the CNB reaching as much as HRK 45.2bn (11.1% of assets) at the end of year. The balance surged in the last quarter of the year, while the amount of deposits in foreign financial institutions decreased. This was, among other things, the result

- 7 Under the new rules, in force from the beginning of 2018, banks are required to lay down in their internal bylaws the application of minimum costs of living as an important element in determining consumers' creditworthiness. They may not be less than the amount prescribed by the act governing the part of a salary exempted from foreclosure.
- 8 [Recommendation on actions in granting non-housing consumer loans.](#)

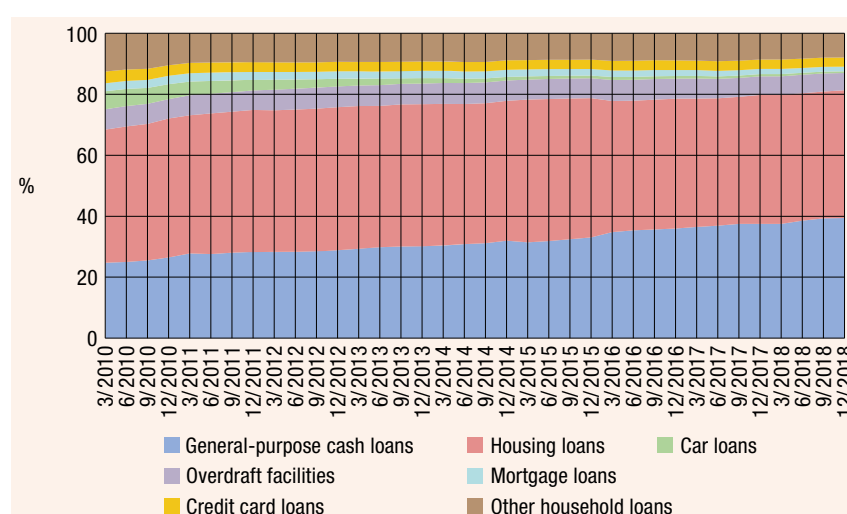
Table 2 Structure of bank assets, end of period, in million HRK and %

	Dec. 2016		Dec. 2017			Dec. 2018		
	Amount	Share	Amount	Share	Change	Amount	Share	Change
Cash, cash balances at central banks and other demand deposits	56,355.2	14.5	70,735.5	18.1	25.5	63,343.6	15.5	-10.5
Cash on hand	7,706.9	2.0	8,440.2	2.2	9.5	9,274.3	2.3	9.9
Cash balances at central banks	48,648.2	12.5	62,295.3	15.9	28.1	45,184.1	11.1	-27.5
Other demand deposits	...	...	...	...	...	8,885.2	2.2	-
Financial assets held for trading	6,153.1	1.6	3,297.5	0.8	-46.4	4,152.8	1.0	25.9
Derivatives	2,648.2	0.7	1,071.4	0.3	-59.5	1,233.5	0.3	15.1
Equity instruments	82.5	0.0	74.4	0.0	-9.8	165.9	0.0	123.0
Debt securities	3,422.3	0.9	2,151.7	0.5	-37.1	2,753.4	0.7	28.0
Loans and advances	0.0	0.0	0.0	0.0	-	0.0	0.0	-
Non-trading financial assets mandatorily at fair value through profit or loss	6,062.9	1.6	2,121.0	0.5	-65.0	722.1	0.2	-66.0
Equity instruments	6.4	0.0	1.8	0.0	-72.0	623.8	0.2	34770.9
Debt securities	6,056.6	1.6	2,119.2	0.5	-65.0	0.0	0.0	-100.0
Loans and advances	0.0	0.0	0.0	0.0	-	98.2	0.0	-
Financial assets at fair value through profit or loss	...	...	...	...	...	402.1	0.1	-
Debt securities	...	...	...	...	...	402.1	0.1	-
Loans and advances	...	...	...	...	...	0.0	0.0	-
Financial assets at fair value through other comprehensive income	39,753.3	10.2	45,591.8	11.7	14.7	49,134.3	12.0	7.8
Equity instruments	544.9	0.1	608.3	0.2	11.6	651.4	0.2	7.1
Debt securities	39,208.3	10.1	44,983.5	11.5	14.7	48,482.9	11.9	7.8
Loans and advances	0.0	0.0	0.0	0.0	-	0.0	0.0	-
Financial assets at amortised cost	267,423.0	68.8	252,017.8	64.4	-5.8	277,402.4	67.9	10.1
Debt securities	8,671.0	2.2	4,823.6	1.2	-44.4	3,398.0	0.8	-29.6
Loans and advances	258,751.9	66.6	247,194.2	63.2	-4.5	274,004.4	67.0	10.8
Derivatives – hedge accounting	10.8	0.0	0.0	0.0	-100.0	0.4	0.0	-
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0.0	0.0	0.0	0.0	-	5.3	0.0	-
Investments in subsidiaries, joint ventures and associates	4,365.7	1.1	8,794.7	2.2	101.4	5,447.6	1.3	-38.1
Tangible assets	5,230.8	1.3	4,923.0	1.3	-5.9	4,330.6	1.1	-12.0
Property, plant and equipment	4,964.2	1.3	4,633.3	1.2	-6.7	4,089.8	1.0	-11.7
Investment property	266.6	0.1	289.7	0.1	8.7	240.8	0.1	-16.9
Intangible assets	1,211.4	0.3	1,186.6	0.3	-2.0	1,361.1	0.3	14.7
Goodwill	74.1	0.0	74.1	0.0	0.0	31.1	0.0	-58.0
Other intangible assets	1,137.4	0.3	1,112.6	0.3	-2.2	1,330.0	0.3	19.5
Tax assets	1,166.9	0.3	1,396.0	0.4	19.6	1,005.8	0.2	-28.0
Current tax assets	229.9	0.1	525.0	0.1	128.3	243.1	0.1	-53.7
Deferred tax assets	936.9	0.2	871.0	0.2	-7.0	762.8	0.2	-12.4
Other assets	575.2	0.1	491.6	0.1	-14.5	970.4	0.2	97.4
Non-current assets and disposal groups classified as held for sale	413.5	0.1	780.8	0.2	88.8	388.8	0.1	-50.2
TOTAL ASSETS	388,721.9	100.0	391,336.4	100.0	0.7	408,667.3	100.0	4.4

of as many as three foreign exchange interventions in December (aimed at preventing the excessive strengthening of the kuna) which created HRK 8.0bn in kuna liquidity on the basis of foreign currency purchases from banks. The liquidity reserves grew also on the back of larger investments in domestic central government bonds, which further increased the sizeable exposure to this sector.

The share of loans in the structure of assets edged up, due among other things to the sale of claims and the introduction of IFRS 9⁹. The introduction of the new standard related to the classification and measurement of financial instruments resulted in a one-off increase in loan impairments on the first day of 2018. The initially determined loss arising from the introduction of IFRS 9 stood at HRK 1.4bn, with HRK 1.3bn of this amount being accounted for by expenses on impairment of balance sheet claims. Although the claims sold were well covered by impairments, their net amount was not negligible (HRK 1.3bn), which also had an impact on the net amount of loans reported in the bank balance sheet. The gross amount of claims sold stood at HRK 5.4bn and, although it was considerably smaller than in 2017 (by one third), it greatly determined developments in loans (gross) and their quality.

Figure 4 Structure of loans to households, by loan type



The downward trend in loans granted was interrupted, mainly as the outcome of stronger lending to households. Loans granted¹⁰ increased (3.5%), with transaction-based data¹¹ (they inter alia exclude the effects of the sale of claims) showing an increase of 5.7%. Loans granted to the general government rose slightly, while the amount of loans to non-financial corporations was lower than that at the end of 2017 due to the activation of government guarantees to shipyards towards the end of the year. According

- 9 The implementation of International Financial Reporting Standard 9, which replaced International Accounting Standard 39, started on 1 January 2018, making it mandatory for the CNB to adjust the national regulation on the classification of exposures and the method of determining losses. Under the old standard, IAS 39, loss recognition was based on the fact that impairment is recognised at the moment when the loss is incurred (the so-called incurred loss model). The new standard changed the way in which loss is recognised in such a way that losses are recognised in the amount in which they can be expected, i.e. before they are actually incurred (the so-called expected loss model). For more information on the initial application of IFRS 9 in Croatian credit institutions, see [Banks Bulletin 31](#).
- 10 Gross loan amount (principal excluding interest) in the portfolio of financial assets measured at fair value through other comprehensive income and financial assets measured at amortised cost.
- 11 Rates of change calculated on the basis of transaction data exclude the impact of exchange rate adjustments and write-offs on loan movements. The effect of the sale of claims is excluded in the amount of write-offs debited to impairment.

to transaction-based data, this sector nevertheless experienced an increase in loans which, in line with the years-long trend, was mainly focused on the tourism industry (accommodation and food service activity). The household sector was marked not only by the mentioned growth in general-purpose cash loans but also by an increase in housing loans, which for the second year in a row was the result of government subsidies for housing loans for young people. These developments further strengthened the leading share of households in the sector distribution of loans, to 47.6%. The two types of loans, housing loans and general-purpose cash loans, dominated in the structure of household loans with the shares of 41.9% and 39.4%, respectively.

Figure 5 Structure of loans to households, by currency

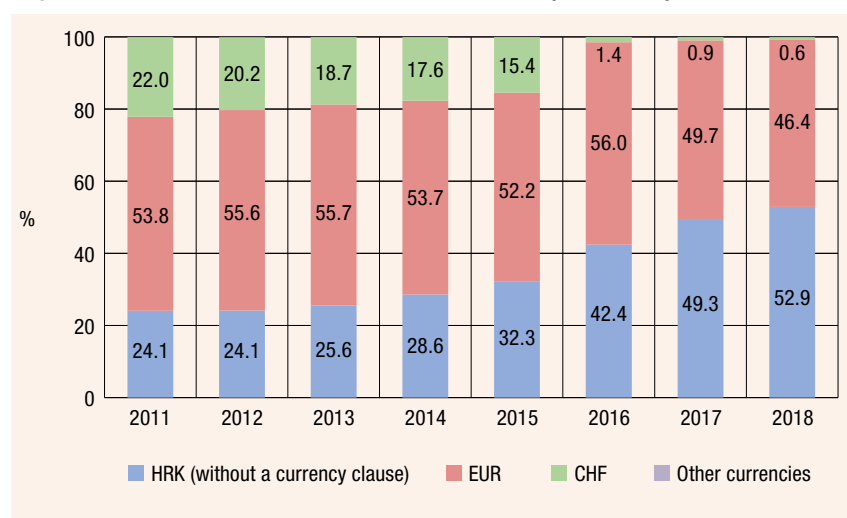
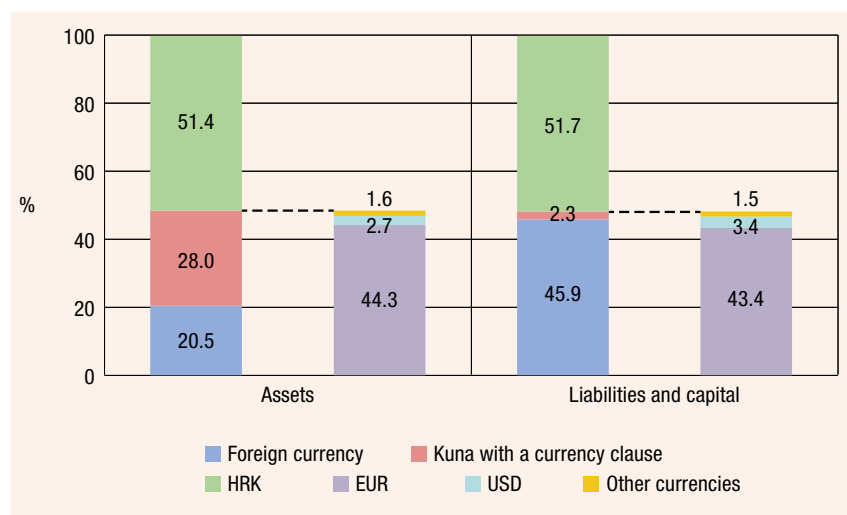


Figure 6 Currency structure of bank assets and bank liabilities and equity, as at 31 December 2018



Loans in kuna and loans granted at fixed interest rates continued to grow. Kuna loans in the household sector exceeded one half of total loans (Figure 5). Banks' exposures to currency- and interest rate-induced credit risk thus trended downwards. However, the management of direct exposures, notably those to interest rate risk, became more challenging due to a low level

of long-term kuna funding and the further transformation of time deposits into transaction account deposits.

Liabilities and equity

In 2018, domestic funding rose markedly, notably deposits¹² of households and transaction account deposits (Figure 7). The rise in household deposits was especially noticeable in the middle part of the year due to the effects of the tourist season, with similar trends being observed in non-financial corporations and central government entities that generate seasonal revenues from tourism (transportation, national parks and so on). Transaction account deposits continued to grow in significance, increasing by almost one fourth, while time deposits decreased. This is the result of low interest rates and further fall in interest rates on time deposits, with a certain effect being undoubtedly exerted by the introduction of taxation of interest payments on savings in 2015.¹³ Transaction account deposits exceeded one half of total deposits (at the end of 2015, their share was only a little over one fourth) due to the strong growth in the period of several years. The level of funding from foreign majority owners remained low (below 3% of total assets).

The need for adequate long-term funding and maturity match is demonstrated by higher interest for structural operations of the CNB¹⁴ and the issuance of debt securities. The growth in funding was largely generated by less stable sources of funding – transaction account deposits. In contrast, bank assets witnessed a rise in long-term types of investment which, in order to hedge against these positions, contributed to the attractiveness of the CNB structural operations, and one bank issued a five-year kuna bond. Despite the growth of received loans and issued debt securities, their balance was still low, and household deposits continued to be the dominant source of funding (47.2% of assets).

In 2018, dividend payments were made in a substantial amount, both from the profit generated in 2017 and the profit generated in previous years. A total of HRK 3.4bn was paid in dividends, with HRK 1.9bn referring to the payments from the profit for 2017. They accounted for almost 60% of the profit generated in the respective year; the remaining amount of the profit was kept in the equity and reinforced the already strong capital base. The rest of the amount paid in dividends referred to the profit generated in previous years.

12 Deposits (principal excluding interest), all portfolios.

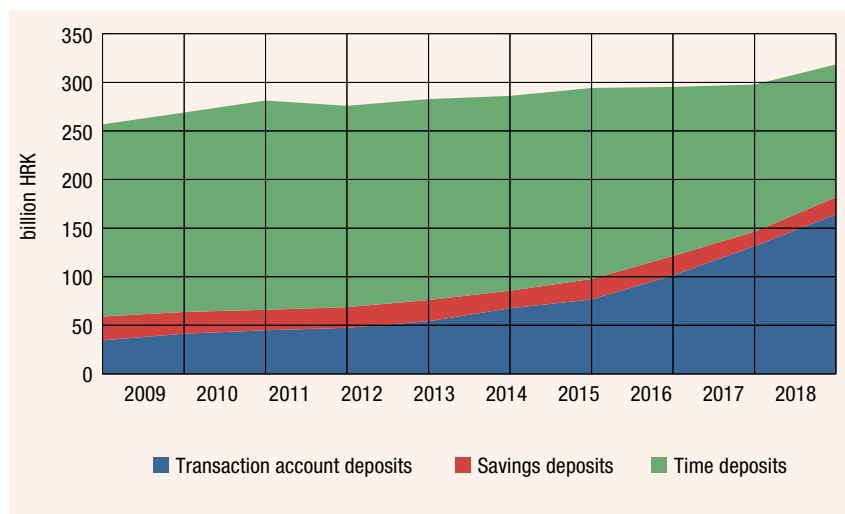
13 The Act on Amendments to the Income Tax Act (OG 143/2014) introduced a tax on interest on kuna and foreign currency savings deposits (sight and time savings deposits and annuity savings) at a rate of 12% in 2015. Interest on the positive balance in giro accounts, current accounts and foreign currency accounts is not subject to tax provided that the interest rate does not exceed 0.5% a year.

14 The CNB held a structural operation in December 2018, placing a total of HRK 1.4bn to banks for a five-year term at a fixed interest rate of 1.2%.

Table 3 Structure of bank liabilities and equity, end of period, in million HRK and %

	Dec. 2016		Dec. 2017			Dec. 2018		
	Amount	Share	Amount	Share	Change	Amount	Share	Change
Financial liabilities held for trading	2,261.2	0.6	932.3	0.2	-58.8	1,036.5	0.3	11.2
Derivatives	2,261.2	0.6	932.3	0.2	-58.8	1,036.5	0.3	11.2
Short positions	0.0	0.0	0.0	0.0	-	0.0	0.0	-
Deposits	...	...	...	...	...	0.0	0.0	-
Issued debt securities	...	...	...	...	...	0.0	0.0	-
Other financial liabilities	0.0	0.0	0.0	0.0	-	0.0	0.0	-
Financial liabilities at fair value through profit or loss	0.0	0.0	0.0	0.0	-	0.0	0.0	-
Financial liabilities measured at amortised cost	324,827.5	83.6	323,870.5	82.8	-0.3	344,253.3	84.2	6.3
Deposits	324,347.7	83.4	323,316.4	82.6	-0.3	342,734.3	83.9	6.0
Issued debt securities	355.5	0.1	430.4	0.1	21.1	905.8	0.2	110.4
Other financial liabilities	124.3	0.0	123.7	0.0	-0.5	613.2	0.2	395.7
Derivatives – hedge accounting	9.9	0.0	4.3	0.0	-57.0	13.1	0.0	207.8
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0.0	0.0	0.0	0.0	-	0.0	0.0	-
Provisions	2,243.1	0.6	2,469.6	0.6	10.1	2,472.7	0.6	0.1
Pensions and other post employment defined benefit obligations	10.9	0.0	13.9	0.0	27.5	10.8	0.0	-22.3
Other long-term employee benefits	349.2	0.1	272.9	0.1	-21.9	348.7	0.1	27.8
Restructuring	15.8	0.0	166.7	0.0	957.3	113.8	0.0	-31.7
Pending legal issues and tax litigation	482.8	0.1	594.6	0.2	23.2	592.3	0.1	-0.4
Commitments and guarantees given	1,147.4	0.3	1,258.2	0.3	9.7	1,201.2	0.3	-4.5
Other provisions	237.0	0.1	163.3	0.0	-31.1	205.9	0.1	26.1
Tax liabilities	726.8	0.2	581.7	0.1	-20.0	232.7	0.1	-60.0
Current tax liabilities	669.3	0.2	488.4	0.1	-27.0	139.1	0.0	-71.5
Deferred tax liabilities	57.6	0.0	93.3	0.0	62.1	93.6	0.0	0.3
Other liabilities	3,801.6	1.0	5,295.5	1.4	39.3	3,556.5	0.9	-32.8
Liabilities included in disposal groups classified as held for sale	0.0	0.0	0.0	0.0	-	0.0	0.0	-
TOTAL LIABILITIES	333,870.1	85.9	333,153.9	85.1	-0.2	351,564.8	86.0	5.5
Capital	25,584.9	6.6	26,064.7	6.7	1.9	24,516.2	6.0	-5.9
Paid up capital	25,584.9	6.6	26,064.7	6.7	1.9	24,516.2	6.0	-5.9
Unpaid capital which has been called up	...	...	...	...	...	0.0	0.0	-
Share premium	8,592.5	2.2	8,531.1	2.2	-0.7	8,093.5	2.0	-5.1
Equity instruments issued other than capital	0.0	0.0	0.0	0.0	-	0.0	0.0	-
Other equity	...	...	...	...	...	13.6	0.0	-
Accumulated other comprehensive income	863.8	0.2	1,175.6	0.3	36.1	970.3	0.2	-17.5
Retained earnings	11,222.1	2.9	15,473.6	4.0	37.9	16,707.4	4.1	8.0
Other reserves	3,653.0	0.9	3,685.6	0.9	0.9	2,033.7	0.5	-44.8
Reserves or accumulated losses of investments in subsidiaries, joint ventures and associates accounted for using the equity method	...	...	...	...	...	0.0	0.0	-
Other	3,653.0	0.9	3,685.6	0.9	0.9	2,033.7	0.5	-44.8
(-) Treasury shares	-95.8	0.0	-96.1	0.0	0.2	-124.1	0.0	29.2
Profit or loss attributable to owners of the parent	5,031.3	1.3	3,348.0	0.9	-33.5	4,891.8	1.2	46.1
(-) Interim dividends	...	...	...	...	...	0.0	0.0	-
Minority interests [Non-controlling interests]	0.0	0.0	0.0	0.0	-	0.0	0.0	-
TOTAL EQUITY	54,851.8	14.1	58,182.5	14.9	6.1	57,102.5	14.0	-1.9
TOTAL LIABILITIES AND TOTAL EQUITY	388,721.9	100.0	391,336.4	100.0	0.7	408,667.3	100.0	4.4

Figure 7 Bank deposits



Bank equity fell slightly, due primarily to the merger between Splitska banka and OTP banka Hrvatska, but its share remained high (14.0% of assets). In addition to the merger, the introduction of IFRS 9 also had a negative effect, due to which, as already noted, losses in the total amount of HRK 1.4bn were recorded (mainly in retained earnings). These developments were mitigated by much better business results in 2018 – bank earnings recovered after the strong fall in 2017 brought about by operating difficulties in the Agrokor Group.¹⁵

1.2.3 Earnings

Income statement

In 2018, banks generated HRK 5.6bn in profit from continuing operations (before tax), an increase of HRK 1.7bn or 43.4% from 2017 (Table 4).

Bank profits grew due to lower expenses on impairment and provisions, their fall being stronger than negative effects of the decrease in almost all operating income items. The fall in these expenses was largely the result of the base period effect, i.e. high expenses on impairment and provisions which burdened business results in 2017 as well as of the reversal of these expenses during the process of the sale of claims in 2018. Banks used extensive sales of claims and income¹⁶ generated by these activities to partly offset losses from previous years, suffered due to the inability to orderly

15 For the purposes of this publication, Agrokor Group includes Agrokor d.d. and all persons that credit institutions connected with this company, that is, all persons that are considered by credit institutions to constitute one and the same risk as Agrokor. Pursuant to the Act on Extraordinary Administration Procedure in Companies of Systemic Importance for the Republic of Croatia (OG 32/2017) Agrokor d.d. has been identified as a company of systemic importance.

16 The reversal of impairment expenses, which are considered income in accounting terms, had been carried out due to banks selling non-performing loans at prices higher than the value of these loans in their business books.

Table 4 Bank income statement, in million HRK and %

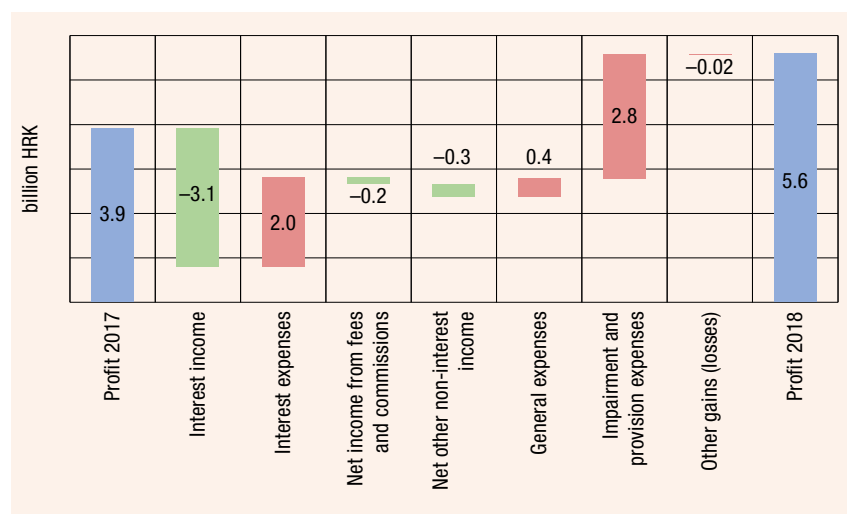
	Amount		Change
	Jan. – Dec. 2017	Jan. – Dec. 2018	
Interest income	14,744.8	11,629.7	-21.1
Financial assets held for trading	1,339.4	267.3	-80.0
Non-trading financial assets mandatorily at fair value through profit or loss	48.8	4.4	-90.9
Financial assets at fair value through profit or loss	0.0	14.3	-
Financial assets at fair value through other comprehensive income	692.6	624.2	-9.9
Financial assets at amortised cost	12,621.1	10,685.7	-15.3
Derivatives – hedge accounting, interest rate risk	0.1	0.1	-14.2
Other assets	42.7	20.9	-50.9
Interest income on liabilities	0.0	12.8	-
(Interest expenses)	3,809.4	1,786.8	-53.1
(Financial liabilities held for trading)	1,241.9	173.1	-86.1
(Financial liabilities designated at fair value through profit or loss)	0.0	0.0	-
(Financial liabilities measured at amortised cost)	2,512.8	1,510.3	-39.9
(Derivatives – hedge accounting, interest rate risk)	2.0	4.1	109.0
(Other liabilities)	52.7	21.9	-58.4
(Interest expense on assets)	0.0	77.3	-
NET INTEREST INCOME	10,935.4	9,842.9	-10.0
DIVIDEND INCOME	826.3	468.4	-43.3
Fee and commission income	4,848.7	4,813.4	-0.7
(Fee and commission expenses)	1,437.9	1,552.8	8.0
NET FEE AND COMMISSION INCOME	3,410.7	3,260.6	-4.4
GAINS (LOSSES)	1,392.1	1,538.0	10.5
Other operating income	452.7	333.0	-26.4
(Other operating expenses)	934.9	882.9	-5.6
TOTAL OPERATING INCOME, NET	16,082.3	14,560.0	-9.5
(Administrative expenses)	6,646.9	6,289.5	-5.4
(Staff expenses)	3,799.5	3,669.2	-3.4
(Other administrative expenses)	2,847.3	2,620.3	-8.0
(Depreciation)	711.1	666.6	-6.3
ADMINISTRATIVE EXPENSES AND DEPRECIATION	7,358.0	6,956.1	-5.5
Modification gains (-) losses, net	0.0	-30.7	-
OPERATING PROFIT	8,724.3	7,573.1	-13.2
(Provisions or (-) reversal of provisions)	596.0	212.6	-64.3
(Commitments and guarantees given)	116.1	-9.0	-
(Other provisions)	480.0	221.6	-53.8
(Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss)	3,739.8	1,639.5	-56.2
(Financial assets at fair value through other comprehensive income)	40.4	-2.9	-
(Financial assets at amortised cost)	3,699.4	1,642.4	-55.6
(Impairment or (-) reversal of impairment of investments in subsidiaries, joint ventures and associates)	317.6	82.1	-74.1
(Impairment or (-) reversal of impairment on non-financial assets)	185.9	112.8	-39.3
IMPAIRMENT AND PROVISIONS	4,839.4	2,047.0	-57.7
Negative goodwill recognised in profit or loss	0.0	0.0	-
Share of the profit or (-) loss of investments in subsidiaries, joint ventures and associates accounted for using the equity method	0.0	40.4	-
Profit or (-) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	19.8	30.8	55.8
PROFIT OR (-) LOSS BEFORE TAX FROM CONTINUING OPERATIONS	3,904.7	5,597.4	43.4
(Tax expense or (-) income related to profit or loss from continuing operations)	560.9	704.0	25.5
PROFIT OR (-) LOSS AFTER TAX FROM CONTINUING OPERATIONS	3,343.8	4,893.3	46.3

	Amount		Change
	Jan. – Dec. 2017	Jan. – Dec. 2018	
Profit or (–) loss after tax from discontinued operations	4.3	–1.5	–
Profit or (–) loss before tax from discontinued operations	...	–1.5	–
(Tax expense or (–) income related to discontinued operations)	...	0.0	–
Profit (loss) for the year	3,348.0	4,891.8	46.1
Note: Number of banks operating with losses, before taxes	10	3	–70.0

settle those claims. The overall result improved also on account of smaller amounts of losses of banks continuing to operate with negative business results in 2018 and the exit of banks from the system that had operated with losses in 2017. Among them, there was one O-SII, and the termination of its operations in 2018 was substantially reflected in developments of all items of the aggregated income statement of banks.¹⁷

Impairment and provision expenses decreased by HRK 2.8bn (57.7%) from the end of 2017. These expenses were lower in amount in the pre-crisis years, and their relatively low level in 2018 was also reflected in their considerably lower share in average assets (0.5% at the end of 2018 relative to 1.2% at the end of 2017). For their coverage in 2018 banks used 27.0% of net income (before impairment and provisions) which was half as much as in 2017. The difference in the amount of impairment and provision expenses was primarily the result of exposures to the Agrokor Group, brought about by the materialisation of credit risk that resulted in the significant expenses incurred in 2017. Banks continued to recognise losses arising from these exposures in 2018, but these additional losses were several times smaller than those recorded in 2017. In contrast to 2017, banks also reported lower expenses on impairment of other financial assets and liabilities (e.g. investments in subsidiaries, associates and joint ventures) and on impairment of non-

Figure 8 Contributions by profit components (continuing operations, before tax)



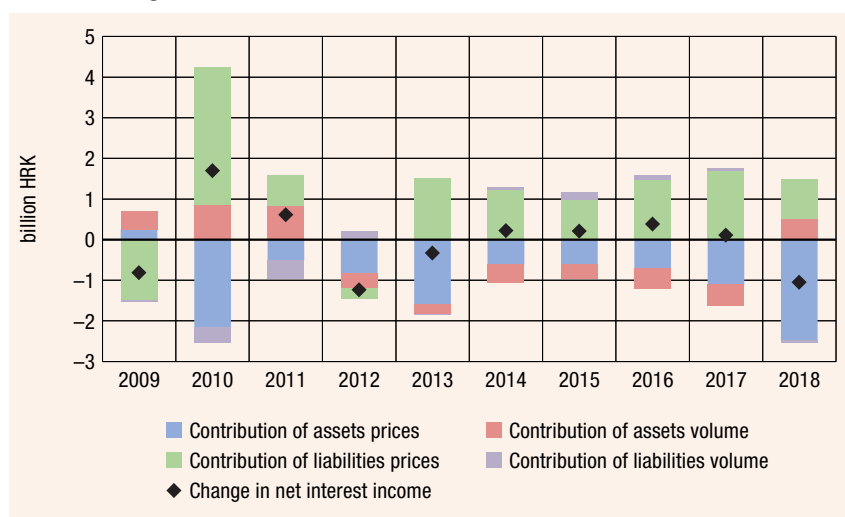
Note: Red/green columns show the positive/negative contribution of the item to profit developments.

17 See footnote 1.

financial assets as well as smaller expenses on provisions for litigation costs, which together with the effects of the sale of claims resulted in the lower level of total impairment and provisions at the end of 2018.

Total net operating income of banks was HRK 1.5bn (9.5%) lower in 2018 than at the end of 2017. This was due to the fall in all net income items and especially due to the fall of HRK 1.1bn (10.0%) in the most important income statement item – net interest income. Net interest income decreased only several times in the period from the end of 2000 to the end of 2018, due mainly to the impact of one-off effects. The years-long rising trend in net interest income was based on the different dynamics in interest expenses and interest income, its reduction at the end of 2018 being the result of a substantial fall in interest income (HRK 3.1bn). In spite of the strong effects of savings on interest expenses, the achieved low level of interest expenses did not manage to fully offset the fall in interest income. An analysis of individual components of interest-bearing assets and interest-bearing liabilities shows that prices, i.e. interest rates, continued to have a key impact on developments in net interest income (Figure 9).¹⁸ The decrease in these rates in 2018 outstripped the positive contribution of the growth in lending, observed for the first time since 2011. The decrease in total net operating income also resulted from the fall in net income from fees and commissions (by HRK 150m) as well as in the majority of other non-interest income items, the largest effect being produced by the smaller amounts of dividends received from subsidiaries and associates. Net interest income, although weakened, remained the most significant component of bank total net income, with a share of 67.6%.

Figure 9 Contributions of prices and volume of assets and liabilities to the change in bank net interest income



18 They refer to implicit interest rates, which are calculated as the ratio between interest income and interest-bearing assets or as the ratio between interest expenses and interest-bearing liabilities.

Interest income continued falling for the seventh consecutive year and at the end of 2018 hit its record low from the end of 2003. Interest income declined due to the decrease in income from almost all types of financial assets and notably due to the change in reporting of interest income from derivative financial instruments.¹⁹ The overall developments in interest income were mostly affected by the decrease in income from loans granted (14.5%), contributing to the continuation of the fall in the average income on loans, to the lowest ever recorded 4.2%. The general government accounted for the largest share in total decrease in interest income from loans, with a significant impact also coming from an early repayment of large loan amount at the end of 2017 and refinancing of the road sector at much lower interest rates in April 2018.²⁰ Also significant was the decrease in interest income from loans to non-financial corporations and households, notably housing loans. General-purpose cash loan to households remained the key source of total interest income from loans, with a share of 29.2% at the end of 2018 or more than ten percentage points higher than the share of these loans in the structure of total loans.

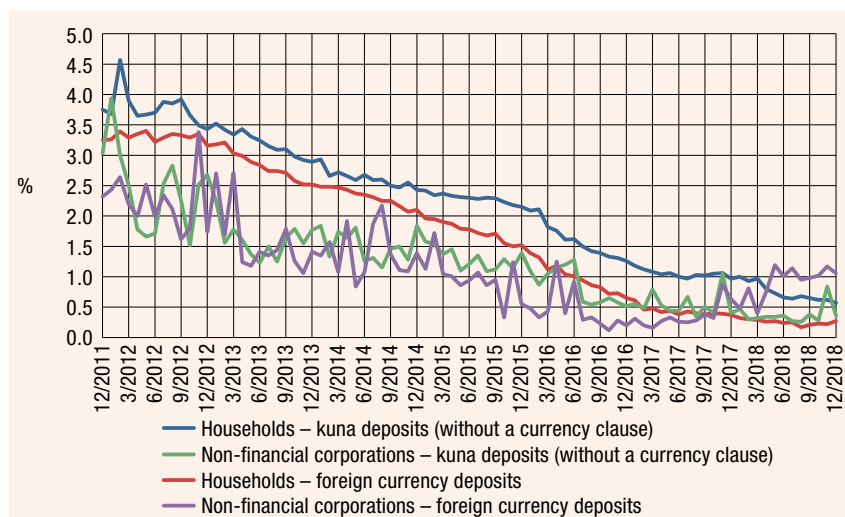
The years-long decrease in interest expenses accelerated in 2018 and their amount reached the all-time low. The fall in interest expenses was equally contributed to by further savings on expenses on funding, almost continuously present since 2010, and by the effect of the change in the method of reporting interest expenses on derivative financial instruments. These savings were achieved notwithstanding the increase in deposits and may be attributed to the change in the structure of deposits and the fall in interest rates, which contributed to a 38.1% decrease in expenses on deposits. This was a continuation of the years-long decrease in the average expenses on deposits, which reached the all-time low of 0.4%. The bulk of the total decrease related to the fall in expenses on time deposits (mostly time deposits of households), brought about by the decrease in interest rates and the transformation of time deposits into transaction accounts. Transaction accounts were the leading type of deposits at the end of 2018 but accounted for less than 5% of expenses on total deposits which is a reflection of symbolic interest rates on this type of funding.

Two components of net non-interest income – income from dividends and net income from fees and commissions – decreased the most. Due to the absence of dividends received from subsidiaries in some banks, this income fell by 43.3% in the banking sector as a whole. Net income from fees and commissions decreased by 4.4%; however, due to the developments in other items, the share of net income from fees and commissions in total net income increased to 22.4%. The structure of income from fees and commissions

19 At the end of 2018, one O-SII bank changed the method of reporting of interest income and interest expenses of held-for-trading derivative financial instruments in its income statement and as of now reports them on a net instead of on a gross basis.

20 Croatian Motorways, Croatian Roads and Rijeka – Zagreb Motorway.

Figure 10 Interest rates on time deposits (new business)



was dominated by income from payment services, credit cards, account management etc. which usually accounts for about 70% of total income from fees and commissions. In contrast, expenses on payment services accounted for less than one third of total expenses on fees and commissions, with expenses on other banking services accounting for a dominant share. At the end of 2018, the largest share of bank total income from fees and commissions, that is, more than one third, was accounted for by households, followed by domestic and foreign financial institution and non-financial corporations.

Bank general operating expenses fell by 5.5% in 2018, due mostly to the decrease in employee expenses and other administrative expenses.

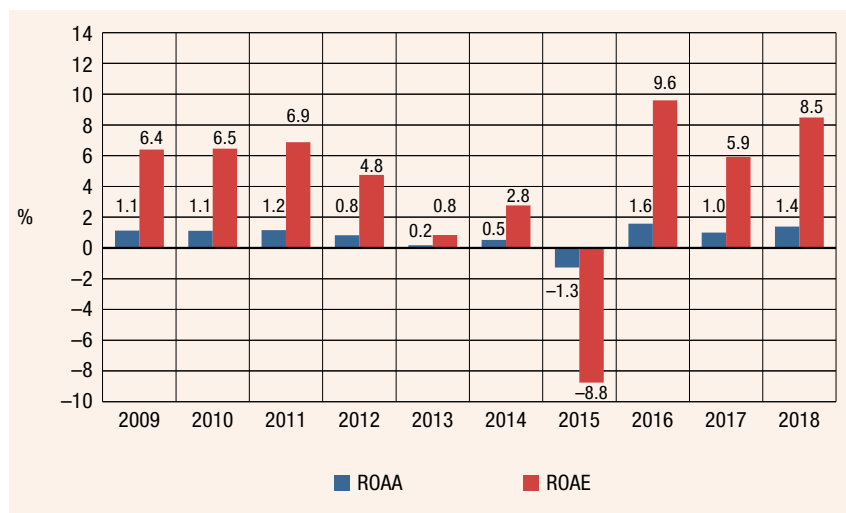
The several-year downward trend in the number of employees continued in 2018 (548 or 2.8%), with only a minor share of this reduction related to the decrease in the number of banks.

Three banks with the share in total bank assets of 1.4% operated with losses (before tax). The number of these banks fell by seven from the end of 2017, including those banks which ceased to operate in the reference year, and the amount of their reported losses decreased by 75.2%. One bank was operationally non-profitable.

Returns indicators

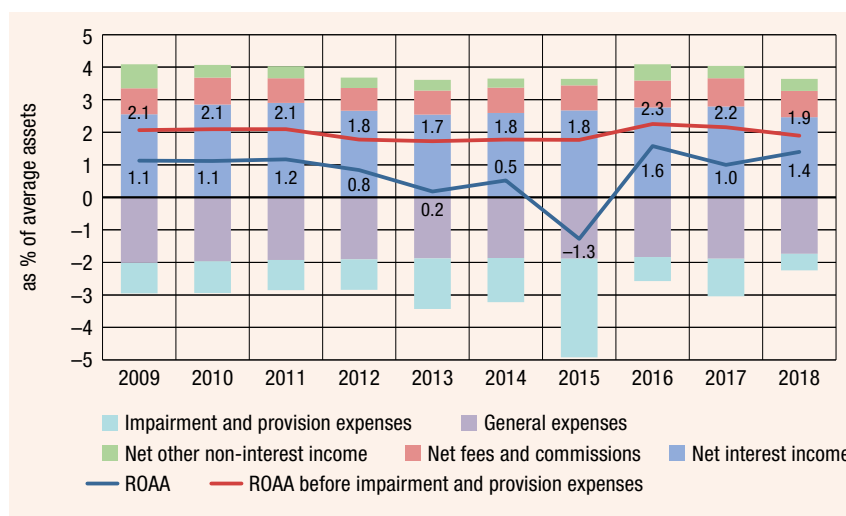
Returns indicators of banks trended up from 2017 on account of the positive impact of lower risk costs. Significantly lower encumbrance of an average asset unit by these costs and the halved allocation of net income for their coverage in 2018 contributed to the growth in the value of bank return indicators. The return on average assets (ROAA) grew from 1.0% to 1.4% and the return on average equity (ROAE) increased from 5.9% to 8.5% (Figure 11). The satisfactory level of total profitability resulted from the above-

Figure 11 Bank return on average assets (ROAA) and return on average equity (ROAE)



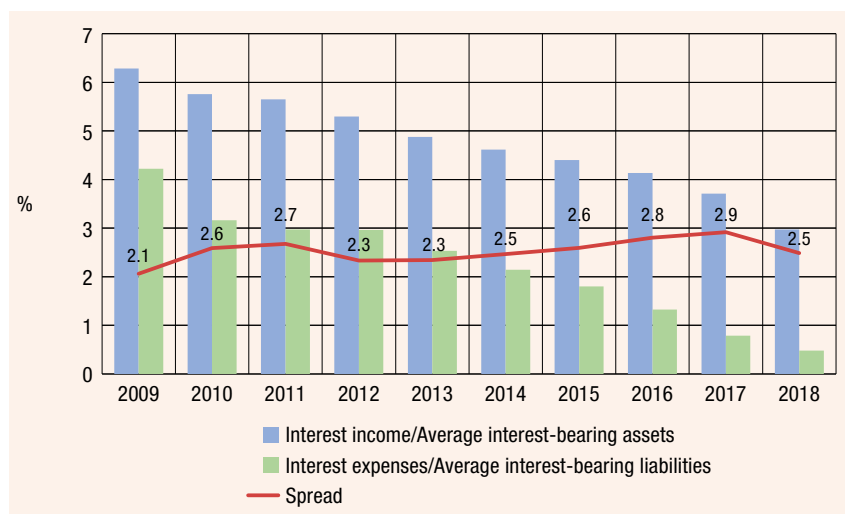
average value of indicators in leading banks; their value was much smaller in the majority of the remaining banks. This may be demonstrated by the median indicator value of 0.7% for ROAA and 5.9% for ROAE. Bank operating profitability, measured by the ratio of net operating income (before impairment and provisions expenses) to average assets trended downwards, reflecting the fall in almost all income categories (Figure 12).

Figure 12 ROAA decomposition



Smaller interest income and the low level of interest expenses narrowed the room for interest earnings, interrupting the years-long upward trend that was based on savings on expenses on funding. The fall in interest income resulted in banks in 0.7 percentage points lower average income by the unit of interest-bearing assets, and the decrease in interest expenses resulted in 0.3 percentage points lower average expenses by the unit of interest-bearing liabilities. This led to the narrowing of the interest rate spread, from 2.9% at the end of 2017 to 2.5% at the end of 2018 (Figure 13).

Figure 13 Spread



Notwithstanding the fall in general operating expenses, cost effectiveness deteriorated. Due to the somewhat strong fall in operating income, the ratio of general operating expenses to total net income (cost-to-income ratio) was higher than at the end of 2017, i.e. it deteriorated by 2 percentage points, to 47.8%. The operating efficacy of leading banks also had a key impact on the level of this indicator, and the majority of remaining banks reported below-average cost efficiency, as shown by a significantly higher median value of this indicator (65.6%).

1.2.4 Credit risk

Total exposure

The share of non-performing exposures²¹ in total exposure (classified into risk categories) fell from 8.5% at the end of 2017 to 6.7% at the end of 2018. This improvement was greatly affected by developments in the most significant total exposure item or, to be precise, by the upgrade in the quality of loans granted, resulting primarily from the sale of claims. Moreover, significant was also the impact of the methodological changes, i.e. the impact of the introduction of IFRS 9 and the widening of the scope of exposures classified into risk categories to include the portfolio of financial assets measured at fair value through other comprehensive income (Figure 14). This portfolio is equivalent to the previously applied portfolio of financial assets available for sale (under the old standard, IAS 39), and as it mainly comprised high-quality exposures in the form of central government securities, its inclusion in total exposure contributed to the improvement of quality

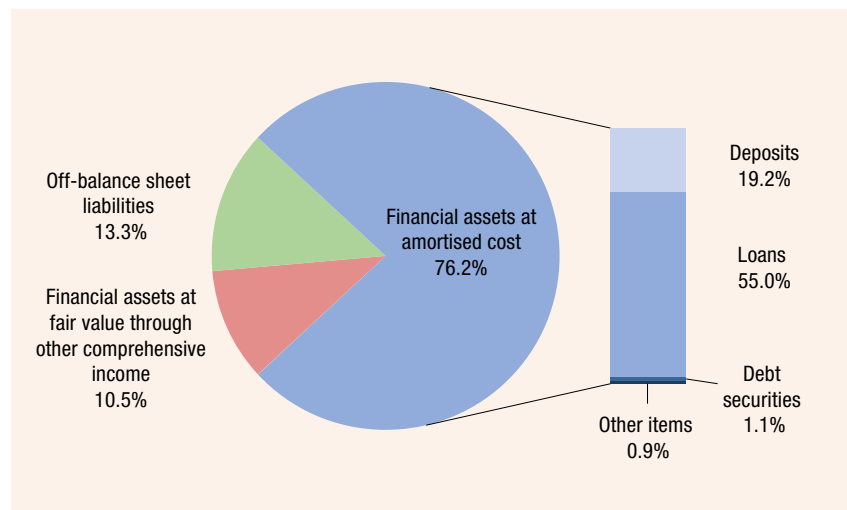
²¹ Non-performing exposures comprise all balance sheet and off-balance sheet exposures which give rise to a credit risk in credit institutions and which are in default status, i.e. exposures classified into risk categories B and C (impairment stage 3 under IFRS 9). Until the end of 2017, this term referred to partly recoverable and fully irrecoverable exposures (IAS 39).

Table 5 Distribution of total bank exposure by risk categories, end of period, in million HRK and %

Risk (sub) category	Dec. 2016			Dec. 2017			Dec. 2018		
	Total exposure	Impairment and provisions	Coverage (%)	Total exposure	Impairment and provisions	Coverage (%)	Total exposure	Impairment and provisions	Coverage (%)
A	365,032.2	3,344.5	0.9	363,088.8	3,148.2	0.9	431,594.5	3,843.7	0.9
A-1	...	...	...	...	...	...	402,991.9	2,405.8	0.6
A-2	...	...	...	...	...	...	28,602.5	1,437.9	5.0
B	28,608.9	14,274.1	49.9	26,151.7	13,254.0	50.7	23,418.4	10,914.3	46.6
B-1	8,411.0	1,185.9	14.1	7,751.3	963.9	12.4	8,418.0	804.1	9.6
B-2	12,168.7	6,488.8	53.3	9,908.0	5,322.0	53.7	7,954.3	4,131.6	51.9
B-3	8,029.2	6,599.4	82.2	8,492.3	6,968.1	82.1	7,046.1	5,978.7	84.9
C	10,691.5	10,693.2	100.0	7,685.9	7,686.2	100.0	7,573.1	7,576.3	100.0
Total	404,332.6	28,311.7	7.0	396,926.3	24,088.4	6.1	462,586.0	22,334.3	4.8

indicators and to the fall in the coverage of total exposure by impairment and provisions (Table 5).

The newly introduced risk sub-category A-2 represents the largest change in relation to the recognition of losses under IAS 39. The IFRS 9 did not contribute to any major changes in the calculation of impairment and provisions for non-performing exposures which is still carried out in case of objective evidence on impairment. However, in line with the new standard, exposures classified into risk category A are subject to the application of the expected loss model, i.e. the twelve-month expected credit losses for the risk sub-category A-1 (exposures with low credit risk, the so-called impairment stage 1) and the full lifetime expected credit losses for the risk sub-category A-2 (exposures with significant increase in credit risk, the so-called impairment stage 2). At the end of 2018, 6.2% of total exposure was classified into the risk sub-category A-2. This represents the value of exposures which are not classified as non-performing but which require particular attention due to increased riskiness – expected losses on these exposures were estimated at 5.0%.

Figure 14 Structure of total bank exposure distributed into risk categories, by portfolio and instruments, as at 31 December 2018

The fall in the coverage of non-performing exposures by impairment and provisions present since 2017 continued throughout 2018. At the end of 2018, this indicator fell to 59.7% owing to the sale of claims with above-average coverage and the inflow of new non-performing exposures marked by the still low level of losses. The reported inflow was in part also the result of changes in the regulatory treatment. Specifically, in line with the new regulation on classification²², which entered into force at the beginning of 2018, exposures to clients in default cannot be classified into risk category A. This resulted in exposure migrations to riskier categories, but with a low level of expected losses, considering that they involved well-secured claims and senior claims. The coverage of non-performing exposures trended up from 2013, marked by the introduction of the regulatory rules on the gradual increase in impairment for long-term delinquent exposures (adding a 5% impairment every six months), until 2016, and the rise in related costs motivated banks to pursue a more active approach in resolving non-performing exposures, especially through their sale.

After reaching a record high in 2017, the amount of claims sold fell by one third in 2018. Banks sold HRK 5.4bn of balance sheet claims and an additional HRK 1.7bn of off-balance sheet claims.²³ The impairment coverage of claims sold was high (75.9%) and yet somewhat lower than in 2017. Other developments were similar to those seen in 2017: non-financial corporations and professional buyers accounted for almost 70% of claims sold; one bank accounted for about one half, and the largest share of claims of non-financial corporations sold related to the construction industry.

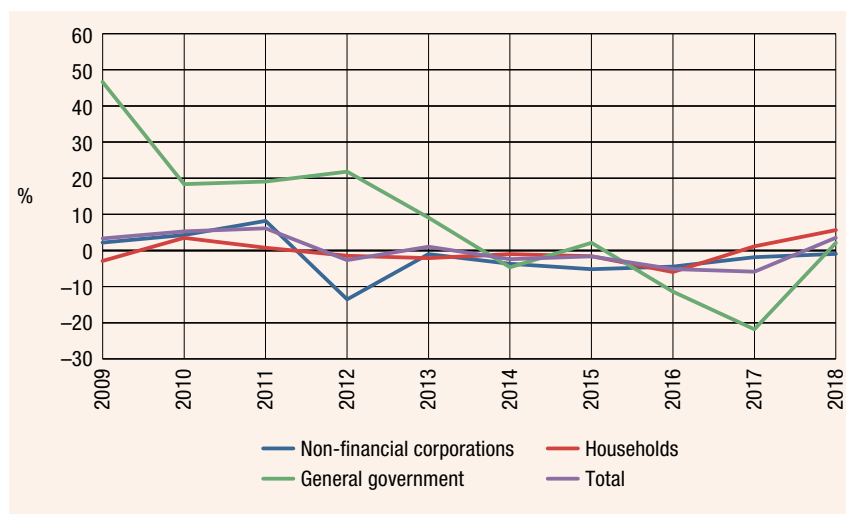
Loans

In 2018, the quality of loans improved, mainly influenced by the sale of claims (Figure 18). The share of non-performing loans fell below 10%, decreasing from 11.3% to 9.8% (Figure 16). As a result, the upward trend in the quality of loans continued for the fourth consecutive year. Notwithstanding the positive contribution of credit growth, the indicator would have deteriorated had it not been for the sale of non-performing loans. This is clearly demonstrated in Figure 18 and is explained by the rise in non-performing loans (excluding effects of the sale of claims), specifically in the sector of non-financial corporations. This development was to a large extent the result of methodological changes (the application of the provision on reclassification of exposures to clients in default) as well as of difficulties in the business operations of corporations engaged in shipbuilding and sugar refining.

22 [Decision on the classification of exposures into risk categories and the method of determining credit losses](#) (OG 114/2017 and 110/2018).

23 Sale of placements is regulated by the [Decision on the sale of placements by credit institutions](#) (OG 127/2014 and 24/2018).

Figure 15 Rates of change of bank loans



Though reduced, from 22.2% to 20.4%, the share of non-performing loans in the sector of non-financial corporations remained high.

One of the reasons lies in the operating difficulties in the Agrokor Group, which contributed to a sharp increase in non-performing loans in 2017. Manufacturing accounted for the largest share of non-performing loans of non-financial corporations (it was also marked by the largest share in the distribution of total loans), with the second largest share being related to construction due to the sale of claims and tighter lending to this activity. The analysis of leading activities shows that the indicator of the share of non-performing loans was by far the largest in construction (45.1%) and the smallest in the accommodation and food service activity (8.9%).

The share of non-performing loans in the household sector fell from 8.1% to 6.6%. The improvement of the loan quality was greater in this sector than in the sector of non-financial corporations, due mainly to credit activity heightening. According to transaction-based data, non-performing household loans held steady in 2018. The share of non-performing loans in the household sector fell on the back of improvement in the two most important

Figure 16 Share of non-performing loans in total bank loans

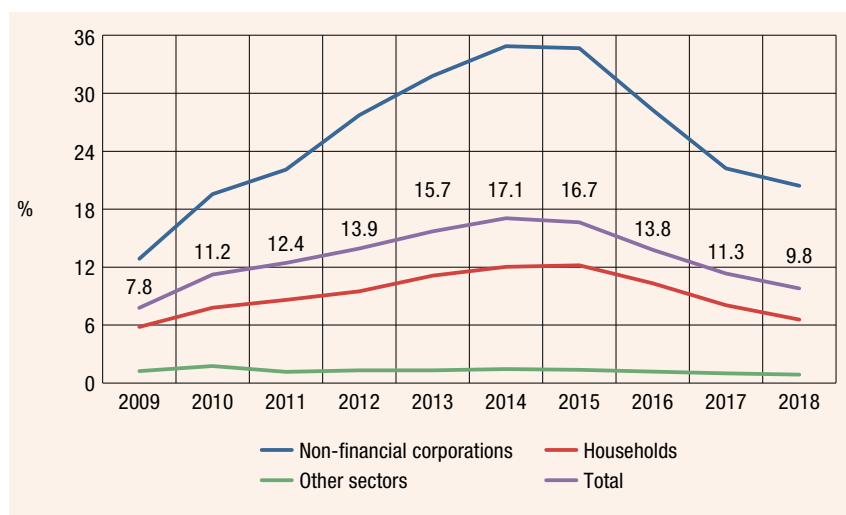
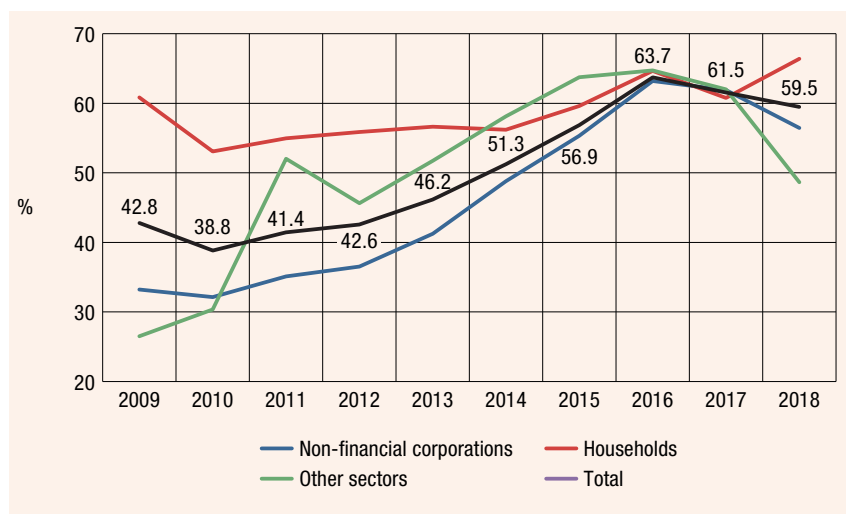


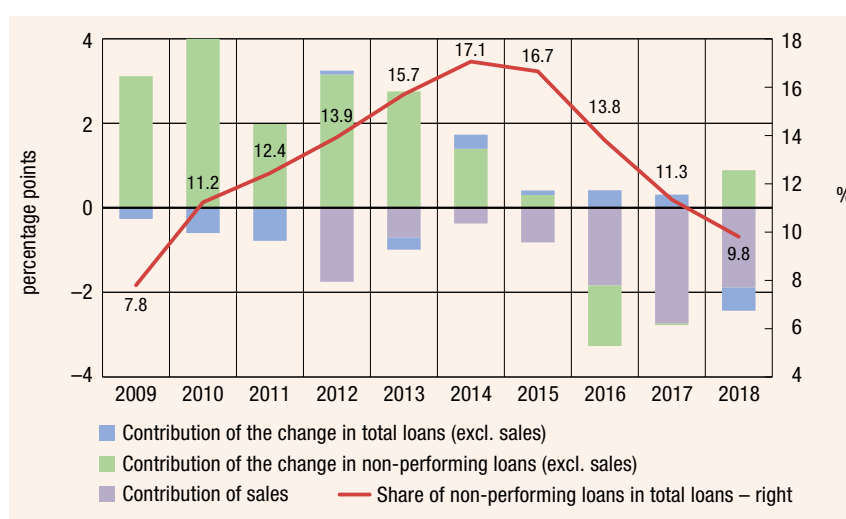
Figure 17 Coverage of bank non-performing loans by impairment



loan categories – housing loans and general-purpose cash loans. The shares of non-performing loans in these loan categories stood at 5.0% and 5.3% respectively.

The coverage of non-performing loans by impairment trended down to 59.5%, supported by developments in the sector of non-financial corporations (Figure 17). The reduction in coverage resulted from the sale of loans substantially covered by impairment and the inflow of new non-performing loans with lower impairment. Developments in the household sector were divergent and marked by a rise in the coverage, with a significant impact being made by new models for assessing credit risk in individual banks.

Figure 18 Decomposition of the change in the share of bank non-performing loans



Note: Columns describe the degree in which individual components contributed to the change in the share of non-performing loans in total bank loans from the end of the previous year.

Table 6 Bank loans, end of period, in million HRK and %

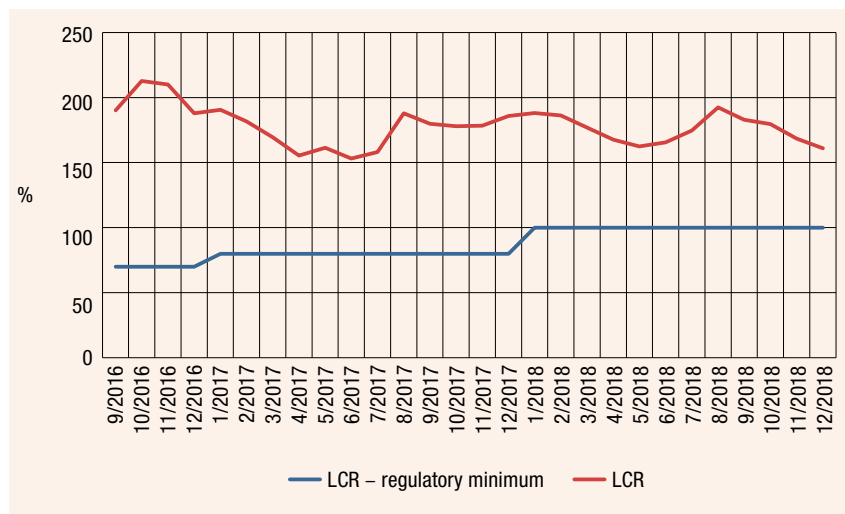
	Dec. 2016		Dec. 2017			Dec. 2018		
	Amount	Share	Amount	Share	Change	Amount	Share	Change
Loans								
General government	50,997.2	19.5	39,883.9	16.2	-21.8	40,740.7	16.0	2.1
Non-financial corporations	83,378.8	31.9	81,808.3	33.3	-1.9	81,024.7	31.8	-1.0
Construction	9,945.0	3.8	7,626.9	3.1	-23.3	6,548.6	2.6	-14.1
Information and communication	1,769.0	0.7	1,540.8	0.6	-12.9	1,495.9	0.6	-2.9
Agriculture	4,972.0	1.9	5,245.7	2.1	5.5	5,227.0	2.1	-0.4
Real estate activities	6,009.9	2.3	5,358.2	2.2	-10.8	5,701.2	2.2	6.4
Manufacturing	19,245.0	7.4	18,849.0	7.7	-2.1	18,420.3	7.2	-2.3
Transportation and storage	3,057.1	1.2	3,055.4	1.2	-0.1	3,189.7	1.3	4.4
Accommodation and food service activities	8,530.8	3.3	9,923.7	4.0	16.3	10,700.8	4.2	7.8
Professional, scientific and technical activities	4,865.8	1.9	5,059.6	2.1	4.0	4,523.7	1.8	-10.6
Trade	16,364.2	6.3	15,535.6	6.3	-5.1	15,618.2	6.1	0.5
Other activities	8,619.9	3.3	9,613.5	3.9	11.5	9,599.4	3.8	-0.1
Households	113,246.0	43.4	114,531.7	46.6	1.1	121,022.7	47.6	5.7
General-purpose cash loans	40,734.7	15.6	42,940.9	17.5	5.4	47,702.0	18.7	11.1
Mortgage loans	2,207.0	0.8	1,940.5	0.8	-12.1	1,848.0	0.7	-4.8
Credit card loans	3,607.9	1.4	3,528.9	1.4	-2.2	3,643.8	1.4	3.3
Investment loans	2,326.3	0.9	2,314.2	0.9	-0.5	2,481.4	1.0	7.2
Overdraft facilities	7,422.1	2.8	6,993.3	2.8	-5.8	6,851.8	2.7	-2.0
Housing loans	48,236.0	18.5	48,439.3	19.7	0.4	50,713.1	19.9	4.7
Other household loans	8,712.0	3.3	8,374.6	3.4	-3.9	7,782.6	3.1	-7.1
Other sectors	13,577.6	5.2	9,641.3	3.9	-29.0	11,724.4	4.6	21.6
Total	261,199.5	100.0	245,865.3	100.0	-5.9	254,512.5	100.0	3.5
B and C risk category loans								
General government	8.6	0.0	7.9	0.0	-8.1	5.7	0.0	-28.4
Non-financial corporations	23,586.3	65.4	18,172.4	65.1	-23.0	16,544.2	66.3	-9.0
Construction	6,534.3	18.1	4,226.7	15.2	-35.3	2,951.4	11.8	-30.2
Information and communication	925.6	2.6	296.7	1.1	-67.9	247.6	1.0	-16.6
Agriculture	640.9	1.8	596.7	2.1	-6.9	801.8	3.2	34.4
Real estate activities	2,154.0	6.0	1,388.5	5.0	-35.5	1,139.2	4.6	-18.0
Manufacturing	4,814.3	13.4	3,582.9	12.8	-25.6	3,430.4	13.7	-4.3
Transportation and storage	338.1	0.9	473.0	1.7	39.9	457.6	1.8	-3.3
Accommodation and food service activities	1,333.1	3.7	1,294.8	4.6	-2.9	948.7	3.8	-26.7
Professional, scientific and technical activities	1,318.7	3.7	988.2	3.5	-25.1	849.6	3.4	-14.0
Trade	4,646.5	12.9	3,435.9	12.3	-26.1	2,720.9	10.9	-20.8
Other activities	880.8	2.4	1,889.0	6.8	114.5	2,997.0	12.0	58.7
Households	11,699.9	32.5	9,230.1	33.1	-21.1	7,945.7	31.8	-13.9
General-purpose cash loans	3,062.8	8.5	2,560.1	9.2	-16.4	2,551.3	10.2	-0.3
Mortgage loans	664.4	1.8	520.1	1.9	-21.7	432.7	1.7	-16.8
Credit card loans	116.4	0.3	80.4	0.3	-30.9	76.9	0.3	-4.4
Investment loans	510.9	1.4	386.9	1.4	-24.3	276.9	1.1	-28.4
Overdraft facilities	741.5	2.1	416.5	1.5	-43.8	413.1	1.7	-0.8
Housing loans	3,941.7	10.9	2,990.4	10.7	-24.1	2,529.6	10.1	-15.4
Other household loans	2,662.3	7.4	2,275.8	8.2	-14.5	1,665.4	6.7	-26.8
Other sectors	750.7	2.1	484.1	1.7	-35.5	453.0	1.8	-6.4
Total	36,045.4	100.0	27,894.5	100.0	-22.6	24,948.6	100.0	-10.6
B and C risk category loans impairment								
General government	3.7	0.0	2.2	0.0	-40.1	3.6	0.0	63.6
Non-financial corporations	14,912.5	64.9	11,250.5	65.5	-24.6	9,338.4	62.9	-17.0
Construction	4,405.2	19.2	3,058.9	17.8	-30.6	2,162.7	14.6	-29.3

	Dec. 2016		Dec. 2017			Dec. 2018		
	Amount	Share	Amount	Share	Change	Amount	Share	Change
Information and communication	527.6	2.3	159.1	0.9	-69.8	123.2	0.8	-22.5
Agriculture	390.8	1.7	356.2	2.1	-8.8	419.9	2.8	17.9
Real estate activities	1,364.8	5.9	772.0	4.5	-43.4	710.3	4.8	-8.0
Manufacturing	2,903.7	12.6	2,186.0	12.7	-24.7	2,154.8	14.5	-1.4
Transportation and storage	186.7	0.8	173.4	1.0	-7.1	178.8	1.2	3.1
Accommodation and food service activities	615.7	2.7	586.0	3.4	-4.8	388.6	2.6	-33.7
Professional, scientific and technical activities	813.6	3.5	615.7	3.6	-24.3	366.3	2.5	-40.5
Trade	3,152.4	13.7	2,252.0	13.1	-28.6	1,933.2	13.0	-14.2
Other activities	551.9	2.4	1,091.3	6.4	97.7	900.5	6.1	-17.5
Households	7,566.7	32.9	5,611.1	32.7	-25.8	5,276.0	35.6	-6.0
General-purpose cash loans	2,138.3	9.3	1,736.1	10.1	-18.8	1,667.3	11.2	-4.0
Mortgage loans	396.7	1.7	320.9	1.9	-19.1	294.7	2.0	-8.2
Credit card loans	107.9	0.5	65.4	0.4	-39.4	59.3	0.4	-9.2
Investment loans	346.5	1.5	275.1	1.6	-20.6	216.2	1.5	-21.4
Overdraft facilities	697.9	3.0	379.0	2.2	-45.7	332.2	2.2	-12.3
Housing loans	2,506.4	10.9	1,759.2	10.2	-29.8	1,700.1	11.5	-3.4
Other household loans	1,373.0	6.0	1,075.5	6.3	-21.7	1,006.0	6.8	-6.5
Other sectors	487.8	2.1	302.8	1.8	-37.9	219.6	1.5	-27.5
Total	22,970.6	100.0	17,166.6	100.0	-25.3	14,837.6	100.0	-13.6

1.2.5 Liquidity risk

Total liquidity coverage ratio stood at 161.0% at the end of 2018 (Figure 19), which was significantly above the required level of 100%. Although still high, the LCR trended downwards from the end of 2017 (by 24.9 percentage points) due to stronger growth in net liquid outflows than in liquidity buffer. Throughout the year, the LCR hovered between 161.0% (December) and 192.6% (August) at the monthly level.

Figure 19 Liquidity coverage ratio (LCR)



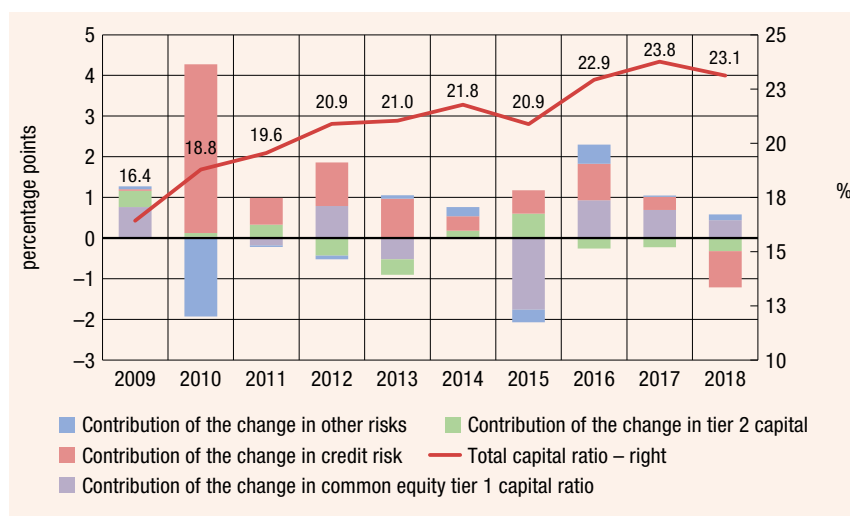
Net stable funding ratio (NSFR) was introduced, in addition to the LCR, as part of the Basel reform carried out after the financial crisis. The NSFR shows liquidity resilience over the long term, and it is envisaged as requiring

banks to maintain stable funding in order to support their balance sheet and off-balance sheet activities with long-term perspective. Although still not required to comply with the NSFR²⁴, banks maintained it at a high 144.2% at the end of 2018.

1.2.6 Capital adequacy

Bank total capital ratio fell to 23.1% at the end of 2018 or by 0.7 percentage points from the end of 2017 (Figure 20). The growth of total risk exposure was bigger than the increase in own funds.

Figure 20 Decomposition of the change in the total capital ratio



Note: Columns describe the degree in which individual components contributed to the change in the total capital ratio from the end of the previous year.

Bank own funds rose slightly (by 0.5%) due to the increase in tier 1 capital outstripping the decrease in tier 2 capital (Table 7). In the transitional period until 31 December 2017 credit institutions in the Republic of Croatia were required to exclude the amount of unrealised gains on assets measured at fair value from their common equity tier 1 capital (or more specifically, from their accumulated other comprehensive income).²⁵ As these adjustments ceased to be made in 2018, common equity tier 1 capital increased. At the same time, it was adversely hit by the initial impact of the application of IFRS 9, which was largely absorbed by retained earnings. However, as some banks opted for a gradual application of the initial impact

24 Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 575/2013 imposes the new requirement for the net stable funding ratio of 100%, which is calculated as the ratio between available stable funding and required stable funding. The regulation applies from 28 June 2021, with some provisions to come into force at an earlier or later stage.

25 Regulation (EU) No 575/2013 and the Decision implementing the part of Regulation (EU) No 575/2013 pertaining to the valuation of assets and off-balance sheet items and the calculation of own funds and capital requirements (OG 160/2013 and 140/2015).

Table 7 Own funds, risk exposure and capital ratios of banks, end of period, in million HRK and %

	Dec. 2016		Dec. 2017			Dec. 2018		
	Amount	Share	Amount	Share	Change	Amount	Share	Change
OWN FUNDS	52,568.9	100.0	53,645.3	100.0	2.0	53,913.8	100.0	0.5
TIER 1 CAPITAL	48,859.2	92.9	50,447.8	94.0	3.3	51,444.0	95.4	2.0
Common equity tier 1 capital	48,859.2	92.9	50,447.8	94.0	3.3	51,444.0	95.4	2.0
Capital instruments eligible as common equity tier 1 capital	33,904.3	64.5	34,352.8	64.0	1.3	32,477.4	60.2	-5.5
Retained earnings	14,278.2	27.2	18,535.6	34.6	29.8	16,908.9	31.4	-8.8
Other items	676.6	1.3	-2,440.6	-4.5	-	2,057.7	3.8	-
Additional tier 1 capital	0.0	0.0	0.0	0.0	-	0.0	0.0	-
TIER 2 CAPITAL	3,709.7	7.1	3,197.5	6.0	-13.8	2,469.8	4.6	-22.8
TOTAL RISK EXPOSURE AMOUNT	229,271.8	100.0	225,836.3	100.0	-1.5	233,192.1	100.0	3.3
RISK WEIGHTED EXPOSURE AMOUNTS FOR CREDIT, COUNTERPARTY CREDIT AND DILUTION RISKS AND FREE DELIVERIES	202,283.2	88.2	199,205.8	88.2	-1.5	207,917.3	89.2	4.4
Standardised approach	174,732.6	76.2	170,866.5	75.7	-2.2	177,380.1	76.1	3.8
Internal ratings based approach (IRB)	27,550.6	12.0	28,339.2	12.5	2.9	30,537.2	13.1	7.8
POSITION, FOREIGN EXCHANGE AND COMMODITIES RISKS	4,569.6	2.0	5,148.3	2.3	12.7	4,739.0	2.0	-8.0
OPERATIONAL RISK	22,099.5	9.6	21,363.5	9.5	-3.3	20,367.9	8.7	-4.7
CREDIT VALUATION ADJUSTMENT	319.5	0.1	118.8	0.1	-62.8	168.0	0.1	41.4
Common equity tier 1 capital ratio	21.3	-	22.3	-	4.8	22.1	-	-1.2
Tier 1 capital ratio	21.3	-	22.3	-	4.8	22.1	-	-1.2
Total capital ratio	22.9	-	23.8	-	3.6	23.1	-	-2.7

as regards own funds²⁶, the effect produced on own funds was smaller than that on the overall balance sheet capital.

Capitalisation viewed at individual bank level was exceptionally high, especially in top banks according to asset sizes. Thus, total capital ratios of nine banks, whose assets account for 86.6% of the system, were higher than 20% (Figure 22), while ten banks with a combined asset share of 12.4% had ratios ranging from 15% to 20%. Two banks with assets accounting for 1.0% of total banking system assets reported a ratio slightly lower than 15%.

Total risk exposure increased by 3.3%, which was almost entirely the result of a rise in credit risk exposure. In nominal terms, the highest change in weighted exposures was doubling the amount of exposures that carry a risk weight of 20%. A preferential risk weight of 0% was applied until 31 December 2017 to exposures to central governments and central banks of EU member states denominated and funded in the domestic currency or in the currency of any member state, but from 2018 onwards, a risk weight depending on the credit rating has been applied to exposures which are not denominated in the domestic currency. Specifically, as regards exposures of domestic banks to the Republic of Croatia denominated in euro, it implied

26 Regulation (EU) 2017/2395 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) No 575/2013 as regards transitional arrangements for mitigating the impact of the introduction of IFRS 9 on own funds and for the large exposures treatment of certain public sector exposures denominated in the domestic currency of any Member State.

the application of the risk weight of 20% in 2018. The share of exposures weighted by a risk weight of 0% fell by 4.7 percentage points, accounting for 34.7% of all risk weighted exposures at the end of 2018. Moreover, in terms of the amount of change, exposures weighted by a 50% risk weight stood out, increasing by 64.8% due to the rise in exposures to foreign financial institutions. Exposures weighted by a preferential risk weight of 35% grew by 30.2% on account of the increase in exposures secured by residential real estate which was partly the result of the merger between one housing savings bank and the parent credit institution. The average credit risk weight fell from 49.7% to 49.3%, its lowest value since 2002.

Figure 21 Structure of bank total risk exposure, as at 31 December 2018

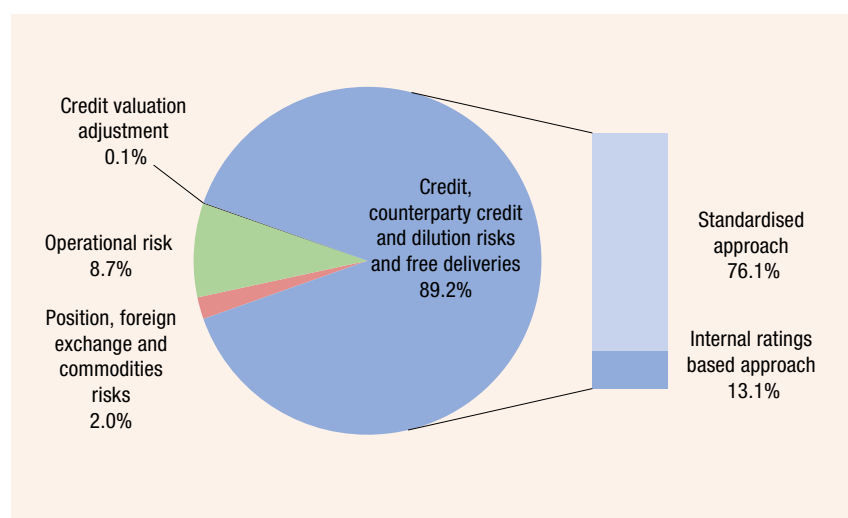
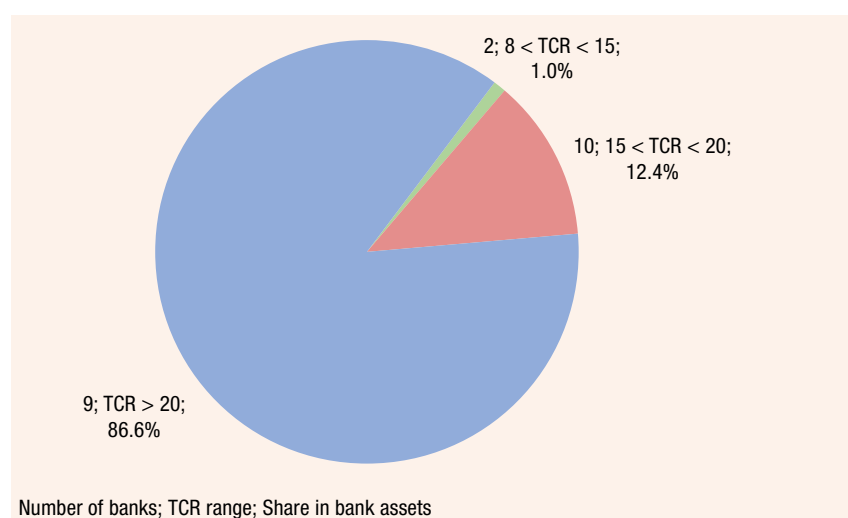


Figure 22 Distribution of the bank total capital ratio (TCR), as at 31 December 2018



Other risks did not change much. The share of market risks in total risk exposure was small, standing at 2.0% at the end of 2018 (Table 7). The share of operational risk amounted to 8.7%, continuing to oscillate within the narrow range of 2 percentage points observed since its introduction in 2010.

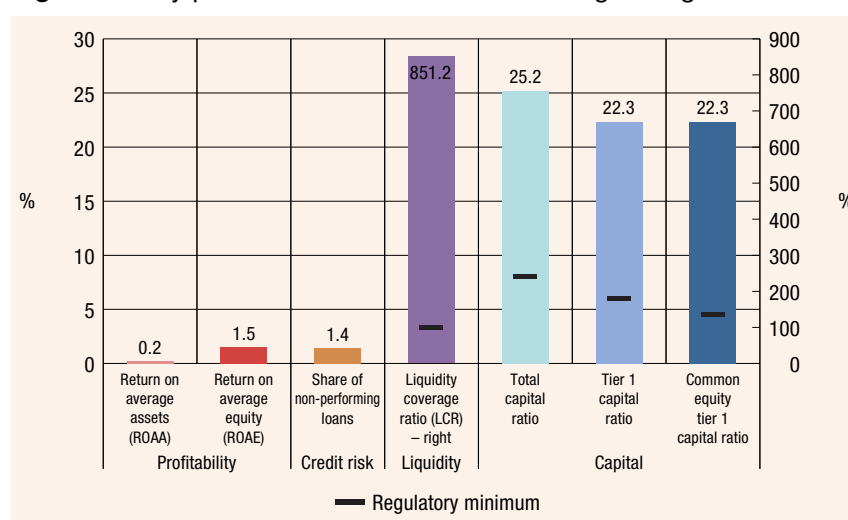
After meeting all capital requirements, HRK 16.8bn or 31.2% of total own funds remained unutilised at the end of 2018, which is a decrease of 8.6%. The decrease from the end of 2017 is simply a consequence of the rise in risk exposure which is the value used to calculate both capital requirements and capital buffers. In addition to the HRK 18.6bn needed to cover minimum capital requirements (from the first pillar of the capital adequacy framework), banks required the additional HRK 22.9bn in capital in order to meet other capital requirements and buffers. The greatest portion was that for the systemic risk buffer (HRK 6.5bn), followed by the capital conservation buffer (HRK 5.8bn) and for the additional own funds requirement imposed by supervisory measures (HRK 6.0bn).

In the unlikely and adverse scenario of the complete irrecoverability of non-performing credit exposures, the total capital ratio of banks would still amount to as much as 20.2% at the end of 2018, which is an increase from 18.5% in 2017. Notwithstanding the decrease of 0.5 percentage points, the leverage ratio of 12.0% is also several times higher than the notional minimum²⁷.

1.3 Housing savings banks

Four housing savings banks operated at the end of 2018 – one housing savings bank fewer than at the end of 2017. Prva stambena štedionica, the largest housing savings bank, merged with the parent bank, Zagrebačka banka, on 1 June 2018. As a result, housing savings banks' assets declined, accounting for a mere 1.3% of total assets of credit institutions at the end of 2018.

Figure 23 Key performance indicators of housing savings banks



²⁷ Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 575/2013 imposes the new leverage ratio requirement of 3%, with exemptions applied for certain business models and lines of business, which is calculated as the ratio between tier 1 capital and the total exposure measure of an institution. The regulation applies from 28 June 2021, with some provisions to come into force at an earlier or later stage.

1.3.1 Balance sheet

In 2018, housing savings banks' assets fell by almost a third. If we exclude the impact of the merger between one housing savings bank and the parent credit institution, assets increased by 3.5%, with growth being equally distributed between deposits with banks and loans granted.²⁸ The growth in loans was based on a rise in housing loans to households, their (gross) amount increasing by 8.0% in 2018. Investments in securities decreased, due mainly to lower investments in T-bills. Hence, at the end of the year, investments in securities were almost entirely made up of domestic central government bonds, which continued to account for a significant share of assets – almost one third of total assets of housing savings banks. This resulted in a high liquidity buffer as well as in a high LCR (851.2%).

Table 8 Structure of housing savings bank assets, end of period, in million HRK and %

	Dec. 2016		Dec. 2017			Dec. 2018		
	Amount	Share	Amount	Share	Change	Amount	Share	Change
Cash, cash balances at central banks and other demand deposits	0.0	0.0	0.0	0.0	-75.0	201.2	3.7	3353066.7
Cash on hand	0.0	0.0	0.0	0.0	-75.0	0.0	0.0	50.0
Cash balances at central banks	0.0	0.0	0.0	0.0	-	0.0	0.0	-
Other demand deposits	...	...	...	...	...	201.2	3.7	-
Financial assets held for trading	270.9	3.5	221.3	2.8	-18.3	265.3	4.9	19.9
Derivatives	0.0	0.0	0.0	0.0	-	0.0	0.0	-
Equity instruments	0.0	0.0	0.0	0.0	-	0.0	0.0	-
Debt securities	270.9	3.5	221.3	2.8	-18.3	265.3	4.9	19.9
Loans and advances	0.0	0.0	0.0	0.0	-	0.0	0.0	-
Non-trading financial assets mandatorily at fair value through profit or loss	34.9	0.4	0.0	0.0	-100.0	0.0	0.0	-
Equity instruments	0.0	0.0	0.0	0.0	-	0.0	0.0	-
Debt securities	34.9	0.4	0.0	0.0	-100.0	0.0	0.0	-
Loans and advances	0.0	0.0	0.0	0.0	-	0.0	0.0	-
Financial assets at fair value through profit or loss	...	...	...	...	...	0.0	0.0	-
Debt securities	...	...	...	...	...	0.0	0.0	-
Loans and advances	...	...	...	...	...	0.0	0.0	-
Financial assets at fair value through other comprehensive income	1,965.7	25.2	2,052.8	25.9	4.4	1,026.1	18.8	-50.0
Equity instruments	0.0	0.0	0.0	0.0	-	0.0	0.0	-
Debt securities	1,965.7	25.2	2,052.8	25.9	4.4	1,026.1	18.8	-50.0
Loans and advances	0.0	0.0	0.0	0.0	-	0.0	0.0	-
Financial assets at amortised cost	5,482.7	70.2	5,600.4	70.8	2.1	3,935.0	72.2	-29.7
Debt securities	725.9	9.3	672.7	8.5	-7.3	505.8	9.3	-24.8
Loans and advances	4,756.8	60.9	4,927.7	62.3	3.6	3,429.2	62.9	-30.4
Derivatives – hedge accounting	0.0	0.0	0.0	0.0	-	0.0	0.0	-
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0.0	0.0	0.0	0.0	-	0.0	0.0	-
Investments in subsidiaries, joint ventures and associates	0.0	0.0	0.0	0.0	-	0.0	0.0	-
Tangible assets	1.9	0.0	2.9	0.0	49.0	3.4	0.1	17.8
Property, plant and equipment	1.9	0.0	2.9	0.0	49.0	2.5	0.0	-11.9

28 For the purpose of analysing the developments in the observed amounts, the impact of the exit of one housing savings bank from the system is excluded in the remaining part of chapter Balance sheet.

	Dec. 2016		Dec. 2017			Dec. 2018		
	Amount	Share	Amount	Share	Change	Amount	Share	Change
Investment property	0.0	0.0	0.0	0.0	–	0.9	0.0	–
Intangible assets	8.0	0.1	9.4	0.1	16.4	9.6	0.2	2.7
Goodwill	0.0	0.0	0.0	0.0	–	0.0	0.0	–
Other intangible assets	8.0	0.1	9.4	0.1	16.4	9.6	0.2	2.7
Tax assets	13.8	0.2	11.0	0.1	–20.0	9.1	0.2	–17.7
Current tax assets	5.7	0.1	3.8	0.0	–34.3	2.0	0.0	–47.3
Deferred tax assets	8.0	0.1	7.3	0.1	–9.8	7.1	0.1	–2.4
Other assets	31.2	0.4	15.8	0.2	–49.2	3.4	0.1	–78.8
Non-current assets and disposal groups classified as held for sale	1.9	0.0	1.1	0.0	–40.2	0.5	0.0	–56.4
TOTAL ASSETS	7,811.1	100.0	7,914.7	100.0	1.3	5,453.5	100.0	–31.1

Received deposits increased considerably. Deposits of housing savings banks' savers grew markedly on the back of the kuna component (deposits with a currency clause in euro stagnated) and time deposit. A smaller share of the growth in deposits was accounted for by government incentives paid out in July 2018. The Ministry of Finance allocated a total of HRK 22.6m in government incentives to housing savings banks for housing savings collected in 2017. The incentive for that year was set at HRK 165 by the Government of the Republic of Croatia and at HRK 90 and HRK 60 respectively for savings collected in 2018 and 2019. The calculation of government incentives strongly depends on interest rates on time deposits, their fall contributing to lower government incentives.

The equity level slightly deteriorated, to 9.4% of assets. This was primarily a consequence of lower accumulated other comprehensive income or, to be more accurate, of lower gains from the change in fair value of bonds (recorded in the portfolio of financial assets measured at fair value through other comprehensive income). The initial impact of the application of IFRS 9 was much less pronounced (HRK 5.7m). The share of kuna items fell on the both sides of the balance sheet, amounting to about 22%, with kuna items with a currency clause in euro accounting for a dominant share.

Table 9 Structure of housing savings bank liabilities and equity, end of period, in million HRK and %

	Dec. 2016		Dec. 2017			Dec. 2018		
	Amount	Share	Amount	Share	Change	Amount	Share	Change
Financial liabilities held for trading	0.0	0.0	0.1	0.0	–	2.8	0.1	4457.4
Derivatives	0.0	0.0	0.1	0.0	–	2.8	0.1	4457.4
Short positions	0.0	0.0	0.0	0.0	–	0.0	0.0	–
Deposits	...	...	...	...	...	0.0	0.0	–
Issued debt securities	...	...	...	...	...	0.0	0.0	–
Other financial liabilities	0.0	0.0	0.0	0.0	–	0.0	0.0	–
Financial liabilities at fair value through profit or loss	0.0	0.0	0.0	0.0	–	0.0	0.0	–
Financial liabilities measured at amortised cost	6,843.1	87.6	6,950.9	87.8	1.6	4,881.4	89.5	–29.8
Deposits	6,842.1	87.6	6,949.6	87.8	1.6	4,880.4	89.5	–29.8
Issued debt securities	0.0	0.0	0.0	0.0	–	0.0	0.0	–
Other financial liabilities	1.0	0.0	1.3	0.0	23.5	1.1	0.0	–17.6

	Dec. 2016		Dec. 2017			Dec. 2018		
	Amount	Share	Amount	Share	Change	Amount	Share	Change
Derivatives – hedge accounting	0.0	0.0	0.0	0.0	–	0.0	0.0	–
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0.0	0.0	0.0	0.0	–	0.0	0.0	–
Provisions	5.4	0.1	11.3	0.1	108.5	5.0	0.1	–55.2
Pensions and other post employment defined benefit obligations	0.0	0.0	0.0	0.0	–	0.0	0.0	–
Other long-term employee benefits	1.7	0.0	2.9	0.0	70.7	2.8	0.1	–3.5
Restructuring	0.0	0.0	4.5	0.1	–	0.0	0.0	–100.0
Pending legal issues and tax litigation	1.2	0.0	1.7	0.0	43.0	0.9	0.0	–47.0
Commitments and guarantees given	0.5	0.0	0.5	0.0	6.6	0.4	0.0	–30.3
Other provisions	2.1	0.0	1.7	0.0	–15.5	1.0	0.0	–41.2
Tax liabilities	29.9	0.4	25.6	0.3	–14.4	13.4	0.2	–47.8
Current tax liabilities	11.6	0.1	9.2	0.1	–20.4	8.7	0.2	–5.6
Deferred tax liabilities	18.3	0.2	16.4	0.2	–10.6	4.7	0.1	–71.5
Other liabilities	95.2	1.2	76.1	1.0	–20.1	37.5	0.7	–50.7
Liabilities included in disposal groups classified as held for sale	0.0	0.0	0.0	0.0	–	0.0	0.0	–
TOTAL LIABILITIES	6,973.7	89.3	7,063.9	89.3	1.3	4,940.1	90.6	–30.1
Capital	487.9	6.2	487.9	6.2	0.0	407.9	7.5	–16.4
Paid up capital	487.9	6.2	487.9	6.2	0.0	407.9	7.5	–16.4
Unpaid capital which has been called up	0.0	0.0	0.0	0.0	–	0.0	0.0	–
Share premium	0.0	0.0	0.0	0.0	–	0.0	0.0	–
Equity instruments issued other than capital	0.0	0.0	0.0	0.0	–	0.0	0.0	–
Other equity	...	...	...	...	...	0.0	0.0	–
Accumulated other comprehensive income	108.9	1.4	97.5	1.2	–10.4	22.6	0.4	–76.8
Retained earnings	200.5	2.6	221.5	2.8	10.4	64.9	1.2	–70.7
Other reserves	–6.3	–0.1	–5.4	–0.1	–14.0	7.7	0.1	–
Reserves or accumulated losses of investments in subsidiaries, joint ventures and associates accounted for using the equity method	...	...	...	...	...	0.0	0.0	–
Other	–6.3	–0.1	–5.4	–0.1	–14.0	7.7	0.1	–
(–) Treasury shares	0.0	0.0	0.0	0.0	–	0.0	0.0	–
Profit or loss attributable to owners of the parent	46.4	0.6	49.3	0.6	6.3	10.2	0.2	–79.2
(–) Interim dividends	...	...	...	...	...	0.0	0.0	–
Minority interests [Non-controlling interests]	0.0	0.0	0.0	0.0	–	0.0	0.0	–
TOTAL EQUITY	837.4	10.7	850.8	10.7	1.6	513.5	9.4	–39.6
TOTAL LIABILITIES AND TOTAL EQUITY	7,811.1	100.0	7,914.7	100.0	1.3	5,453.5	100.0	–31.1

1.3.2 Earnings

The merger between the largest housing savings bank and its parent credit institution in 2018 considerably weakened total performance of housing savings banks, their operating profit (before tax) standing at HRK 13.7m. The mentioned exit of the housing savings bank from the system intensified the changes in all items of the aggregated income statement, with total profit of housing savings banks decreasing by 76.4% from the end of 2017. Three housing savings banks operated with a profit at the end of the business year, while one housing savings bank reported operating losses.

In contrast to 2017, housing savings banks reported lower levels of all operating income items and total net operating income fell by 40.8%.

Interest income decreased the most (35.1%), followed by income from fees and commissions (24.2%); also significant was the base period effect, i.e. gains from sale of bonds of the Republic of Croatia reported in the income statement of housing savings banks at the end of 2017. These negative effects were mitigated by savings on expenses on funding, lower general operating expenses and income from the reversal of impairment and provisions.

Table 10 Housing savings bank income statement, in million HRK and %

	Amount		Change
	Jan. – Dec. 2017	Jan. – Dec. 2018	
Interest income	317.6	206.1	-35.1
Financial assets held for trading	12.2	11.6	-4.7
Non-trading financial assets mandatorily at fair value through profit or loss	0.2	0.0	-100.0
Financial assets at fair value through profit or loss	0.0	0.0	-
Financial assets at fair value through other comprehensive income	63.6	29.2	-54.1
Financial assets at amortised cost	241.0	164.3	-31.8
Derivatives – hedge accounting, interest rate risk	0.0	0.0	-
Other assets	0.7	1.0	45.7
Interest income on liabilities	0.0	0.0	-
(Interest expenses)	180.6	113.0	-37.4
(Financial liabilities held for trading)	0.0	1.1	7,346.7
(Financial liabilities designated at fair value through profit or loss)	0.0	0.0	-
(Financial liabilities measured at amortised cost)	180.5	111.7	-38.1
(Derivatives – hedge accounting, interest rate risk)	0.0	0.0	-
(Other liabilities)	0.1	0.1	104.8
(Interest expense on assets)	0.0	0.0	-
NET INTEREST INCOME	137.0	93.1	-32.1
DIVIDEND INCOME	0.0	0.0	-
Fee and commission income	45.8	34.7	-24.2
(Fee and commission expenses)	4.9	5.1	4.1
NET FEE AND COMMISSION INCOME	40.8	29.5	-27.6
GAINS (LOSSES)	6.6	-8.8	-
Other operating income	4.0	3.4	-13.9
(Other operating expenses)	22.4	18.8	-15.8
TOTAL OPERATING INCOME, NET	166.1	98.4	-40.8
(Administrative expenses)	96.7	84.2	-13.0
(Staff expenses)	53.4	47.0	-12.0
(Other administrative expenses)	43.3	37.2	-14.2
(Depreciation)	2.5	2.7	8.2
ADMINISTRATIVE EXPENSES AND DEPRECIATION	99.2	86.8	-12.5
Modification gains (-) losses, net	0.0	0.0	-
OPERATING PROFIT	66.8	11.5	-82.7
(Provisions or (-) reversal of provisions)	6.3	0.3	-95.9
(Commitments and guarantees given)	0.0	-0.1	-
(Other provisions)	6.3	0.4	-94.3
(Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss)	1.9	-2.4	-
(Financial assets at fair value through other comprehensive income)	0.0	-2.1	-

	Amount		Change
	Jan. – Dec. 2017	Jan. – Dec. 2018	
(Financial assets at amortised cost)	1.9	-0.4	-
(Impairment or (-) reversal of impairment of investments in subsidiaries, joint ventures and associates)	0.0	0.0	-
(Impairment or (-) reversal of impairment on non-financial assets)	0.4	0.0	-
IMPAIRMENT AND PROVISIONS	8.6	-2.2	-
Negative goodwill recognised in profit or loss	0.0	0.0	-
Share of the profit or (-) loss of investments in subsidiaries, joint ventures and associates accounted for using the equity method	0.0	0.0	-
Profit or (-) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	0.0	0.0	-
PROFIT OR (-) LOSS BEFORE TAX FROM CONTINUING OPERATIONS	58.3	13.7	-76.4
(Tax expense or (-) income related to profit or loss from continuing operations)	8.9	3.5	-61.0
PROFIT OR (-) LOSS AFTER TAX FROM CONTINUING OPERATIONS	49.3	10.2	-79.2
Profit or (-) loss after tax from discontinued operations	0.0	0.0	-
Profit or (-) loss before tax from discontinued operations	...	0.0	-
(Tax expense or (-) income related to discontinued operations)	...	0.0	-
Profit (loss) for the year	49.3	10.2	-79.2
Note: Number of housing savings banks operating with losses, before taxes	0	1	-

Housing savings banks showed poor profitability at the end of 2018.

The return on average assets (ROAA) and the return on average equity (ROAE) stood at 0.2% and 1.5% respectively. Their cost effectiveness also deteriorated considerably, with the ratio of general operating expenses to total net income (cost-to-income ratio) increasing to 88.3%.

1.3.3 Credit risk

The ratio of non-performing exposures to total exposure (classified into risk categories) fell from 1.4% at the end of 2017 to 0.8% at the end of 2018. This development resulted from methodological changes, i.e. the application of IFRS 9 (described in chapter 1.2.4 Credit risk), and the merger between one housing savings bank and the parent credit institution. The newly introduced risk sub-category A-2, comprising exposures with a significant increase in credit risk, held a share of 4.0%, while 95.2% of total exposure was accounted for by high quality exposures in sub-category A-1. Despite the widening of the scope of exposures to include the portfolio of financial assets measured at fair value through other comprehensive income (it does not include non-performing exposures as it comprises securities of the domestic central government), the coverage of non-performing exposures by impairment and provisions surged from 36.9% to 52.3%. The reason for this lies in the strong growth of the coverage in one housing savings bank, which resulted from the changes in the methodology for calculating impairment.

The quality of housing loans to households improved. The share of non-performing loans fell from 1.8% to 1.4% of total housing loans to households.

As in the case of total exposure, the impact of the merger between one housing savings bank and the parent credit institution was significant; however, even if this effect were excluded, the indicator would improve, but to a lesser extent. At the end of 2018, housing loans to households were the only type of loan represented in the portfolio of housing savings banks, accounting for 60% of total exposure.

Table 11 Distribution of housing savings banks total exposure by risk categories, end of period, in million HRK and %

Risk (sub) category	Dec. 2016			Dec. 2017			Dec. 2018		
	Total exposure	Impairment and provisions	Coverage (%)	Total exposure	Impairment and provisions	Coverage (%)	Total exposure	Impairment and provisions	Coverage (%)
A	5,544.2	48.1	0.9	5,663.5	49.0	0.9	5,226.4	37.0	0.7
A-1	...	...	...	...	...	...	5,018.2	34.2	0.7
A-2	...	...	...	...	...	...	208.2	2.7	1.3
B	65.1	17.2	26.4	68.3	19.2	28.1	34.8	13.6	39.0
B-1	38.2	4.0	10.5	40.6	5.1	12.6	13.2	1.3	9.5
B-2	24.9	11.7	46.9	26.2	12.8	48.8	16.3	8.1	49.5
B-3	1.9	1.5	76.0	1.5	1.3	82.6	5.2	4.2	80.7
C	10.7	10.7	100.0	9.6	9.6	100.0	9.8	9.8	100.0
Total	5,619.9	76.0	1.4	5,741.4	77.8	1.4	5,271.0	60.3	1.1

1.3.4 Capital adequacy

At the end of 2018, the total capital ratio of housing savings banks was 25.2%, down 3.4 percentage points from the end of 2017. The decrease in own funds (28.6%) was stronger than the decrease in total risk exposure (19.1%). Even if the effect of the exit of Prva stambena štedionica were excluded, the ratio would still fall due to the growth of risk exposure, notably market risk exposure. The average credit risk weight increased from 29.7% to 34.1%.

2 Notes on methodology

End-of the year data on the business operations of credit institutions are based on unconsolidated audited financial reports delivered by credit institutions to the Croatian National Bank.

Tables

Table 1 Ownership structure of banks and their share in total bank assets

With respect to ownership structure, banks in the Republic of Croatia are divided into domestic and foreign-owned banks, looking at both direct and indirect ownership. Banks under domestic ownership are divided into private domestic banks and state-owned domestic banks. A bank is classified as a private domestic bank if it is majority owned by domestic natural and legal persons (which are not controlled by a foreign person), or as a state-owned domestic bank if it is majority owned by governmental units. A bank is classified as a foreign-owned bank if it is majority owned by foreign natural and legal persons or domestic legal persons, which are controlled by a foreign person.

The source of data on the ownership structure of banks is report PD33 compiled in accordance with the Decision on supervisory reports of credit institutions (OG 41A/2014, 127/2014, 67/2015, 119/2015, 7/2017, 44/2017, 120/2017 and 85/2018).

Up to 31 December 2017, the source of data on bank assets was form BS3-2 from the statistical report, which is based on the data submitted in accordance with the Decision on statistical and prudential reporting (OG 35/2010, 95/2010, 146/2010, 68/2011, 37/2012, 121/2013, 41A/2014, 127/2014, 67/2015 119/2015, 54/2016, 121/2016 and 76/2017) and compiled according to mapping rules: <http://www.hnb.hr/statistika/statisticki-podaci/financijski-sektor/druga-monetarne-financijske-institucije/kreditne-institucije/nekonsolidirana-bilanca/kreditne-institucije>.

As at 31 December 2018, the source of data on bank assets was report F 01.01 of the Commission Implementing Regulation (EU) No 680/2014 laying down implementing technical standards with regard to supervisory reporting of institutions according to Regulation (EU) No 575/2013.

Table 2 Structure of bank assets

This table shows bank asset items, the share of each item in total assets of all banks and the change in the balance relative to the balance at the end of the previous period.

As at 31 December 2018, the source of data on bank assets was report F 01.01 of the Commission Implementing Regulation (EU) No 680/2014 laying down implementing technical standards with regard to supervisory reporting of institutions according to Regulation (EU) No 575/2013. Based on the economic and accounting substance of each item, the data for previous periods have been adjusted to the asset structure envisaged in the mentioned form. It should be noted that the comparison of data is limited, to an extent, due to methodological differences.

Table 3 Structure of bank liabilities and equity

This table shows bank liabilities and equity items, the share of each item in total liabilities and equity of all banks and the change in the balance relative to the balance at the end of the previous period.

As at 31 December 2018, the source of data on bank liabilities and equity were reports F 01.02 and F 01.03 of the Commission Implementing Regulation (EU) No 680/2014 laying down implementing technical standards with regard to supervisory reporting of institutions according to Regulation (EU) No 575/2013. Based on the economic and accounting substance of each item, the data for previous periods have been adjusted to the structure of liabilities and equity envisaged in the mentioned forms. It should be noted that the comparison of data is limited, to an extent, due to methodological differences.

Table 4 Bank income statement

This table shows bank income statement items and the rates of change relative to the same period of the previous year.

As at 31 December 2018, the source of data on bank income statement was report F 02.00 of the Commission Implementing Regulation (EU) No 680/2014 laying down implementing technical standards with regard to supervisory reporting of institutions according to Regulation (EU) No 575/2013. Based on the economic and accounting substance of each item, the data for previous periods have been adjusted to the income statement structure envisaged in the mentioned form. It should be noted that the comparison of data is limited, to an extent, due to methodological differences.

Table 5 Distribution of total bank exposure by risk categories

This table shows the distribution of total bank exposure (gross) by risk categories and the relevant amounts of impairment and provisions. The coverage ratio is calculated as the ratio of impairment and provisions to total exposure.

Up to 31 December 2017, the source of data on the distribution of total bank exposure and impairment and provisions was report RS3 (IAS 39), and as at 31 December 2018, the source of data was report RS4 (IFRS 9) compiled in accordance with the Decision on supervisory reports of credit institutions (OG

41A/2014, 127/2014, 67/2015, 119/2015, 7/2017, 44/2017, 120/2017 and 85/2018).

Table 6 Bank loans

This table shows the loan amounts, the amounts of loans classified into risk categories B and C and impairment of loans classified into risk categories B and C for selected sectors and types of household loans and activities within the non-financial corporations sector. Data on loans are presented on a gross basis and relate to the principal (interest rates are excluded). Up to 31 December 2017, loans included exclusively loans classified into the loans and receivables portfolio (IAS 39), and as 31 December 2018, they include loans classified into the portfolios of financial assets at amortised cost and financial assets at fair value through other comprehensive income (IFRS 9). Households include non-profit institutions serving households, while Other sectors include financial corporations and rest of the world.

The source of data on bank loans and impairment is the same as for Table 5.

The distribution of exposures by institutional sectors is conducted by the CNB in accordance with the European System of Accounts 2010 (ESA 2010), based on reports submitted by banks in accordance with the Decision on statistical and supervisory reporting (OG 85/2018).

Table 7 Own funds, risk exposure and capital ratios of banks

This table shows the structure of own funds and total risk exposure and the capital ratios at the end of the reporting period.

The source of data on own funds, risk exposure and capital ratios of banks are reports C 01.00, C 02.00 and C 03.00 (Commission Implementing Regulation (EU) No 680/2014 laying down implementing technical standards with regard to supervisory reporting of institutions according to Regulation (EU) No 575/2013).

Table 8 Structure of housing savings bank assets

This table shows asset items of housing savings banks, the share of each item in total assets of all housing savings banks and the change in the balance relative to the balance at the end of the previous period.

The source of data on housing savings bank assets is the same as for Table 2.

Table 9 Structure of housing savings bank liabilities and equity

This table shows liabilities and equity items of housing savings banks, the share of each item in total liabilities and equity of all housing savings banks and the change in the balance relative to the balance at the end of the previous period.

The source of data on housing savings bank liabilities and equity is the same as for Table 3.

Table 10 Housing savings bank income statement

This table shows the amounts of income statement items of housing savings banks and the rates of change relative to the same period of the previous year.

The source of data on the income statement of housing savings banks is the same as for Table 4.

Table 11 Distribution of housing savings banks total exposure by risk categories

This table shows the distribution of housing savings banks total exposure (gross) by risk categories and the relevant amounts of impairment and provisions. The coverage ratio is calculated as the ratio of impairment and provisions to total exposure.

The source of data on housing savings banks total exposure is the same as for Table 5.

Figures

Figure 1 Key performance indicators of banks

For profitability indicators see the note on methodology in Figure 11. For the indicator of the share of non-performing loans (risk categories B and C) see the note referring to Figure 16. For LCR see the note referring to Figure 19. For capital indicators see the note referring to Table 7.

Figure 2 Number of banks and the Herfindahl-Hirschman Index (HHI) for bank assets

The figure shows the number of banks by ownership structure and the Herfindahl-Hirschman Index (HHI) for asset concentration. HHI for assets is calculated on the basis of the following formula:

$$HHI = \sum \left(\frac{\text{assets of a bank}}{\text{total assets of all banks}} \times 100 \right)^2$$

As at 31 December 2009, the source of data on bank assets was form BS1-2 from the statistical report (Decision relating to the bank statistical report, OG 166/2003, 53/2004, 129/2004 and 60/2006), and in the period from 31 December 2010 to 31 December 2017, the source of data was form BS3-2 from the statistical report, which is based on the data submitted in accordance with the Decision on statistical and prudential reporting (OG 35/2010, 95/2010, 146/2010, 68/2011, 37/2012, 121/2013, 41A/2014, 127/2014, 67/2015, 119/2015, 54/2016, 121/2016 and 76/2017) and compiled

according to mapping rules: <http://www.hnb.hr/statistika/statisticki-podaci/financijski-sektor/druge-monetarne-financijske-institucije/kreditne-institucije/nekonsolidirana-bilanca/kreditne-institucije>. As at 31 December 2018, the source of data on bank assets was report F 01.01 of the Commission Implementing Regulation (EU) No 680/2014 laying down implementing technical standards with regard to supervisory reporting of institutions according to Regulation (EU) No 575/2013.

As at 31 December 2009, the source of data on the ownership structure of banks was report PD3 (Decision on supervisory reports of banks, OG 115/2003, 29/2006, 46/2006 and 74/2006), and in the period from 31 December 2010 to 31 December 2013, the source of data was report PD32 (Decision on supervisory reports of credit institutions, OG 35/2010, 81/2010, 146/2010, 68/2011, 147/2011, 37/2012, 67/2013, 121/2013 and 157/2013). As at 31 December 2014, the source of data on the ownership structure of banks was report PD32, and as of 31 December 2015, the source of data is report PD33 compiled in accordance with the Decision on supervisory reports of credit institutions (OG 41A/2014, 127/2014, 67/2015, 119/2015, 7/2017, 44/2017, 120/2017 and 85/2018).

Figure 3 Bank assets

The figure shows total bank assets and the rate of change in total assets relative to the balance at the end of the previous period.

The source of data on bank assets is the same as for Figure 2.

Figure 4 Structure of loans to households, by loan type

The figure shows the share of selected types of household loans in total household loans. Up to 31 December 2017, loans included exclusively loans classified into the loans and receivables portfolio (IAS 39), and as of 31 March 2018, they include loans classified into the portfolios of financial assets at amortised cost and financial assets at fair value through other comprehensive income (IFRS 9). Loans are presented on a gross basis and relate to the principal (interest rates are excluded). Households include non-profit institutions serving households. As of 31 October 2013, loan amount is reduced by the amount of collected fees (formerly recorded as deferred income in liabilities).

Up to 30 September 2013, the source of data on loans was report RS2, and as at 31 December 2013, the source of data was report RS3 (Decision on supervisory reports of credit institutions, OG 35/2010, 81/2010, 146/2010, 68/2011, 147/2011, 37/2012, 67/2013, 121/2013 and 157/2013). In the period from 31 March 2014 to (including) 31 December 2017, the source of data was report RS3, and as of 31 March 2018, the source of data is report RS4 (Decision on supervisory reports of credit institutions, OG 41A/2014, 127/2014, 67/2015, 119/2015, 7/2017, 44/2017, 120/2017 and 85/2018).

As of 31 March 2010, the distribution of exposure by institutional sectors or activities, is conducted by the Croatian National Bank in accordance with the European System of Accounts 2010 (ESA 2010), i.e. in accordance with the 2007 National Classification of Activities (NKD 2007), based on reporting records delivered by banks and savings banks, up to June 2018, in accordance with the Decision on statistical and prudential reporting (OG 35/2010, 95/2010, 146/2010, 68/2011, 37/2012, 121/2013, 41A/2014, 127/2014, 67/2015, 119/2015, 54/2016, 121/2016, 76/2017 and 115/2017) and, as of September 2018, in accordance with the Decision on statistical and supervisory reporting (OG 85/2018).

Figure 5 Structure of loans to households, by currency

See the note on methodology in Figure 4.

This figure shows the structure of loans to households by currency. Foreign currency loans include loans in kuna indexed to foreign currency.

Figure 6 Currency structure of bank assets and bank liabilities and equity

This figure shows the structure of bank assets and bank liabilities and equity by currency.

The source of data on the currency structure of bank assets and bank liabilities and equity are data submitted in accordance with the Decision on statistical and supervisory reporting (OG 85/2018).

Figure 7 Bank deposits

The figure shows developments in individual types of bank deposits.

As at 31 December 2009, the source of data on bank deposits was form BS/DEP1-8 from the statistical report (Decision relating to the bank statistical report, OG 166/2003, 53/2004, 129/2004 and 60/2006), and in the period from 31 December 2010 to 31 December 2017, the source of data was form BS/DEP3-8 from the statistical report, which is based on the data submitted in accordance with the Decision on statistical and prudential reporting (OG 35/2010, 95/2010, 146/2010, 68/2011, 37/2012, 121/2013, 41A/2014, 127/2014, 67/2015, 119/2015, 54/2016, 121/2016 and 76/2017). As at 31 December 2018, the source of data was form BS/DEP4-8 from the statistical report, which is based on the data submitted in accordance with the Decision on statistical and supervisory reporting (OG 85/2018) and compiled according to mapping rules: <http://www.hnb.hr/statistika/statisticki-podaci/financijski-sektor/druga-monetarne-financijske-institucije/kreditne-institucije/nekonsolidirana-bilanca/kreditne-institucije>.

Figure 8 Contributions by profit components (continuing operations, before tax)

This figure shows a contribution of individual components to bank profit (loss) (continuing operations, before tax) during the year in question. Red/green columns show positive/negative contribution of the item to profit developments.

The source of data on bank profit (loss) (continuing operations, before tax) is the same as for Table 4.

Figure 9 Contributions of prices and volume of assets and liabilities to the change in bank net interest income

This figure shows the impact of the change in prices and volume of individual components of assets and liabilities on developments in total net interest income of banks from the end of the previous year. The impact of the change in prices and volume of loans, securities and other assets is observed on the assets side, and the impact of the change in prices and volume of deposits, received loans and other liabilities is observed on the liabilities side. The change in the volume refers to the change in the amount of an asset or liability item, while the change in the price refers to the change in implicit interest rates which are calculated as the ratio between interest income and interest-bearing assets or as the ratio between interest expenses and interest-bearing liabilities.

The impact of the change in prices and volume of assets on the change in net interest income is calculated on the basis of the following formula:

$$\Delta NII_P_{i,t} = \left(\frac{\text{interest income}_{i,t}}{\text{interest-bearing assets}_{i,t}} - \frac{\text{interest income}_{i,t-1}}{\text{interest-bearing assets}_{i,t-1}} \right) \times \text{interest-bearing assets}_{i,t-1}$$

$$\Delta NII_V_{i,t} = (\text{interest-bearing assets}_{i,t} - \text{interest-bearing assets}_{i,t-1}) \times \frac{\text{interest income}_{i,t}}{\text{interest-bearing assets}_{i,t}}$$

$$\Delta NII_P_{i,t} = \left(\frac{\text{interest expenses}_{i,t}}{\text{interest-bearing liabilities}_{i,t}} - \frac{\text{interest expenses}_{i,t-1}}{\text{interest-bearing liabilities}_{i,t-1}} \right) \times \text{interest-bearing liabilities}_{i,t-1}$$

$$\Delta NII_V_{i,t} = (\text{interest-bearing liabilities}_{i,t} - \text{interest-bearing liabilities}_{i,t-1}) \times \frac{\text{interest expenses}_{i,t}}{\text{interest-bearing liabilities}_{i,t}}$$

where:

NII – net interest income

P – price

V – volume

i – asset/liability component

t – period

Up to 31 December 2011, the source of data on bank income statement was form RDG1-1 (Decision relating to the bank statistical report, OG 166/2003, 53/2004, 129/2004, 60/2006 and 40/2013). As at 31 December 2012 and 31 December 2013, the source of data was report RN compiled in accordance with the Decision on supervisory reports of credit institutions (OG 35/2010, 81/2010, 146/2010, 68/2011, 147/2011, 37/2012, 67/2013,

121/2013 and 157/2013), and in the period from 31 December 2014 to 31 December 2017, the source of data was report RN compiled in accordance with the Decision on supervisory reports of credit institutions (OG 41A/2014, 127/2014, 67/2015, 119/2015, 7/2017 and 44/2017). As at 31 December 2018, the source of data was report F 02.00 of the Commission Implementing Regulation (EU) No 680/2014 laying down implementing technical standards with regard to supervisory reporting of institutions according to Regulation (EU) No 575/2013.

Up to 31 December 2009, the source of data on bank assets and liabilities was form BS1-2 from the statistical report (Decision relating to the bank statistical report, OG 166/2003, 53/2004, 129/2004 and 60/2006), and in the period from 31 December 2010 to 31 December 2017, the source of data was form BS3-2 from the statistical report, which is based on the data submitted in accordance with the Decision on statistical and prudential reporting (OG 35/2010, 95/2010, 146/2010, 68/2011, 37/2012, 121/2013, 41A/2014, 127/2014, 67/2015, 119/2015, 54/2016, 121/2016 and 76/2017) and compiled according to mapping rules: <http://www.hnb.hr/statistika/statisticki-podaci/financijski-sektor/druga-monetarne-financijske-institucije/kreditne-institucije/nekonsolidirana-bilanca/kreditne-institucije>. As at 31 December 2018, the source of data were reports F 01.01, F 01.02 and F 01.03 of the Commission Implementing Regulation (EU) No 680/2014 laying down implementing technical standards with regard to supervisory reporting of institutions according to Regulation (EU) No 575/2013.

Figure 10 Interest rates on time deposits (new business)

This figure shows the weighted monthly interest rate averages. Shown are household deposits and deposits of non-financial corporations, separately for kuna deposits not indexed to foreign currency and foreign currency deposits. In principle, the basis for calculation of weighted averages for deposits are amounts received during the reporting month (new business), while for overnight deposits the basis for calculation of weighted averages are book balances at the end of the reporting month. New business includes newly received deposits during the reporting month, defined as any new agreement between the customer and the reporting institution. This means that they cover all financial contracts that specify for the first time the interest rate of the deposit, and all renegotiations of the terms and conditions of the existing deposit contracts.

Up to August 2018, the source of data on interest rates were reports submitted by banks in accordance with the Decision on statistical and prudential reporting (OG 35/2010, 95/2010, 146/2010, 68/2011, 37/2012, 121/2013, 41A/2014, 127/2014, 67/2015, 119/2015, 54/2016, 121/2016 and 76/2017), and as of September 2018, the source of data are reports submitted by banks in accordance with the Decision on statistical and supervisory reporting (OG 85/2018).

Figure 11 Bank return on average assets (ROAA) and return on average equity (ROAE)

The return on average assets is calculated as a ratio between profit (loss) before taxes (on an annual level) and average bank assets. The average assets are calculated as the arithmetic mean of the balance in assets at the end of the reporting period and the balance in assets at the end of the previous year. As of 31 December 2012, data on the profit (loss) before taxes refers exclusively to the profit (loss) from continuing operations (before taxes).

The return on average equity is calculated as a ratio between profit (loss) after taxes (on an annual level) and average bank equity. The average equity is calculated as the arithmetic mean of the balance in equity at the end of the reporting period and the balance in equity at the end of the previous year.

The source of data on bank profit (loss) before taxes and profit (loss) after taxes and on bank assets and equity is the same as for Figure 9.

Figure 12 ROAA decomposition

This figure shows individual bank income statement items as a share in average bank assets. The average assets are calculated as the arithmetic mean of the balance in assets at the end of the reporting period and the balance in assets at the end of the previous year.

The source of data on bank income statement and bank assets is the same as for Figure 9.

Figure 13 Spread

The spread is the difference between the share of interest income (on an annual level) in the average interest-bearing assets and the share of interest expenses (on an annual level) in the average interest-bearing liabilities. Interest income/expenses do not include income/expenses related to derivative financial instruments held for trading.

Interest-bearing assets comprise deposits with the central bank, deposits with financial institutions, debt securities, loans to financial institutions and loans to other clients. The average interest-bearing assets are calculated as the arithmetic mean of the balance in interest-bearing assets at the end of the reporting period and the balance in interest-bearing assets at the end of the previous year.

Interest-bearing liabilities comprise received loans, received deposits, issued debt securities, issued subordinated instruments and issued hybrid instruments. The average interest-bearing liabilities are calculated as the arithmetic mean of the balance in interest-bearing liabilities at the end of the reporting period and the balance in interest-bearing liabilities at the end of the previous year.

The source of data on income from interest-bearing assets and expenses on interest-bearing liabilities, and on bank interest income and interest liabilities is the same as for Figure 9.

Figure 14 Structure of total bank exposure distributed into risk categories, by portfolio and instruments

This figure shows the structure of total exposure to credit risk (gross) of balance sheet and off-balance sheet items. The balance sheet exposure comprises the portfolios of financial assets at amortised cost and financial assets at fair value through other comprehensive income. The structure of the portfolio of financial assets at amortised cost is shown by instruments.

The source of data on the structure of total bank exposure is the same as for Table 5.

Figure 15 Rates of change of bank loans

As regards loans to selected sectors and total loans, the figure shows the rates of change relative to the balance at the end of the previous period.

Loans are presented on a gross basis and relate to the principal (interest rates are excluded). Households include non-profit institutions serving households. As of 31 October 2013, loan amount is reduced by the amount of collected fees (formerly recorded as deferred income in liabilities).

The source of data on bank loans is the same as for Figure 4.

The distribution of exposures by institutional sectors is described in the note referring to Figure 4.

Figure 16 Share of non-performing loans in total bank loans

See the note on methodology in Figure 15.

Total loans classified into risk categories B and C are expressed as a share of total bank loans. Shown are the selected sectors and total loans at the end of the reporting period.

Figure 17 Coverage of bank non-performing loans by impairment

The impairment of loans classified into risk categories B and C is expressed as a share of total loans classified into risk categories B and C. Shown are the selected sectors and total loans at the end of the reporting period. Loans are presented on a gross basis and relate to the principal (interest rates are excluded). Households include non-profit institutions serving households. As of 31 October 2013, loan amount is reduced by the amount of collected fees (formerly recorded as deferred income in liabilities).

The source of data on bank loans and impairment is the same as for Figure 4.

The distribution of exposures by institutional sectors is described in the note referring to Figure 4.

Figure 18 Decomposition of the change in the share of bank non-performing loans

This figure shows developments in the share of loans classified into risk categories B and C in total loans and the influence of individual items on the change in this indicator from the end of the previous year.

The source of data on bank loans is the same as for Figure 4.

The distribution of exposures by institutional sectors is described in the note referring to Figure 4.

Up to March 2017, the source of data on sold claims classified into risk categories B and C were data collected pursuant to the request by the CNB, and as of April 2017, the source of data are reports PROPK (Decision on supervisory reports of credit institutions, OG 41A/2014, 127/2014, 67/2015, 119/2015, 7/2017, 44/2017, 120/2017 and 85/2018). Sales and purchases among banks are not included.

Figure 19 Liquidity coverage ratio (LCR)

Liquidity coverage ratio (LCR) is calculated as the ratio between the liquidity buffer (liquid assets) and net liquidity outflow (difference between outflow and inflow, whereby inflow is included in the calculation in the maximum amount of 75% of the outflow). LCR must be at least 100%. Exceptionally, during the transitional period the LCR must be at least: 60% in 2015, 70% in 2016 and 80% in 2017. The LCR requirement must be met on an aggregate basis (for all currencies combined). It must also be reported on an individual basis for significant currencies (accounting for over 5% of liabilities).

The source of data on the LCR is report C 76.00 (Commission Implementing Regulation (EU) No 680/2014 laying down implementing technical standards with regard to supervisory reporting of institutions according to Regulation (EU) No 575/2013).

Figure 20 Decomposition of the change in the total capital ratio

This figure shows developments in the total capital ratio and the influence of individual items on the change in this indicator from the end of the previous year.

As at 31 December 2009, the source of data on the capital adequacy of banks was form SAK (Instructions for the uniform implementation of the Decision on the capital adequacy of banks, OG 195/2003, 39/2004, 41/2006, 130/2006, 14/2008, 33/2008 and 18/2009), and in the period from 31 December 2010 to 31 December 2013, the source of data was form SAJK (Decision on reports on own funds and capital requirements of credit institutions, OG 1/2009, 41/2009, 75/2009, 2/2010 and 37/2012). As of 31 December 2014, the source

of data are reports C 01.00, C 02.00 and C 03.00 (Commission Implementing Regulation (EU) No 680/2014 laying down implementing technical standards with regard to supervisory reporting of institutions according to Regulation (EU) No 575/2013).

Figure 21 Structure of bank total risk exposure

The bank total risk exposure comprises the following: credit risk exposure (including exposures to counterparty credit and dilution risks and free deliveries), settlement/delivery risk exposure, position, foreign exchange and commodities risk exposure, operational risk exposure, credit valuation adjustment risk exposure and total risk exposure amount related to large exposures in the trading book.

The source of data on the total risk exposure is report C 02.00 (Commission Implementing Regulation (EU) No 680/2014 laying down implementing technical standards with regard to supervisory reporting of institutions according to Regulation (EU) No 575/2013).

Figure 22 Distribution of the bank total capital ratio (TCR)

This figure shows the number of banks in which the total capital ratio is located within the selected buckets of the total capital ratio and the share of the assets of these banks in the total bank assets.

The source of data on bank assets is the same as for Table 2.

The source of data on the total capital ratio is report C 03.00 (Commission Implementing Regulation (EU) No 680/2014 laying down implementing technical standards with regard to supervisory reporting of institutions according to Regulation (EU) No 575/2013).

Figure 23 Key performance indicators of housing savings banks

The source of data is the same as for Figure 1.

3 List of credit institutions

The list of credit institutions contains contact data and data on members of management and supervisory boards, shareholders and auditors of credit institutions. The key financial data and the total capital ratio are given for all institutions.

Data on shareholders who hold a share of 3% or more in the share capital of an institution (with a maximum of top ten shareholders), and financial and total capital ratio data are as at 31 December 2018. They are based on unconsolidated audited reports submitted to the Croatian National Bank by credit institutions.

Data on members of management and supervisory boards are as at 1 June 2019.

Data on auditors relate to the audits performed in 2018.

ADDIKO BANK d.d.

Slavonska avenija 6, 10000 Zagreb
www.addiko.hr

Management board

Mario Žižek – chairperson, Ivan Jandrić, Jasna Širola,
Dubravko-Ante Mlikotić

Supervisory board

Hans Hermann Anton Lotter – chairperson, Nicholas John
Tesseyman, Tomislav Perović, Csongor Bulcsu Németh, Ferenc
Joó

Total capital ratio

as at 31 December 2018, in %

27.24

Balance sheet

as at 31 December 2018, in thousand HRK

Assets	
Cash, cash balances at central banks and other demand deposits	2,049,807
Cash on hand	349,093
Cash balances at central banks	1,502,073
Other demand deposits	198,641
Financial assets held for trading	104,781
Derivatives	5,678
Equity instruments	0
Debt securities	99,103
Loans and advances	0
Non-trading financial assets mandatorily at fair value through profit or loss	121,215
Equity instruments	121,215
Debt securities	0
Loans and advances	0
Financial assets at fair value through profit or loss	0
Debt securities	0
Loans and advances	0
Financial assets at fair value through other comprehensive income	4,485,991
Equity instruments	27,297
Debt securities	4,458,693
Loans and advances	0
Financial assets at amortised cost	11,152,998
Debt securities	26,551
Loans and advances	11,126,447
Derivatives – hedge accounting	0
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0
Investments in subsidiaries, joint ventures and associates	0
Tangible assets	187,040
Property, plant and equipment	180,957
Investment property	6,082
Intangible assets	82,201
Goodwill	0
Other intangible assets	82,201
Tax assets	102,425
Current tax assets	740
Deferred tax assets	101,685
Other assets	71,626
Non-current assets and disposal groups classified as held for sale	22,438
TOTAL ASSETS	18,380,521

Shareholders

Share in share
capital (%)

1. Addiko Bank AG 100.00

Audit firm for 2018:

Deloitte d.o.o., Zagreb

Liabilities and equity	
Financial liabilities held for trading	4,208
Derivatives	4,208
Short positions	0
Deposits	0
Issued debt securities	0
Other financial liabilities	0
Financial liabilities at fair value through profit or loss	0
Financial liabilities measured at amortised cost	15,173,287
Deposits	15,173,228
Issued debt securities	0
Other financial liabilities	60
Derivatives – hedge accounting	0
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0
Provisions	110,282
Pensions and other post employment defined benefit obligations	0
Other long-term employee benefits	7,179
Restructuring	5,686
Pending legal issues and tax litigation	59,123
Commitments and guarantees given	19,341
Other provisions	18,953
Tax liabilities	0
Current tax liabilities	0
Deferred tax liabilities	0
Share capital repayable on demand	0
Other liabilities	194,077
Liabilities included in disposal groups classified as held for sale	0
TOTAL LIABILITIES	15,481,854
Capital	2,558,898
Paid up capital	2,558,898
Unpaid capital which has been called up	0
Share premium	0
Equity instruments issued other than capital	0
Other equity	0
Accumulated other comprehensive income	36,611
Retained earnings	-6,001
Other reserves	138,170
Reserves or accumulated losses of investments in subsidiaries, joint ventures and associates accounted for using the equity method	0
Other	138,170
(-) Treasury shares	0
Profit or loss attributable to owners of the parent	170,987
(-) Interim dividends	0
Minority interests [Non-controlling interests]	0
TOTAL EQUITY	2,898,667
TOTAL LIABILITIES AND TOTAL EQUITY	18,380,521

Income statement

for 2018, in thousand HRK

Interest income	627,452
Financial assets held for trading	7,321
Non-trading financial assets mandatorily at fair value through profit or loss	0
Financial assets at fair value through profit or loss	0
Financial assets at fair value through other comprehensive income	63,681
Financial assets at amortised cost	555,756
Derivatives – hedge accounting, interest rate risk	0
Other assets	200
Interest income on liabilities	493
(Interest expenses)	164,401
(Financial liabilities held for trading)	6,147
(Financial liabilities designated at fair value through profit or loss)	0
(Financial liabilities measured at amortised cost)	154,574
(Derivatives – hedge accounting, interest rate risk)	0
(Other liabilities)	0
(Interest expense on assets)	3,680
DIVIDEND INCOME	78
Fee and commission income	214,793
(Fee and commission expenses)	39,327
Other operating income	30,261
(Other operating expenses)	53,204
TOTAL OPERATING INCOME, NET	663,669
(Administrative expenses)	414,470
(Staff expenses)	226,743
(Other administrative expenses)	187,727
(Depreciation)	26,669
Modification gains (–) losses, net	0
(Provisions or (–) reversal of provisions)	–1,585
(Commitments and guarantees given)	–4,184
(Other provisions)	2,599
(Impairment or (–) reversal of impairment on financial assets not measured at fair value through profit or loss)	27,210
(Financial assets at fair value through other comprehensive income)	4,391
(Financial assets at amortised cost)	22,819
(Impairment or (–) reversal of impairment of investments in subsidiaries, joint ventures and associates)	0
(Impairment or (–) reversal of impairment on non-financial assets)	8,638
Negative goodwill recognised in profit or loss	0
Share of the profit or (–) loss of investments in subsidiaries, joint ventures and associates accounted for using the equity method	0
Profit or (–) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	0
PROFIT OR (–) LOSS BEFORE TAX FROM CONTINUING OPERATIONS	188,267
(Tax expense or (–) income related to profit or loss from continuing operations)	17,280
PROFIT OR (–) LOSS AFTER TAX FROM CONTINUING OPERATIONS	170,987
Profit or (–) loss after tax from discontinued operations	0
Profit or (–) loss before tax from discontinued operations	0
(Tax expense or (–) income related to discontinued operations)	0
Profit (loss) for the year	170,987

Off-balance sheet items

as at 31 December 2018, in thousand HRK

Standard off-balance sheet items	
Guarantees	447,300
Uncovered letters of credit	41,120
Guaranteed bills of exchange	0
Accepted bills of exchange	0
Revolving loans	311,525
Margin credit lines	0
Other credit lines and commitments	678,700
Other standard risky off-balance sheet items	954,692
Total standard off-balance sheet items	2,433,338
Derivative financial instruments	
Options	0
Swaps	1,970,487
Forwards	460,386
Futures	0
Warrants	0
Other derivative financial instruments	0
Total notional amount of derivative financial instruments	2,430,873

AGRAM BANKA d.d.

Ulica grada Vukovara 74, 10000 Zagreb
www.agrambanka.hr

Management board

Boris Zadro – chairperson, Nataša Jakić Felčić

Supervisory board

Nadira Eror – chairperson, Ankica Čeko, Ante Penić, Stojan Štironja, Blanka Klopović

Total capital ratio

as at 31 December 2018, in %

16.32

Balance sheet

as at 31 December 2018, in thousand HRK

Assets	
Cash, cash balances at central banks and other demand deposits	417,910
Cash on hand	72,639
Cash balances at central banks	194,338
Other demand deposits	150,933
Financial assets held for trading	0
Derivatives	0
Equity instruments	0
Debt securities	0
Loans and advances	0
Non-trading financial assets mandatorily at fair value through profit or loss	41,315
Equity instruments	41,315
Debt securities	0
Loans and advances	0
Financial assets at fair value through profit or loss	0
Debt securities	0
Loans and advances	0
Financial assets at fair value through other comprehensive income	777,826
Equity instruments	0
Debt securities	777,826
Loans and advances	0
Financial assets at amortised cost	2,078,476
Debt securities	20,720
Loans and advances	2,057,755
Derivatives – hedge accounting	0
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0
Investments in subsidiaries, joint ventures and associates	0
Tangible assets	81,092
Property, plant and equipment	59,641
Investment property	21,451
Intangible assets	23,956
Goodwill	0
Other intangible assets	23,956
Tax assets	11,177
Current tax assets	4,053
Deferred tax assets	7,124
Other assets	8,111
Non-current assets and disposal groups classified as held for sale	6,875
TOTAL ASSETS	3,446,738

Shareholders

Share in share capital (%)

1. Adriatic osiguranje d.d.	19.98
2. Euroherc osiguranje d.d.	19.97
3. Agram life osiguranje d.d.	19.86
4. Euroleasing d.o.o.	8.86
5. Euroagram TIS d.o.o.	8.67
6. Euro Daus d.d.	7.30
7. Krivić d.o.o.	4.99

Audit firm for 2018:

Deloitte d.o.o., Zagreb

Liabilities and equity	
Financial liabilities held for trading	0
Derivatives	0
Short positions	0
Deposits	0
Issued debt securities	0
Other financial liabilities	0
Financial liabilities at fair value through profit or loss	0
Financial liabilities measured at amortised cost	3,061,274
Deposits	2,977,176
Issued debt securities	84,076
Other financial liabilities	22
Derivatives – hedge accounting	0
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0
Provisions	3,338
Pensions and other post employment defined benefit obligations	0
Other long-term employee benefits	0
Restructuring	0
Pending legal issues and tax litigation	81
Commitments and guarantees given	3,257
Other provisions	0
Tax liabilities	11,117
Current tax liabilities	6,071
Deferred tax liabilities	5,046
Share capital repayable on demand	0
Other liabilities	17,652
Liabilities included in disposal groups classified as held for sale	0
TOTAL LIABILITIES	3,093,381
Capital	193,775
Paid up capital	193,775
Unpaid capital which has been called up	0
Share premium	50,541
Equity instruments issued other than capital	0
Other equity	0
Accumulated other comprehensive income	27,038
Retained earnings	40,048
Other reserves	15,488
Reserves or accumulated losses of investments in subsidiaries, joint ventures and associates accounted for using the equity method	0
Other	15,488
(-) Treasury shares	0
Profit or loss attributable to owners of the parent	26,468
(-) Interim dividends	0
Minority interests [Non-controlling interests]	0
TOTAL EQUITY	353,358
TOTAL LIABILITIES AND TOTAL EQUITY	3,446,738

Income statement

for 2018, in thousand HRK

Interest income	127,650
Financial assets held for trading	0
Non-trading financial assets mandatorily at fair value through profit or loss	0
Financial assets at fair value through profit or loss	0
Financial assets at fair value through other comprehensive income	20,647
Financial assets at amortised cost	106,894
Derivatives – hedge accounting, interest rate risk	0
Other assets	0
Interest income on liabilities	108
(Interest expenses)	33,501
(Financial liabilities held for trading)	0
(Financial liabilities designated at fair value through profit or loss)	0
(Financial liabilities measured at amortised cost)	33,462
(Derivatives – hedge accounting, interest rate risk)	0
(Other liabilities)	13
(Interest expense on assets)	25
DIVIDEND INCOME	165
Fee and commission income	30,155
(Fee and commission expenses)	7,519
Other operating income	9,910
(Other operating expenses)	13,696
TOTAL OPERATING INCOME, NET	128,838
(Administrative expenses)	60,857
(Staff expenses)	26,284
(Other administrative expenses)	34,573
(Depreciation)	8,482
Modification gains (–) losses, net	0
(Provisions or (–) reversal of provisions)	2,498
(Commitments and guarantees given)	2,187
(Other provisions)	311
(Impairment or (–) reversal of impairment on financial assets not measured at fair value through profit or loss)	24,428
(Financial assets at fair value through other comprehensive income)	233
(Financial assets at amortised cost)	24,195
(Impairment or (–) reversal of impairment of investments in subsidiaries, joint ventures and associates)	0
(Impairment or (–) reversal of impairment on non-financial assets)	34
Negative goodwill recognised in profit or loss	0
Share of the profit or (–) loss of investments in subsidiaries, joint ventures and associates accounted for using the equity method	0
Profit or (–) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	0
PROFIT OR (–) LOSS BEFORE TAX FROM CONTINUING OPERATIONS	32,538
(Tax expense or (–) income related to profit or loss from continuing operations)	6,070
PROFIT OR (–) LOSS AFTER TAX FROM CONTINUING OPERATIONS	26,468
Profit or (–) loss after tax from discontinued operations	0
Profit or (–) loss before tax from discontinued operations	0
(Tax expense or (–) income related to discontinued operations)	0
Profit (loss) for the year	26,468

Off-balance sheet items

as at 31 December 2018, in thousand HRK

Standard off-balance sheet items	
Guarantees	165,723
Uncovered letters of credit	0
Guaranteed bills of exchange	0
Accepted bills of exchange	0
Revolving loans	69,578
Margin credit lines	0
Other credit lines and commitments	49,325
Other standard risky off-balance sheet items	41,961
Total standard off-balance sheet items	326,586
Derivative financial instruments	
Options	2,212
Swaps	0
Forwards	0
Futures	0
Warrants	0
Other derivative financial instruments	0
Total notional amount of derivative financial instruments	2,212

BANKA KOVANICA d.d.

Petra Preradovića 29, 42000 Varaždin
www.kovanica.hr

Management board

Nicola Ceccaroli – chairperson, Ivan Mužić

Supervisory board

Francesco Carobbi – chairperson, Mladen Vedriš, Stefano Marsigli Rossi Lombardi, Filippo Francini, Franjo Gregurić

Total capital ratio

as at 31 December 2018, in %

16.77

Balance sheet

as at 31 December 2018, in thousand HRK

Assets	
Cash, cash balances at central banks and other demand deposits	147,957
Cash on hand	15,425
Cash balances at central banks	111,172
Other demand deposits	21,360
Financial assets held for trading	0
Derivatives	0
Equity instruments	0
Debt securities	0
Loans and advances	0
Non-trading financial assets mandatorily at fair value through profit or loss	681
Equity instruments	681
Debt securities	0
Loans and advances	0
Financial assets at fair value through profit or loss	0
Debt securities	0
Loans and advances	0
Financial assets at fair value through other comprehensive income	61,810
Equity instruments	0
Debt securities	61,810
Loans and advances	0
Financial assets at amortised cost	975,820
Debt securities	1,763
Loans and advances	974,057
Derivatives – hedge accounting	0
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0
Investments in subsidiaries, joint ventures and associates	141
Tangible assets	33,741
Property, plant and equipment	33,741
Investment property	0
Intangible assets	2,006
Goodwill	0
Other intangible assets	2,006
Tax assets	2,063
Current tax assets	51
Deferred tax assets	2,012
Other assets	1,969
Non-current assets and disposal groups classified as held for sale	9,231
TOTAL ASSETS	1,235,418

Shareholders

Share in share capital (%)

1. Cassa di Risparmio della Repubblica di San Marino S.p.A. 99.69

Audit firm for 2018:

PricewaterhouseCoopers d.o.o., Zagreb

Liabilities and equity	
Financial liabilities held for trading	0
Derivatives	0
Short positions	0
Deposits	0
Issued debt securities	0
Other financial liabilities	0
Financial liabilities at fair value through profit or loss	0
Financial liabilities measured at amortised cost	1,103,667
Deposits	1,103,665
Issued debt securities	0
Other financial liabilities	2
Derivatives – hedge accounting	0
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0
Provisions	846
Pensions and other post employment defined benefit obligations	0
Other long-term employee benefits	282
Restructuring	0
Pending legal issues and tax litigation	362
Commitments and guarantees given	202
Other provisions	0
Tax liabilities	139
Current tax liabilities	139
Deferred tax liabilities	0
Share capital repayable on demand	0
Other liabilities	15,068
Liabilities included in disposal groups classified as held for sale	0
TOTAL LIABILITIES	1,119,720
Capital	106,962
Paid up capital	106,962
Unpaid capital which has been called up	0
Share premium	0
Equity instruments issued other than capital	0
Other equity	0
Accumulated other comprehensive income	210
Retained earnings	-10,357
Other reserves	10,315
Reserves or accumulated losses of investments in subsidiaries, joint ventures and associates accounted for using the equity method	0
Other	10,315
(-) Treasury shares	-38
Profit or loss attributable to owners of the parent	8,606
(-) Interim dividends	0
Minority interests [Non-controlling interests]	0
TOTAL EQUITY	115,698
TOTAL LIABILITIES AND TOTAL EQUITY	1,235,418

Income statement

for 2018, in thousand HRK

Interest income	75,055
Financial assets held for trading	0
Non-trading financial assets mandatorily at fair value through profit or loss	0
Financial assets at fair value through profit or loss	0
Financial assets at fair value through other comprehensive income	239
Financial assets at amortised cost	74,816
Derivatives – hedge accounting, interest rate risk	0
Other assets	1
Interest income on liabilities	0
(Interest expenses)	15,907
(Financial liabilities held for trading)	0
(Financial liabilities designated at fair value through profit or loss)	0
(Financial liabilities measured at amortised cost)	15,341
(Derivatives – hedge accounting, interest rate risk)	0
(Other liabilities)	11
(Interest expense on assets)	555
DIVIDEND INCOME	9
Fee and commission income	8,469
(Fee and commission expenses)	2,225
Other operating income	0
(Other operating expenses)	3,936
TOTAL OPERATING INCOME, NET	63,541
(Administrative expenses)	33,396
(Staff expenses)	20,861
(Other administrative expenses)	12,535
(Depreciation)	2,152
Modification gains (–) losses, net	0
(Provisions or (–) reversal of provisions)	426
(Commitments and guarantees given)	–93
(Other provisions)	519
(Impairment or (–) reversal of impairment on financial assets not measured at fair value through profit or loss)	16,998
(Financial assets at fair value through other comprehensive income)	49
(Financial assets at amortised cost)	16,949
(Impairment or (–) reversal of impairment of investments in subsidiaries, joint ventures and associates)	0
(Impairment or (–) reversal of impairment on non-financial assets)	–251
Negative goodwill recognised in profit or loss	0
Share of the profit or (–) loss of investments in subsidiaries, joint ventures and associates accounted for using the equity method	0
Profit or (–) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	724
PROFIT OR (–) LOSS BEFORE TAX FROM CONTINUING OPERATIONS	11,545
(Tax expense or (–) income related to profit or loss from continuing operations)	3,451
PROFIT OR (–) LOSS AFTER TAX FROM CONTINUING OPERATIONS	8,094
Profit or (–) loss after tax from discontinued operations	512
Profit or (–) loss before tax from discontinued operations	512
(Tax expense or (–) income related to discontinued operations)	0
Profit (loss) for the year	8,606

Off-balance sheet items

as at 31 December 2018, in thousand HRK

Standard off-balance sheet items	
Guarantees	1,236
Uncovered letters of credit	0
Guaranteed bills of exchange	0
Accepted bills of exchange	0
Revolving loans	0
Margin credit lines	0
Other credit lines and commitments	13,661
Other standard risky off-balance sheet items	100
Total standard off-balance sheet items	14,997
Derivative financial instruments	
Options	0
Swaps	0
Forwards	0
Futures	0
Warrants	0
Other derivative financial instruments	0
Total notional amount of derivative financial instruments	0

CROATIA BANKA d.d.

Roberta Frangeša Mihanovića 9, 10110 Zagreb
www.croatiabanka.hr

Management board

Danijel Luković – chairperson, Tadija Vrdoljak

Supervisory board

Maruška Vizek – chairperson, Zdenka Pogarčić, Ana Michielli
Pavuna, Branka Grabovac

Total capital ratio

as at 31 December 2018, in %

14.98

Balance sheet

as at 31 December 2018, in thousand HRK

Assets	
Cash, cash balances at central banks and other demand deposits	206,350
Cash on hand	17,683
Cash balances at central banks	182,262
Other demand deposits	6,405
Financial assets held for trading	0
Derivatives	0
Equity instruments	0
Debt securities	0
Loans and advances	0
Non-trading financial assets mandatorily at fair value through profit or loss	492
Equity instruments	0
Debt securities	0
Loans and advances	492
Financial assets at fair value through profit or loss	0
Debt securities	0
Loans and advances	0
Financial assets at fair value through other comprehensive income	752,680
Equity instruments	439
Debt securities	752,242
Loans and advances	0
Financial assets at amortised cost	1,270,700
Debt securities	496
Loans and advances	1,270,204
Derivatives – hedge accounting	0
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0
Investments in subsidiaries, joint ventures and associates	0
Tangible assets	40,092
Property, plant and equipment	5,646
Investment property	34,446
Intangible assets	3,506
Goodwill	0
Other intangible assets	3,506
Tax assets	1,127
Current tax assets	4
Deferred tax assets	1,123
Other assets	29,387
Non-current assets and disposal groups classified as held for sale	5,280
TOTAL ASSETS	2,309,614

Shareholders

Share in share
capital (%)

1. State Agency for Deposit Insurance and Bank
Resolution 100.00

Audit firm for 2018:

PricewaterhouseCoopers d.o.o., Zagreb

Liabilities and equity	
Financial liabilities held for trading	0
Derivatives	0
Short positions	0
Deposits	0
Issued debt securities	0
Other financial liabilities	0
Financial liabilities at fair value through profit or loss	0
Financial liabilities measured at amortised cost	2,149,935
Deposits	2,149,730
Issued debt securities	0
Other financial liabilities	204
Derivatives – hedge accounting	0
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0
Provisions	13,628
Pensions and other post employment defined benefit obligations	0
Other long-term employee benefits	0
Restructuring	0
Pending legal issues and tax litigation	12,614
Commitments and guarantees given	1,014
Other provisions	0
Tax liabilities	216
Current tax liabilities	214
Deferred tax liabilities	3
Share capital repayable on demand	0
Other liabilities	15,738
Liabilities included in disposal groups classified as held for sale	0
TOTAL LIABILITIES	2,179,517
Capital	474,600
Paid up capital	474,600
Unpaid capital which has been called up	0
Share premium	0
Equity instruments issued other than capital	0
Other equity	0
Accumulated other comprehensive income	-1,121
Retained earnings	-318,393
Other reserves	0
Reserves or accumulated losses of investments in subsidiaries, joint ventures and associates accounted for using the equity method	0
Other	0
(-) Treasury shares	0
Profit or loss attributable to owners of the parent	-24,989
(-) Interim dividends	0
Minority interests [Non-controlling interests]	0
TOTAL EQUITY	130,097
TOTAL LIABILITIES AND TOTAL EQUITY	2,309,614

Income statement

for 2018, in thousand HRK

Interest income	67,427
Financial assets held for trading	0
Non-trading financial assets mandatorily at fair value through profit or loss	11
Financial assets at fair value through profit or loss	0
Financial assets at fair value through other comprehensive income	5,391
Financial assets at amortised cost	61,842
Derivatives – hedge accounting, interest rate risk	0
Other assets	182
Interest income on liabilities	0
(Interest expenses)	23,604
(Financial liabilities held for trading)	0
(Financial liabilities designated at fair value through profit or loss)	0
(Financial liabilities measured at amortised cost)	23,352
(Derivatives – hedge accounting, interest rate risk)	0
(Other liabilities)	0
(Interest expense on assets)	251
DIVIDEND INCOME	0
Fee and commission income	9,116
(Fee and commission expenses)	3,546
Other operating income	8,471
(Other operating expenses)	418
TOTAL OPERATING INCOME, NET	60,421
(Administrative expenses)	57,405
(Staff expenses)	30,618
(Other administrative expenses)	26,787
(Depreciation)	2,964
Modification gains (–) losses, net	0
(Provisions or (–) reversal of provisions)	6,481
(Commitments and guarantees given)	149
(Other provisions)	6,332
(Impairment or (–) reversal of impairment on financial assets not measured at fair value through profit or loss)	15,418
(Financial assets at fair value through other comprehensive income)	0
(Financial assets at amortised cost)	15,418
(Impairment or (–) reversal of impairment of investments in subsidiaries, joint ventures and associates)	0
(Impairment or (–) reversal of impairment on non-financial assets)	184
Negative goodwill recognised in profit or loss	0
Share of the profit or (–) loss of investments in subsidiaries, joint ventures and associates accounted for using the equity method	0
Profit or (–) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	0
PROFIT OR (–) LOSS BEFORE TAX FROM CONTINUING OPERATIONS	–22,032
(Tax expense or (–) income related to profit or loss from continuing operations)	2,903
PROFIT OR (–) LOSS AFTER TAX FROM CONTINUING OPERATIONS	–24,935
Profit or (–) loss after tax from discontinued operations	–54
Profit or (–) loss before tax from discontinued operations	–54
(Tax expense or (–) income related to discontinued operations)	0
Profit (loss) for the year	–24,989

Off-balance sheet items

as at 31 December 2018, in thousand HRK

Standard off-balance sheet items	
Guarantees	63,519
Uncovered letters of credit	3,780
Guaranteed bills of exchange	0
Accepted bills of exchange	0
Revolving loans	16,716
Margin credit lines	0
Other credit lines and commitments	12,674
Other standard risky off-balance sheet items	20,642
Total standard off-balance sheet items	117,331
Derivative financial instruments	
Options	0
Swaps	0
Forwards	0
Futures	0
Warrants	0
Other derivative financial instruments	0
Total notional amount of derivative financial instruments	0

ERSTE&STEIERMÄRKISCHE BANK d.d.

Jadranski trg 3a, 51000 Rijeka
www.erstebank.hr

Management board

Christoph Schoefboeck – chairperson, Borislav Centner,
Slađana Jagar, Zdenko Matak, Martin Hornig

Supervisory board

Willibald Cernko – chairperson, Sava Ivanov Dalbokov, Franz
Kerber, Hannes Frotzbacher, Judit Agnes Havasi, Renate
Veronika Ferlitz, Nikolai Leo de Arnoldi

Total capital ratio

as at 31 December 2018, in %

22.71

Balance sheet

as at 31 December 2018, in thousand HRK

Assets	
Cash, cash balances at central banks and other demand deposits	4,382,610
Cash on hand	1,564,653
Cash balances at central banks	2,643,391
Other demand deposits	174,566
Financial assets held for trading	278,886
Derivatives	34,119
Equity instruments	0
Debt securities	244,768
Loans and advances	0
Non-trading financial assets mandatorily at fair value through profit or loss	22,585
Equity instruments	22,585
Debt securities	0
Loans and advances	0
Financial assets at fair value through profit or loss	0
Debt securities	0
Loans and advances	0
Financial assets at fair value through other comprehensive income	7,977,417
Equity instruments	101,988
Debt securities	7,875,430
Loans and advances	0
Financial assets at amortised cost	46,424,642
Debt securities	1,020,456
Loans and advances	45,404,186
Derivatives – hedge accounting	0
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0
Investments in subsidiaries, joint ventures and associates	1,027,333
Tangible assets	686,721
Property, plant and equipment	669,494
Investment property	17,226
Intangible assets	120,232
Goodwill	0
Other intangible assets	120,232
Tax assets	86,776
Current tax assets	0
Deferred tax assets	86,776
Other assets	427,899
Non-current assets and disposal groups classified as held for sale	0
TOTAL ASSETS	61,435,103

Shareholders

Share in share
capital (%)

1. Erste Group Bank AG 59.02
2. Steiermärkische Bank und Sparkassen AG 40.98

Audit firm for 2018:

PricewaterhouseCoopers d.o.o., Zagreb

Liabilities and equity	
Financial liabilities held for trading	26,982
Derivatives	26,982
Short positions	0
Deposits	0
Issued debt securities	0
Other financial liabilities	0
Financial liabilities at fair value through profit or loss	0
Financial liabilities measured at amortised cost	52,937,025
Deposits	52,064,383
Issued debt securities	670,442
Other financial liabilities	202,200
Derivatives – hedge accounting	0
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0
Provisions	165,954
Pensions and other post employment defined benefit obligations	2,519
Other long-term employee benefits	5,816
Restructuring	0
Pending legal issues and tax litigation	67,540
Commitments and guarantees given	68,593
Other provisions	21,487
Tax liabilities	81,296
Current tax liabilities	81,296
Deferred tax liabilities	0
Share capital repayable on demand	0
Other liabilities	413,185
Liabilities included in disposal groups classified as held for sale	0
TOTAL LIABILITIES	53,624,443
Capital	1,698,418
Paid up capital	1,698,418
Unpaid capital which has been called up	0
Share premium	1,801,947
Equity instruments issued other than capital	0
Other equity	0
Accumulated other comprehensive income	204,434
Retained earnings	3,191,219
Other reserves	84,921
Reserves or accumulated losses of investments in subsidiaries, joint ventures and associates accounted for using the equity method	0
Other	84,921
(-) Treasury shares	0
Profit or loss attributable to owners of the parent	829,721
(-) Interim dividends	0
Minority interests [Non-controlling interests]	0
TOTAL EQUITY	7,810,660
TOTAL LIABILITIES AND TOTAL EQUITY	61,435,103

Income statement

for 2018, in thousand HRK

Interest income	2,003,668
Financial assets held for trading	42,542
Non-trading financial assets mandatorily at fair value through profit or loss	0
Financial assets at fair value through profit or loss	0
Financial assets at fair value through other comprehensive income	156,580
Financial assets at amortised cost	1,798,752
Derivatives – hedge accounting, interest rate risk	0
Other assets	4,926
Interest income on liabilities	869
(Interest expenses)	351,796
(Financial liabilities held for trading)	36,100
(Financial liabilities designated at fair value through profit or loss)	0
(Financial liabilities measured at amortised cost)	296,972
(Derivatives – hedge accounting, interest rate risk)	0
(Other liabilities)	8,628
(Interest expense on assets)	10,096
DIVIDEND INCOME	21,345
Fee and commission income	642,120
(Fee and commission expenses)	177,132
Other operating income	40,016
(Other operating expenses)	126,371
TOTAL OPERATING INCOME, NET	2,276,034
(Administrative expenses)	912,018
(Staff expenses)	508,603
(Other administrative expenses)	403,415
(Depreciation)	75,550
Modification gains (–) losses, net	–329
(Provisions or (–) reversal of provisions)	46,769
(Commitments and guarantees given)	34,812
(Other provisions)	11,957
(Impairment or (–) reversal of impairment on financial assets not measured at fair value through profit or loss)	163,464
(Financial assets at fair value through other comprehensive income)	2,736
(Financial assets at amortised cost)	160,728
(Impairment or (–) reversal of impairment of investments in subsidiaries, joint ventures and associates)	43,521
(Impairment or (–) reversal of impairment on non-financial assets)	8,960
Negative goodwill recognised in profit or loss	0
Share of the profit or (–) loss of investments in subsidiaries, joint ventures and associates accounted for using the equity method	0
Profit or (–) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	0
PROFIT OR (–) LOSS BEFORE TAX FROM CONTINUING OPERATIONS	1,025,423
(Tax expense or (–) income related to profit or loss from continuing operations)	195,703
PROFIT OR (–) LOSS AFTER TAX FROM CONTINUING OPERATIONS	829,721
Profit or (–) loss after tax from discontinued operations	0
Profit or (–) loss before tax from discontinued operations	0
(Tax expense or (–) income related to discontinued operations)	0
Profit (loss) for the year	829,721

Off-balance sheet items

as at 31 December 2018, in thousand HRK

Standard off-balance sheet items	
Guarantees	2,515,362
Uncovered letters of credit	213,296
Guaranteed bills of exchange	0
Accepted bills of exchange	0
Revolving loans	1,050,752
Margin credit lines	0
Other credit lines and commitments	2,305,610
Other standard risky off-balance sheet items	20,253
Total standard off-balance sheet items	6,105,273
Derivative financial instruments	
Options	3,211
Swaps	14,926,141
Forwards	4,736,334
Futures	0
Warrants	0
Other derivative financial instruments	0
Total notional amount of derivative financial instruments	19,665,687

HRVATSKA POŠTANSKA BANKA d.d.

Jurišićeva 4, 10000 Zagreb
www.hpb.hr

Management board

Tomislav Vučić – chairperson, Mladen Mrvelj, Domagoj Karadjole

Supervisory board

Marijana Miličević – chairperson, Marijana Vuraić Kudeljan, Željko Lovrinčević

Shareholders

Share in share
capital (%)

1. Republic of Croatia.....	42.43
2. Hrvatska pošta d.d.....	11.93
3. State Agency for Deposit Insurance and Bank Resolution	8.98
4. Croatian Pension Insurance Institute	8.76
5. Prosperus FGS.....	4.94
6. PBZ Croatia osiguranje OMF	4.12
7. Erste Plavi OMF.....	3.90

Audit firm for 2018:

Ernst&Young d.o.o., Zagreb

Total capital ratio

as at 31 December 2018, in %

17.86

Balance sheet

as at 31 December 2018, in thousand HRK

Assets	
Cash, cash balances at central banks and other demand deposits	3,738,695
Cash on hand	475,613
Cash balances at central banks	2,469,141
Other demand deposits	793,940
Financial assets held for trading	649,216
Derivatives	480
Equity instruments	132,682
Debt securities	516,054
Loans and advances	0
Non-trading financial assets mandatorily at fair value through profit or loss	1,676
Equity instruments	0
Debt securities	0
Loans and advances	1,676
Financial assets at fair value through profit or loss	0
Debt securities	0
Loans and advances	0
Financial assets at fair value through other comprehensive income	3,342,778
Equity instruments	17,699
Debt securities	3,325,079
Loans and advances	0
Financial assets at amortised cost	12,950,775
Debt securities	75,260
Loans and advances	12,875,515
Derivatives – hedge accounting	0
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0
Investments in subsidiaries, joint ventures and associates	166,755
Tangible assets	137,734
Property, plant and equipment	137,734
Investment property	0
Intangible assets	112,881
Goodwill	0
Other intangible assets	112,881
Tax assets	22,742
Current tax assets	642
Deferred tax assets	22,100
Other assets	64,649
Non-current assets and disposal groups classified as held for sale	66,906
TOTAL ASSETS	21,254,807

Liabilities and equity	
Financial liabilities held for trading	445
Derivatives	445
Short positions	0
Deposits	0
Issued debt securities	0
Other financial liabilities	0
Financial liabilities at fair value through profit or loss	0
Financial liabilities measured at amortised cost	19,005,058
Deposits	18,997,668
Issued debt securities	0
Other financial liabilities	7,390
Derivatives – hedge accounting	0
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0
Provisions	84,909
Pensions and other post employment defined benefit obligations	0
Other long-term employee benefits	7,472
Restructuring	0
Pending legal issues and tax litigation	41,317
Commitments and guarantees given	29,897
Other provisions	6,222
Tax liabilities	23,088
Current tax liabilities	1,011
Deferred tax liabilities	22,077
Share capital repayable on demand	0
Other liabilities	138,805
Liabilities included in disposal groups classified as held for sale	0
TOTAL LIABILITIES	19,252,306
Capital	1,214,775
Paid up capital	1,214,775
Unpaid capital which has been called up	0
Share premium	0
Equity instruments issued other than capital	0
Other equity	0
Accumulated other comprehensive income	97,623
Retained earnings	132,457
Other reserves	406,266
Reserves or accumulated losses of investments in subsidiaries, joint ventures and associates accounted for using the equity method	0
Other	406,266
(-) Treasury shares	-477
Profit or loss attributable to owners of the parent	151,858
(-) Interim dividends	0
Minority interests [Non-controlling interests]	0
TOTAL EQUITY	2,002,501
TOTAL LIABILITIES AND TOTAL EQUITY	21,254,807

Income statement

for 2018, in thousand HRK

Interest income	612,187
Financial assets held for trading	11,256
Non-trading financial assets mandatorily at fair value through profit or loss	0
Financial assets at fair value through profit or loss	0
Financial assets at fair value through other comprehensive income	63,733
Financial assets at amortised cost	537,021
Derivatives – hedge accounting, interest rate risk	0
Other assets	176
Interest income on liabilities	0
(Interest expenses)	97,802
(Financial liabilities held for trading)	0
(Financial liabilities designated at fair value through profit or loss)	0
(Financial liabilities measured at amortised cost)	91,998
(Derivatives – hedge accounting, interest rate risk)	0
(Other liabilities)	3,572
(Interest expense on assets)	2,233
DIVIDEND INCOME	982
Fee and commission income	513,501
(Fee and commission expenses)	321,386
Other operating income	7,904
(Other operating expenses)	43,910
TOTAL OPERATING INCOME, NET	716,236
(Administrative expenses)	368,284
(Staff expenses)	190,465
(Other administrative expenses)	177,820
(Depreciation)	45,271
Modification gains (–) losses, net	–2,855
(Provisions or (–) reversal of provisions)	–11,404
(Commitments and guarantees given)	–12,129
(Other provisions)	725
(Impairment or (–) reversal of impairment on financial assets not measured at fair value through profit or loss)	107,329
(Financial assets at fair value through other comprehensive income)	3,451
(Financial assets at amortised cost)	103,877
(Impairment or (–) reversal of impairment of investments in subsidiaries, joint ventures and associates)	0
(Impairment or (–) reversal of impairment on non-financial assets)	18,591
Negative goodwill recognised in profit or loss	0
Share of the profit or (–) loss of investments in subsidiaries, joint ventures and associates accounted for using the equity method	0
Profit or (–) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	0
PROFIT OR (–) LOSS BEFORE TAX FROM CONTINUING OPERATIONS	185,309
(Tax expense or (–) income related to profit or loss from continuing operations)	33,452
PROFIT OR (–) LOSS AFTER TAX FROM CONTINUING OPERATIONS	151,858
Profit or (–) loss after tax from discontinued operations	0
Profit or (–) loss before tax from discontinued operations	0
(Tax expense or (–) income related to discontinued operations)	0
Profit (loss) for the year	151,858

Off-balance sheet items

as at 31 December 2018, in thousand HRK

Standard off-balance sheet items	
Guarantees	568,117
Uncovered letters of credit	17,477
Guaranteed bills of exchange	0
Accepted bills of exchange	0
Revolving loans	399,541
Margin credit lines	0
Other credit lines and commitments	950,610
Other standard risky off-balance sheet items	0
Total standard off-balance sheet items	1,935,746
Derivative financial instruments	
Options	0
Swaps	19,284
Forwards	198,422
Futures	0
Warrants	0
Other derivative financial instruments	0
Total notional amount of derivative financial instruments	217,706

IMEX BANKA d.d.

Tolstojeva 6, 21000 Split
www.imexbanka.hr

Management board

Marko Buljan – chairperson¹, Ružica Šarić

Supervisory board

Vinko Belak, Mihovil Andelinović, Davor Labaš

Total capital ratio

as at 31 December 2018, in %

14.27

Balance sheet

as at 31 December 2018, in thousand HRK

Assets	
Cash, cash balances at central banks and other demand deposits	120,804
Cash on hand	28,384
Cash balances at central banks	82,124
Other demand deposits	10,295
Financial assets held for trading	4,657
Derivatives	0
Equity instruments	4,657
Debt securities	0
Loans and advances	0
Non-trading financial assets mandatorily at fair value through profit or loss	0
Equity instruments	0
Debt securities	0
Loans and advances	0
Financial assets at fair value through profit or loss	0
Debt securities	0
Loans and advances	0
Financial assets at fair value through other comprehensive income	193,453
Equity instruments	0
Debt securities	193,453
Loans and advances	0
Financial assets at amortised cost	1,244,396
Debt securities	205,241
Loans and advances	1,039,154
Derivatives – hedge accounting	0
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0
Investments in subsidiaries, joint ventures and associates	0
Tangible assets	65,923
Property, plant and equipment	42,203
Investment property	23,720
Intangible assets	1,904
Goodwill	0
Other intangible assets	1,904
Tax assets	138
Current tax assets	23
Deferred tax assets	114
Other assets	7,899
Non-current assets and disposal groups classified as held for sale	26,950
TOTAL ASSETS	1,666,124

Shareholders

Share in share
capital (%)

1. Branko Buljan	53.69
2. Ivka Mijić	17.23
3. Trajektna luka Split d.d.	9.92
4. Agrokori d.d.	9.07
5. Imex trgovina d.o.o.	7.39

Audit firm for 2018:

BDO Croatia d.o.o., Zagreb

Liabilities and equity	
Financial liabilities held for trading	0
Derivatives	0
Short positions	0
Deposits	0
Issued debt securities	0
Other financial liabilities	0
Financial liabilities at fair value through profit or loss	0
Financial liabilities measured at amortised cost	1,534,773
Deposits	1,534,753
Issued debt securities	0
Other financial liabilities	21
Derivatives – hedge accounting	0
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0
Provisions	2,067
Pensions and other post employment defined benefit obligations	0
Other long-term employee benefits	0
Restructuring	0
Pending legal issues and tax litigation	665
Commitments and guarantees given	1,402
Other provisions	0
Tax liabilities	0
Current tax liabilities	0
Deferred tax liabilities	0
Share capital repayable on demand	0
Other liabilities	17,683
Liabilities included in disposal groups classified as held for sale	0
TOTAL LIABILITIES	1,554,524
Capital	143,335
Paid up capital	143,335
Unpaid capital which has been called up	0
Share premium	4,300
Equity instruments issued other than capital	0
Other equity	0
Accumulated other comprehensive income	-278
Retained earnings	-27,406
Other reserves	5,463
Reserves or accumulated losses of investments in subsidiaries, joint ventures and associates accounted for using the equity method	0
Other	5,463
(-) Treasury shares	0
Profit or loss attributable to owners of the parent	-13,814
(-) Interim dividends	0
Minority interests [Non-controlling interests]	0
TOTAL EQUITY	111,600
TOTAL LIABILITIES AND TOTAL EQUITY	1,666,124

1 Chairperson of the supervisory board performed the function of the deputy chairperson of the management board from 12 April 2019 to 12 July 2019.

Income statement

for 2018, in thousand HRK

Interest income	63,454
Financial assets held for trading	0
Non-trading financial assets mandatorily at fair value through profit or loss	0
Financial assets at fair value through profit or loss	0
Financial assets at fair value through other comprehensive income	5,269
Financial assets at amortised cost	58,186
Derivatives – hedge accounting, interest rate risk	0
Other assets	0
Interest income on liabilities	0
(Interest expenses)	16,673
(Financial liabilities held for trading)	0
(Financial liabilities designated at fair value through profit or loss)	0
(Financial liabilities measured at amortised cost)	16,291
(Derivatives – hedge accounting, interest rate risk)	0
(Other liabilities)	382
(Interest expense on assets)	0
DIVIDEND INCOME	30
Fee and commission income	6,369
(Fee and commission expenses)	2,256
Other operating income	1,152
(Other operating expenses)	4,850
TOTAL OPERATING INCOME, NET	49,356
(Administrative expenses)	40,912
(Staff expenses)	23,074
(Other administrative expenses)	17,838
(Depreciation)	2,904
Modification gains (–) losses, net	0
(Provisions or (–) reversal of provisions)	–1,375
(Commitments and guarantees given)	–1,399
(Other provisions)	24
(Impairment or (–) reversal of impairment on financial assets not measured at fair value through profit or loss)	17,258
(Financial assets at fair value through other comprehensive income)	–38
(Financial assets at amortised cost)	17,296
(Impairment or (–) reversal of impairment of investments in subsidiaries, joint ventures and associates)	0
(Impairment or (–) reversal of impairment on non-financial assets)	3,470
Negative goodwill recognised in profit or loss	0
Share of the profit or (–) loss of investments in subsidiaries, joint ventures and associates accounted for using the equity method	0
Profit or (–) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	0
PROFIT OR (–) LOSS BEFORE TAX FROM CONTINUING OPERATIONS	–13,814
(Tax expense or (–) income related to profit or loss from continuing operations)	0
PROFIT OR (–) LOSS AFTER TAX FROM CONTINUING OPERATIONS	–13,814
Profit or (–) loss after tax from discontinued operations	0
Profit or (–) loss before tax from discontinued operations	0
(Tax expense or (–) income related to discontinued operations)	0
Profit (loss) for the year	–13,814

Off-balance sheet items

as at 31 December 2018, in thousand HRK

Standard off-balance sheet items	
Guarantees	106,411
Uncovered letters of credit	0
Guaranteed bills of exchange	0
Accepted bills of exchange	0
Revolving loans	0
Margin credit lines	0
Other credit lines and commitments	12,903
Other standard risky off-balance sheet items	0
Total standard off-balance sheet items	119,314
Derivative financial instruments	
Options	0
Swaps	0
Forwards	0
Futures	0
Warrants	0
Other derivative financial instruments	0
Total notional amount of derivative financial instruments	0

ISTARSKA KREDITNA BANKA UMAG d.d.

Ernesta Miloša 1, 52470 Umag
www.ikb.hr

Management board

Miro Dodić – chairperson, Klaudija Paljuh, Emanuela Vukadinović

Supervisory board

Milan Travan – chairperson, Edo Ivančić, Marijan Kovačić, Anton Belušić, Milenko Opačić

Shareholders

Share in share capital (%)

1. Intercommerce export-import d.o.o.....	17.16
2. Serfin d.o.o.....	10.87
3. Assicurazioni Generali S.p.A.....	7.76
4. Marijan Kovačić.....	6.91
5. Terra Istriana Umag d.o.o.	5.70
6. Branko Kovačić	4.46
7. Plava laguna d.d.....	4.46
8. Edo Ivančić.....	3.71
9. Nerio Perich	3.45
10. Milenko Opačić	3.40

Audit firm for 2018:

Deloitte d.o.o., Zagreb

Total capital ratio

as at 31 December 2018, in %

19.31

Balance sheet

as at 31 December 2018, in thousand HRK

Assets	
Cash, cash balances at central banks and other demand deposits	799,978
Cash on hand	241,500
Cash balances at central banks	358,256
Other demand deposits	200,221
Financial assets held for trading	0
Derivatives	0
Equity instruments	0
Debt securities	0
Loans and advances	0
Non-trading financial assets mandatorily at fair value through profit or loss	0
Equity instruments	0
Debt securities	0
Loans and advances	0
Financial assets at fair value through profit or loss	0
Debt securities	0
Loans and advances	0
Financial assets at fair value through other comprehensive income	658,061
Equity instruments	3,045
Debt securities	655,016
Loans and advances	0
Financial assets at amortised cost	2,010,711
Debt securities	165,903
Loans and advances	1,844,808
Derivatives – hedge accounting	0
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0
Investments in subsidiaries, joint ventures and associates	0
Tangible assets	41,938
Property, plant and equipment	40,225
Investment property	1,713
Intangible assets	2,317
Goodwill	0
Other intangible assets	2,317
Tax assets	1,135
Current tax assets	233
Deferred tax assets	902
Other assets	18,567
Non-current assets and disposal groups classified as held for sale	0
TOTAL ASSETS	3,532,706

Liabilities and equity	
Financial liabilities held for trading	0
Derivatives	0
Short positions	0
Deposits	0
Issued debt securities	0
Other financial liabilities	0
Financial liabilities at fair value through profit or loss	0
Financial liabilities measured at amortised cost	3,210,387
Deposits	3,210,012
Issued debt securities	0
Other financial liabilities	375
Derivatives – hedge accounting	0
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0
Provisions	2,445
Pensions and other post employment defined benefit obligations	0
Other long-term employee benefits	0
Restructuring	0
Pending legal issues and tax litigation	33
Commitments and guarantees given	2,412
Other provisions	0
Tax liabilities	0
Current tax liabilities	0
Deferred tax liabilities	0
Share capital repayable on demand	0
Other liabilities	9,827
Liabilities included in disposal groups classified as held for sale	0
TOTAL LIABILITIES	3,222,660
Capital	162,800
Paid up capital	162,800
Unpaid capital which has been called up	0
Share premium	197
Equity instruments issued other than capital	0
Other equity	0
Accumulated other comprehensive income	-12
Retained earnings	85,508
Other reserves	37,757
Reserves or accumulated losses of investments in subsidiaries, joint ventures and associates accounted for using the equity method	0
Other	37,757
(-) Treasury shares	-91
Profit or loss attributable to owners of the parent	23,888
(-) Interim dividends	0
Minority interests [Non-controlling interests]	0
TOTAL EQUITY	310,046
TOTAL LIABILITIES AND TOTAL EQUITY	3,532,706

Income statement

for 2018, in thousand HRK

Interest income	84,006
Financial assets held for trading	0
Non-trading financial assets mandatorily at fair value through profit or loss	0
Financial assets at fair value through profit or loss	0
Financial assets at fair value through other comprehensive income	1,690
Financial assets at amortised cost	82,305
Derivatives – hedge accounting, interest rate risk	0
Other assets	11
Interest income on liabilities	0
(Interest expenses)	10,969
(Financial liabilities held for trading)	0
(Financial liabilities designated at fair value through profit or loss)	0
(Financial liabilities measured at amortised cost)	10,664
(Derivatives – hedge accounting, interest rate risk)	0
(Other liabilities)	305
(Interest expense on assets)	0
DIVIDEND INCOME	468
Fee and commission income	32,932
(Fee and commission expenses)	4,429
Other operating income	2,279
(Other operating expenses)	7,936
TOTAL OPERATING INCOME, NET	110,811
(Administrative expenses)	63,338
(Staff expenses)	40,998
(Other administrative expenses)	22,341
(Depreciation)	4,893
Modification gains (–) losses, net	0
(Provisions or (–) reversal of provisions)	389
(Commitments and guarantees given)	389
(Other provisions)	0
(Impairment or (–) reversal of impairment on financial assets not measured at fair value through profit or loss)	13,255
(Financial assets at fair value through other comprehensive income)	96
(Financial assets at amortised cost)	13,159
(Impairment or (–) reversal of impairment of investments in subsidiaries, joint ventures and associates)	0
(Impairment or (–) reversal of impairment on non-financial assets)	0
Negative goodwill recognised in profit or loss	0
Share of the profit or (–) loss of investments in subsidiaries, joint ventures and associates accounted for using the equity method	0
Profit or (–) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	0
PROFIT OR (–) LOSS BEFORE TAX FROM CONTINUING OPERATIONS	28,936
(Tax expense or (–) income related to profit or loss from continuing operations)	5,048
PROFIT OR (–) LOSS AFTER TAX FROM CONTINUING OPERATIONS	23,888
Profit or (–) loss after tax from discontinued operations	0
Profit or (–) loss before tax from discontinued operations	0
(Tax expense or (–) income related to discontinued operations)	0
Profit (loss) for the year	23,888

Off-balance sheet items

as at 31 December 2018, in thousand HRK

Standard off-balance sheet items	
Guarantees	66,875
Uncovered letters of credit	1,747
Guaranteed bills of exchange	0
Accepted bills of exchange	0
Revolving loans	41,484
Margin credit lines	0
Other credit lines and commitments	198,966
Other standard risky off-balance sheet items	216
Total standard off-balance sheet items	309,287
Derivative financial instruments	
Options	869
Swaps	0
Forwards	0
Futures	0
Warrants	0
Other derivative financial instruments	0
Total notional amount of derivative financial instruments	869

J&T BANKA d.d.

Aleja kralja Zvonimira 1, 42000 Varaždin
www.jtbanka.hr

Management board

Hrvoje Draksler – chairperson, Petar Rajković

Supervisory board

Igor Kováč – chairperson, Július Strapek, Jan Kotek, Štěpán Ašer

Total capital ratio

as at 31 December 2018, in %

23.02

Balance sheet

as at 31 December 2018, in thousand HRK

Assets	
Cash, cash balances at central banks and other demand deposits	218,821
Cash on hand	12,363
Cash balances at central banks	161,224
Other demand deposits	45,234
Financial assets held for trading	0
Derivatives	0
Equity instruments	0
Debt securities	0
Loans and advances	0
Non-trading financial assets mandatorily at fair value through profit or loss	28,704
Equity instruments	10,284
Debt securities	0
Loans and advances	18,420
Financial assets at fair value through profit or loss	0
Debt securities	0
Loans and advances	0
Financial assets at fair value through other comprehensive income	234,406
Equity instruments	0
Debt securities	234,406
Loans and advances	0
Financial assets at amortised cost	551,828
Debt securities	0
Loans and advances	551,828
Derivatives – hedge accounting	0
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0
Investments in subsidiaries, joint ventures and associates	0
Tangible assets	15,785
Property, plant and equipment	14,833
Investment property	952
Intangible assets	11,906
Goodwill	0
Other intangible assets	11,906
Tax assets	296
Current tax assets	13
Deferred tax assets	283
Other assets	1,111
Non-current assets and disposal groups classified as held for sale	17,663
TOTAL ASSETS	1,080,521

Shareholders

Share in share capital (%)

- J&T BANKA a.s. 82.55
- Alternative upravljanje d.o.o. 11.63

Audit firm for 2018:

KPMG Croatia d.o.o., Zagreb

Liabilities and equity	
Financial liabilities held for trading	0
Derivatives	0
Short positions	0
Deposits	0
Issued debt securities	0
Other financial liabilities	0
Financial liabilities at fair value through profit or loss	0
Financial liabilities measured at amortised cost	944,574
Deposits	944,574
Issued debt securities	0
Other financial liabilities	0
Derivatives – hedge accounting	0
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0
Provisions	1,560
Pensions and other post employment defined benefit obligations	0
Other long-term employee benefits	0
Restructuring	0
Pending legal issues and tax litigation	267
Commitments and guarantees given	591
Other provisions	702
Tax liabilities	321
Current tax liabilities	0
Deferred tax liabilities	321
Share capital repayable on demand	0
Other liabilities	5,052
Liabilities included in disposal groups classified as held for sale	0
TOTAL LIABILITIES	951,507
Capital	307,085
Paid up capital	307,085
Unpaid capital which has been called up	0
Share premium	0
Equity instruments issued other than capital	0
Other equity	0
Accumulated other comprehensive income	24,432
Retained earnings	-204,923
Other reserves	3,793
Reserves or accumulated losses of investments in subsidiaries, joint ventures and associates accounted for using the equity method	0
Other	3,793
(-) Treasury shares	-2,202
Profit or loss attributable to owners of the parent	830
(-) Interim dividends	0
Minority interests [Non-controlling interests]	0
TOTAL EQUITY	129,014
TOTAL LIABILITIES AND TOTAL EQUITY	1,080,521

Income statement

for 2018, in thousand HRK

Interest income	45,445
Financial assets held for trading	0
Non-trading financial assets mandatorily at fair value through profit or loss	2,205
Financial assets at fair value through profit or loss	0
Financial assets at fair value through other comprehensive income	6,020
Financial assets at amortised cost	37,215
Derivatives – hedge accounting, interest rate risk	0
Other assets	4
Interest income on liabilities	0
(Interest expenses)	16,991
(Financial liabilities held for trading)	0
(Financial liabilities designated at fair value through profit or loss)	0
(Financial liabilities measured at amortised cost)	16,906
(Derivatives – hedge accounting, interest rate risk)	0
(Other liabilities)	85
(Interest expense on assets)	0
DIVIDEND INCOME	0
Fee and commission income	9,500
(Fee and commission expenses)	941
Other operating income	4,990
(Other operating expenses)	3,144
TOTAL OPERATING INCOME, NET	44,599
(Administrative expenses)	29,488
(Staff expenses)	17,956
(Other administrative expenses)	11,533
(Depreciation)	4,864
Modification gains (–) losses, net	0
(Provisions or (–) reversal of provisions)	–438
(Commitments and guarantees given)	–1,273
(Other provisions)	834
(Impairment or (–) reversal of impairment on financial assets not measured at fair value through profit or loss)	9,442
(Financial assets at fair value through other comprehensive income)	–342
(Financial assets at amortised cost)	9,784
(Impairment or (–) reversal of impairment of investments in subsidiaries, joint ventures and associates)	0
(Impairment or (–) reversal of impairment on non-financial assets)	858
Negative goodwill recognised in profit or loss	0
Share of the profit or (–) loss of investments in subsidiaries, joint ventures and associates accounted for using the equity method	0
Profit or (–) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	443
PROFIT OR (–) LOSS BEFORE TAX FROM CONTINUING OPERATIONS	830
(Tax expense or (–) income related to profit or loss from continuing operations)	0
PROFIT OR (–) LOSS AFTER TAX FROM CONTINUING OPERATIONS	830
Profit or (–) loss after tax from discontinued operations	0
Profit or (–) loss before tax from discontinued operations	0
(Tax expense or (–) income related to discontinued operations)	0
Profit (loss) for the year	830

Off-balance sheet items

as at 31 December 2018, in thousand HRK

Standard off-balance sheet items	
Guarantees	8,920
Uncovered letters of credit	0
Guaranteed bills of exchange	0
Accepted bills of exchange	0
Revolving loans	19
Margin credit lines	0
Other credit lines and commitments	23,144
Other standard risky off-balance sheet items	0
Total standard off-balance sheet items	32,084
Derivative financial instruments	
Options	0
Swaps	0
Forwards	0
Futures	0
Warrants	0
Other derivative financial instruments	0
Total notional amount of derivative financial instruments	0

JADRANSKA BANKA d.d.

Ante Starčevića 4, 22000 Šibenik
www.jadranska-banka.hr

Management board

Mato Filipović – chairperson, Alan Herjavec

Supervisory board

David Tamašek – chairperson, Lada Milinović, Antonijo Lokas

Total capital ratio

as at 31 December 2018, in %

23.56

Balance sheet

as at 31 December 2018, in thousand HRK

Assets	
Cash, cash balances at central banks and other demand deposits	460,455
Cash on hand	32,409
Cash balances at central banks	301,693
Other demand deposits	126,352
Financial assets held for trading	0
Derivatives	0
Equity instruments	0
Debt securities	0
Loans and advances	0
Non-trading financial assets mandatorily at fair value through profit or loss	79
Equity instruments	79
Debt securities	0
Loans and advances	0
Financial assets at fair value through profit or loss	0
Debt securities	0
Loans and advances	0
Financial assets at fair value through other comprehensive income	717,328
Equity instruments	1,403
Debt securities	715,925
Loans and advances	0
Financial assets at amortised cost	483,563
Debt securities	23,089
Loans and advances	460,473
Derivatives – hedge accounting	0
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0
Investments in subsidiaries, joint ventures and associates	0
Tangible assets	8,654
Property, plant and equipment	8,654
Investment property	0
Intangible assets	1,144
Goodwill	0
Other intangible assets	1,144
Tax assets	0
Current tax assets	0
Deferred tax assets	0
Other assets	60
Non-current assets and disposal groups classified as held for sale	4,703
TOTAL ASSETS	1,675,985

Shareholders

Share in share
capital (%)

1. Hrvatska poštanska banka d.d. 100.00

Audit firm for 2018:

Ernst&Young d.o.o., Zagreb

Liabilities and equity	
Financial liabilities held for trading	0
Derivatives	0
Short positions	0
Deposits	0
Issued debt securities	0
Other financial liabilities	0
Financial liabilities at fair value through profit or loss	0
Financial liabilities measured at amortised cost	1,499,065
Deposits	1,499,065
Issued debt securities	0
Other financial liabilities	0
Derivatives – hedge accounting	0
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0
Provisions	36,737
Pensions and other post employment defined benefit obligations	0
Other long-term employee benefits	0
Restructuring	4,071
Pending legal issues and tax litigation	19,704
Commitments and guarantees given	2,038
Other provisions	10,924
Tax liabilities	1,058
Current tax liabilities	1,058
Deferred tax liabilities	0
Share capital repayable on demand	0
Other liabilities	13,225
Liabilities included in disposal groups classified as held for sale	0
TOTAL LIABILITIES	1,550,085
Capital	160,000
Paid up capital	160,000
Unpaid capital which has been called up	0
Share premium	0
Equity instruments issued other than capital	0
Other equity	0
Accumulated other comprehensive income	23,012
Retained earnings	-35,465
Other reserves	0
Reserves or accumulated losses of investments in subsidiaries, joint ventures and associates accounted for using the equity method	0
Other	0
(-) Treasury shares	0
Profit or loss attributable to owners of the parent	-21,646
(-) Interim dividends	0
Minority interests [Non-controlling interests]	0
TOTAL EQUITY	125,900
TOTAL LIABILITIES AND TOTAL EQUITY	1,675,985

Income statement

for 2018, in thousand HRK

Interest income	41,148
Financial assets held for trading	0
Non-trading financial assets mandatorily at fair value through profit or loss	0
Financial assets at fair value through profit or loss	0
Financial assets at fair value through other comprehensive income	16,966
Financial assets at amortised cost	24,182
Derivatives – hedge accounting, interest rate risk	0
Other assets	0
Interest income on liabilities	0
(Interest expenses)	10,797
(Financial liabilities held for trading)	0
(Financial liabilities designated at fair value through profit or loss)	0
(Financial liabilities measured at amortised cost)	10,008
(Derivatives – hedge accounting, interest rate risk)	0
(Other liabilities)	0
(Interest expense on assets)	788
DIVIDEND INCOME	0
Fee and commission income	12,368
(Fee and commission expenses)	2,833
Other operating income	22,786
(Other operating expenses)	5,814
TOTAL OPERATING INCOME, NET	61,123
(Administrative expenses)	40,886
(Staff expenses)	21,572
(Other administrative expenses)	19,314
(Depreciation)	9,299
Modification gains (–) losses, net	0
(Provisions or (–) reversal of provisions)	34,574
(Commitments and guarantees given)	1,123
(Other provisions)	33,451
(Impairment or (–) reversal of impairment on financial assets not measured at fair value through profit or loss)	–4,902
(Financial assets at fair value through other comprehensive income)	–790
(Financial assets at amortised cost)	–4,112
(Impairment or (–) reversal of impairment of investments in subsidiaries, joint ventures and associates)	0
(Impairment or (–) reversal of impairment on non-financial assets)	2,913
Negative goodwill recognised in profit or loss	0
Share of the profit or (–) loss of investments in subsidiaries, joint ventures and associates accounted for using the equity method	0
Profit or (–) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	0
PROFIT OR (–) LOSS BEFORE TAX FROM CONTINUING OPERATIONS	–21,646
(Tax expense or (–) income related to profit or loss from continuing operations)	0
PROFIT OR (–) LOSS AFTER TAX FROM CONTINUING OPERATIONS	–21,646
Profit or (–) loss after tax from discontinued operations	0
Profit or (–) loss before tax from discontinued operations	0
(Tax expense or (–) income related to discontinued operations)	0
Profit (loss) for the year	–21,646

Off-balance sheet items

as at 31 December 2018, in thousand HRK

Standard off-balance sheet items	
Guarantees	13,264
Uncovered letters of credit	0
Guaranteed bills of exchange	0
Accepted bills of exchange	0
Revolving loans	0
Margin credit lines	0
Other credit lines and commitments	129,404
Other standard risky off-balance sheet items	0
Total standard off-balance sheet items	142,668

Derivative financial instruments	
Options	0
Swaps	0
Forwards	0
Futures	0
Warrants	0
Other derivative financial instruments	0
Total notional amount of derivative financial instruments	0

KARLOVAČKA BANKA d.d.

Ivana Gorana Kovačića 1, 47000 Karlovac
www.kaba.hr

Management board

Željka Surač – chairperson, Marino Rade

Supervisory board

Nedjeljko Strikić – chairperson, Bernarda Ivšić, Željko Tintor,
Ana Kirinčić, Mato Crkvenac

Total capital ratio

as at 31 December 2018, in %

17.25

Balance sheet

as at 31 December 2018, in thousand HRK

Assets	
Cash, cash balances at central banks and other demand deposits	405,447
Cash on hand	40,208
Cash balances at central banks	192,439
Other demand deposits	172,800
Financial assets held for trading	0
Derivatives	0
Equity instruments	0
Debt securities	0
Loans and advances	0
Non-trading financial assets mandatorily at fair value through profit or loss	518
Equity instruments	518
Debt securities	0
Loans and advances	0
Financial assets at fair value through profit or loss	214,133
Debt securities	214,133
Loans and advances	0
Financial assets at fair value through other comprehensive income	150
Equity instruments	150
Debt securities	0
Loans and advances	0
Financial assets at amortised cost	1,539,487
Debt securities	219,595
Loans and advances	1,319,892
Derivatives – hedge accounting	0
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0
Investments in subsidiaries, joint ventures and associates	0
Tangible assets	29,110
Property, plant and equipment	29,110
Investment property	0
Intangible assets	264
Goodwill	0
Other intangible assets	264
Tax assets	1,189
Current tax assets	12
Deferred tax assets	1,178
Other assets	387
Non-current assets and disposal groups classified as held for sale	71,109
TOTAL ASSETS	2,261,794

Shareholders

Share in share
capital (%)

1. Marko Vuković.....	37.56
2. Ivan Žabčić.....	37.56
3. Archdiocese of Zagreb	7.69
4. Marijan Šarić	4.01

Audit firm for 2018:

HLB Revidicon d.o.o., Zagreb

Liabilities and equity	
Financial liabilities held for trading	0
Derivatives	0
Short positions	0
Deposits	0
Issued debt securities	0
Other financial liabilities	0
Financial liabilities at fair value through profit or loss	0
Financial liabilities measured at amortised cost	2,077,449
Deposits	2,077,156
Issued debt securities	0
Other financial liabilities	293
Derivatives – hedge accounting	0
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0
Provisions	7,682
Pensions and other post employment defined benefit obligations	0
Other long-term employee benefits	613
Restructuring	0
Pending legal issues and tax litigation	3,682
Commitments and guarantees given	3,386
Other provisions	0
Tax liabilities	204
Current tax liabilities	204
Deferred tax liabilities	0
Share capital repayable on demand	0
Other liabilities	20,298
Liabilities included in disposal groups classified as held for sale	0
TOTAL LIABILITIES	2,105,633
Capital	176,678
Paid up capital	176,678
Unpaid capital which has been called up	0
Share premium	0
Equity instruments issued other than capital	0
Other equity	0
Accumulated other comprehensive income	0
Retained earnings	-33,687
Other reserves	0
Reserves or accumulated losses of investments in subsidiaries, joint ventures and associates accounted for using the equity method	0
Other	0
(-) Treasury shares	0
Profit or loss attributable to owners of the parent	13,169
(-) Interim dividends	0
Minority interests [Non-controlling interests]	0
TOTAL EQUITY	156,161
TOTAL LIABILITIES AND TOTAL EQUITY	2,261,794

Income statement

for 2018, in thousand HRK

Interest income	71,695
Financial assets held for trading	0
Non-trading financial assets mandatorily at fair value through profit or loss	0
Financial assets at fair value through profit or loss	9,397
Financial assets at fair value through other comprehensive income	0
Financial assets at amortised cost	62,285
Derivatives – hedge accounting, interest rate risk	0
Other assets	14
Interest income on liabilities	0
(Interest expenses)	13,386
(Financial liabilities held for trading)	0
(Financial liabilities designated at fair value through profit or loss)	0
(Financial liabilities measured at amortised cost)	13,013
(Derivatives – hedge accounting, interest rate risk)	0
(Other liabilities)	0
(Interest expense on assets)	373
DIVIDEND INCOME	0
Fee and commission income	23,103
(Fee and commission expenses)	6,904
Other operating income	908
(Other operating expenses)	6,524
TOTAL OPERATING INCOME, NET	73,523
(Administrative expenses)	40,935
(Staff expenses)	26,133
(Other administrative expenses)	14,802
(Depreciation)	4,419
Modification gains (–) losses, net	0
(Provisions or (–) reversal of provisions)	1,478
(Commitments and guarantees given)	618
(Other provisions)	859
(Impairment or (–) reversal of impairment on financial assets not measured at fair value through profit or loss)	8,747
(Financial assets at fair value through other comprehensive income)	0
(Financial assets at amortised cost)	8,747
(Impairment or (–) reversal of impairment of investments in subsidiaries, joint ventures and associates)	0
(Impairment or (–) reversal of impairment on non-financial assets)	1,809
Negative goodwill recognised in profit or loss	0
Share of the profit or (–) loss of investments in subsidiaries, joint ventures and associates accounted for using the equity method	0
Profit or (–) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	0
PROFIT OR (–) LOSS BEFORE TAX FROM CONTINUING OPERATIONS	16,136
(Tax expense or (–) income related to profit or loss from continuing operations)	0
PROFIT OR (–) LOSS AFTER TAX FROM CONTINUING OPERATIONS	16,136
Profit or (–) loss after tax from discontinued operations	–2,967
Profit or (–) loss before tax from discontinued operations	–2,967
(Tax expense or (–) income related to discontinued operations)	0
Profit (loss) for the year	13,169

Off-balance sheet items

as at 31 December 2018, in thousand HRK

Standard off-balance sheet items	
Guarantees	71,172
Uncovered letters of credit	0
Guaranteed bills of exchange	0
Accepted bills of exchange	0
Revolving loans	16,318
Margin credit lines	0
Other credit lines and commitments	231,878
Other standard risky off-balance sheet items	2,424
Total standard off-balance sheet items	321,792
Derivative financial instruments	
Options	0
Swaps	0
Forwards	0
Futures	0
Warrants	0
Other derivative financial instruments	0
Total notional amount of derivative financial instruments	0

KENTBANK d.d.

Gundulićeva 1, 10000 Zagreb
www.kentbank.hr

Management board

Murat Betoner – chairperson, Fikret Kartal, Damir Brkić

Supervisory board

Meriç Uluşahin – chairperson, Salih Hakan Özgüz, Daniela Roguljić Novak

Total capital ratio

as at 31 December 2018, in %

16.37

Balance sheet

as at 31 December 2018, in thousand HRK

Assets	
Cash, cash balances at central banks and other demand deposits	322,910
Cash on hand	40,980
Cash balances at central banks	224,272
Other demand deposits	57,658
Financial assets held for trading	0
Derivatives	0
Equity instruments	0
Debt securities	0
Loans and advances	0
Non-trading financial assets mandatorily at fair value through profit or loss	0
Equity instruments	0
Debt securities	0
Loans and advances	0
Financial assets at fair value through profit or loss	0
Debt securities	0
Loans and advances	0
Financial assets at fair value through other comprehensive income	413,891
Equity instruments	0
Debt securities	413,891
Loans and advances	0
Financial assets at amortised cost	1,639,004
Debt securities	66,353
Loans and advances	1,572,651
Derivatives – hedge accounting	0
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0
Investments in subsidiaries, joint ventures and associates	0
Tangible assets	39,006
Property, plant and equipment	39,006
Investment property	0
Intangible assets	4,520
Goodwill	0
Other intangible assets	4,520
Tax assets	348
Current tax assets	348
Deferred tax assets	0
Other assets	4,467
Non-current assets and disposal groups classified as held for sale	0
TOTAL ASSETS	2,424,146

Shareholders

Share in share capital (%)

1. Süzer Holding A.Ş. 100.00

Audit firm for 2018:

Ernst&Young d.o.o., Zagreb

Liabilities and equity	
Financial liabilities held for trading	0
Derivatives	0
Short positions	0
Deposits	0
Issued debt securities	0
Other financial liabilities	0
Financial liabilities at fair value through profit or loss	0
Financial liabilities measured at amortised cost	2,171,309
Deposits	2,171,289
Issued debt securities	0
Other financial liabilities	20
Derivatives – hedge accounting	0
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0
Provisions	1,789
Pensions and other post employment defined benefit obligations	0
Other long-term employee benefits	265
Restructuring	0
Pending legal issues and tax litigation	105
Commitments and guarantees given	1,419
Other provisions	0
Tax liabilities	530
Current tax liabilities	530
Deferred tax liabilities	0
Share capital repayable on demand	0
Other liabilities	16,441
Liabilities included in disposal groups classified as held for sale	0
TOTAL LIABILITIES	2,190,069
Capital	278,012
Paid up capital	278,012
Unpaid capital which has been called up	0
Share premium	0
Equity instruments issued other than capital	0
Other equity	0
Accumulated other comprehensive income	-2,459
Retained earnings	-51,147
Other reserves	2,137
Reserves or accumulated losses of investments in subsidiaries, joint ventures and associates accounted for using the equity method	0
Other	2,137
(-) Treasury shares	0
Profit or loss attributable to owners of the parent	7,535
(-) Interim dividends	0
Minority interests [Non-controlling interests]	0
TOTAL EQUITY	234,077
TOTAL LIABILITIES AND TOTAL EQUITY	2,424,146

Income statement

for 2018, in thousand HRK

Interest income	87,888
Financial assets held for trading	0
Non-trading financial assets mandatorily at fair value through profit or loss	0
Financial assets at fair value through profit or loss	0
Financial assets at fair value through other comprehensive income	7,326
Financial assets at amortised cost	80,485
Derivatives – hedge accounting, interest rate risk	0
Other assets	78
Interest income on liabilities	0
(Interest expenses)	19,727
(Financial liabilities held for trading)	0
(Financial liabilities designated at fair value through profit or loss)	0
(Financial liabilities measured at amortised cost)	19,727
(Derivatives – hedge accounting, interest rate risk)	0
(Other liabilities)	0
(Interest expense on assets)	0
DIVIDEND INCOME	0
Fee and commission income	14,775
(Fee and commission expenses)	3,940
Other operating income	520
(Other operating expenses)	5,005
TOTAL OPERATING INCOME, NET	87,735
(Administrative expenses)	57,725
(Staff expenses)	38,759
(Other administrative expenses)	18,966
(Depreciation)	4,062
Modification gains (–) losses, net	0
(Provisions or (–) reversal of provisions)	821
(Commitments and guarantees given)	756
(Other provisions)	65
(Impairment or (–) reversal of impairment on financial assets not measured at fair value through profit or loss)	17,592
(Financial assets at fair value through other comprehensive income)	212
(Financial assets at amortised cost)	17,380
(Impairment or (–) reversal of impairment of investments in subsidiaries, joint ventures and associates)	0
(Impairment or (–) reversal of impairment on non-financial assets)	0
Negative goodwill recognised in profit or loss	0
Share of the profit or (–) loss of investments in subsidiaries, joint ventures and associates accounted for using the equity method	0
Profit or (–) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	0
PROFIT OR (–) LOSS BEFORE TAX FROM CONTINUING OPERATIONS	7,535
(Tax expense or (–) income related to profit or loss from continuing operations)	0
PROFIT OR (–) LOSS AFTER TAX FROM CONTINUING OPERATIONS	7,535
Profit or (–) loss after tax from discontinued operations	0
Profit or (–) loss before tax from discontinued operations	0
(Tax expense or (–) income related to discontinued operations)	0
Profit (loss) for the year	7,535

Off-balance sheet items

as at 31 December 2018, in thousand HRK

Standard off-balance sheet items	
Guarantees	96,192
Uncovered letters of credit	363
Guaranteed bills of exchange	0
Accepted bills of exchange	0
Revolving loans	76,494
Margin credit lines	0
Other credit lines and commitments	49,804
Other standard risky off-balance sheet items	0
Total standard off-balance sheet items	222,852
Derivative financial instruments	
Options	0
Swaps	0
Forwards	0
Futures	0
Warrants	0
Other derivative financial instruments	0
Total notional amount of derivative financial instruments	0

OTP BANKA HRVATSKA d.d.

Domovinskog rata 61, 21000 Split
www.otpbanka.hr

Management board

Balázs Pal Békeffy – chairperson, Zorislav Vidović, Slaven Celić, Bruno Biuk, Zvonimir Akrap

Supervisory board

Antal László Pongrácz – chairperson, Branko Mikša, László Kecskés, Zsolt Barna, Péter Csányi

Total capital ratio

as at 31 December 2018, in %

20.18

Balance sheet

as at 31 December 2018, in thousand HRK

Assets	
Cash, cash balances at central banks and other demand deposits	5,887,100
Cash on hand	820,596
Cash balances at central banks	3,759,464
Other demand deposits	1,307,040
Financial assets held for trading	170,816
Derivatives	10,580
Equity instruments	0
Debt securities	160,236
Loans and advances	0
Non-trading financial assets mandatorily at fair value through profit or loss	145,382
Equity instruments	103,234
Debt securities	0
Loans and advances	42,148
Financial assets at fair value through profit or loss	0
Debt securities	0
Loans and advances	0
Financial assets at fair value through other comprehensive income	5,342,937
Equity instruments	77,724
Debt securities	5,265,213
Loans and advances	0
Financial assets at amortised cost	29,552,517
Debt securities	287,853
Loans and advances	29,264,663
Derivatives – hedge accounting	399
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0
Investments in subsidiaries, joint ventures and associates	323,421
Tangible assets	462,342
Property, plant and equipment	462,342
Investment property	0
Intangible assets	231,657
Goodwill	0
Other intangible assets	231,657
Tax assets	0
Current tax assets	0
Deferred tax assets	0
Other assets	20,928
Non-current assets and disposal groups classified as held for sale	11,704
TOTAL ASSETS	42,149,202

Shareholders

Share in share capital (%)

1. OTP Bank Nyrt. 100.00

Audit firm for 2018:

Deloitte d.o.o., Zagreb

Liabilities and equity	
Financial liabilities held for trading	9,423
Derivatives	9,423
Short positions	0
Deposits	0
Issued debt securities	0
Other financial liabilities	0
Financial liabilities at fair value through profit or loss	0
Financial liabilities measured at amortised cost	34,960,985
Deposits	34,951,650
Issued debt securities	0
Other financial liabilities	9,335
Derivatives – hedge accounting	3,222
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0
Provisions	569,428
Pensions and other post employment defined benefit obligations	0
Other long-term employee benefits	223,356
Restructuring	0
Pending legal issues and tax litigation	211,679
Commitments and guarantees given	108,501
Other provisions	25,892
Tax liabilities	79,081
Current tax liabilities	45,100
Deferred tax liabilities	33,981
Share capital repayable on demand	0
Other liabilities	592,407
Liabilities included in disposal groups classified as held for sale	0
TOTAL LIABILITIES	36,214,546
Capital	3,993,755
Paid up capital	3,993,755
Unpaid capital which has been called up	0
Share premium	171,260
Equity instruments issued other than capital	0
Other equity	0
Accumulated other comprehensive income	107,660
Retained earnings	1,299,076
Other reserves	196,482
Reserves or accumulated losses of investments in subsidiaries, joint ventures and associates accounted for using the equity method	0
Other	196,482
(–) Treasury shares	0
Profit or loss attributable to owners of the parent	166,424
(–) Interim dividends	0
Minority interests [Non-controlling interests]	0
TOTAL EQUITY	5,934,656
TOTAL LIABILITIES AND TOTAL EQUITY	42,149,202

Income statement

for 2018, in thousand HRK

Interest income	652,364
Financial assets held for trading	515
Non-trading financial assets mandatorily at fair value through profit or loss	0
Financial assets at fair value through profit or loss	0
Financial assets at fair value through other comprehensive income	38,076
Financial assets at amortised cost	613,648
Derivatives – hedge accounting, interest rate risk	121
Other assets	3
Interest income on liabilities	2
(Interest expenses)	48,321
(Financial liabilities held for trading)	6
(Financial liabilities designated at fair value through profit or loss)	0
(Financial liabilities measured at amortised cost)	47,680
(Derivatives – hedge accounting, interest rate risk)	229
(Other liabilities)	391
(Interest expense on assets)	15
DIVIDEND INCOME	222
Fee and commission income	197,444
(Fee and commission expenses)	57,532
Other operating income	14,312
(Other operating expenses)	52,314
TOTAL OPERATING INCOME, NET	786,900
(Administrative expenses)	435,404
(Staff expenses)	232,429
(Other administrative expenses)	202,975
(Depreciation)	49,342
Modification gains (–) losses, net	0
(Provisions or (–) reversal of provisions)	17,226
(Commitments and guarantees given)	13,724
(Other provisions)	3,502
(Impairment or (–) reversal of impairment on financial assets not measured at fair value through profit or loss)	27,637
(Financial assets at fair value through other comprehensive income)	6,967
(Financial assets at amortised cost)	20,670
(Impairment or (–) reversal of impairment of investments in subsidiaries, joint ventures and associates)	0
(Impairment or (–) reversal of impairment on non-financial assets)	42,966
Negative goodwill recognised in profit or loss	0
Share of the profit or (–) loss of investments in subsidiaries, joint ventures and associates accounted for using the equity method	0
Profit or (–) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	0
PROFIT OR (–) LOSS BEFORE TAX FROM CONTINUING OPERATIONS	214,323
(Tax expense or (–) income related to profit or loss from continuing operations)	47,900
PROFIT OR (–) LOSS AFTER TAX FROM CONTINUING OPERATIONS	166,424
Profit or (–) loss after tax from discontinued operations	0
Profit or (–) loss before tax from discontinued operations	0
(Tax expense or (–) income related to discontinued operations)	0
Profit (loss) for the year	166,424

Off-balance sheet items

as at 31 December 2018, in thousand HRK

Standard off-balance sheet items	
Guarantees	1,450,513
Uncovered letters of credit	48,473
Guaranteed bills of exchange	0
Accepted bills of exchange	0
Revolving loans	161,610
Margin credit lines	0
Other credit lines and commitments	2,830,391
Other standard risky off-balance sheet items	3,139,629
Total standard off-balance sheet items	7,630,616
Derivative financial instruments	
Options	18
Swaps	4,072,843
Forwards	541,147
Futures	0
Warrants	0
Other derivative financial instruments	0
Total notional amount of derivative financial instruments	4,614,008

PARTNER BANKA d.d.

Vončinina 2, 10000 Zagreb
www.paba.hr

Management board

Petar Repušić – chairperson, Luka Čulo

Supervisory board

Božo Čulo – chairperson, Ivan Ćurković, Božo Matic

Total capital ratio

as at 31 December 2018, in %

16.41

Balance sheet

as at 31 December 2018, in thousand HRK

Assets	
Cash, cash balances at central banks and other demand deposits	132,489
Cash on hand	17,605
Cash balances at central banks	65,982
Other demand deposits	48,902
Financial assets held for trading	0
Derivatives	0
Equity instruments	0
Debt securities	0
Loans and advances	0
Non-trading financial assets mandatorily at fair value through profit or loss	0
Equity instruments	0
Debt securities	0
Loans and advances	0
Financial assets at fair value through profit or loss	0
Debt securities	0
Loans and advances	0
Financial assets at fair value through other comprehensive income	530,160
Equity instruments	136,568
Debt securities	393,592
Loans and advances	0
Financial assets at amortised cost	1,121,044
Debt securities	67,305
Loans and advances	1,053,740
Derivatives – hedge accounting	0
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0
Investments in subsidiaries, joint ventures and associates	2,191
Tangible assets	37,399
Property, plant and equipment	37,399
Investment property	0
Intangible assets	1,746
Goodwill	0
Other intangible assets	1,746
Tax assets	1,115
Current tax assets	29
Deferred tax assets	1,087
Other assets	3,147
Non-current assets and disposal groups classified as held for sale	23,548
TOTAL ASSETS	1,852,840

Shareholders

Share in share capital (%)

- Metroholding d.d. 90.01
- Croduplin d.o.o. 9.99

Audit firm for 2018:

BDO Croatia d.o.o., Zagreb

Liabilities and equity	
Financial liabilities held for trading	0
Derivatives	0
Short positions	0
Deposits	0
Issued debt securities	0
Other financial liabilities	0
Financial liabilities at fair value through profit or loss	0
Financial liabilities measured at amortised cost	1,650,518
Deposits	1,650,517
Issued debt securities	0
Other financial liabilities	1
Derivatives – hedge accounting	0
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0
Provisions	1,675
Pensions and other post employment defined benefit obligations	0
Other long-term employee benefits	0
Restructuring	0
Pending legal issues and tax litigation	379
Commitments and guarantees given	1,296
Other provisions	0
Tax liabilities	2,466
Current tax liabilities	2,466
Deferred tax liabilities	0
Share capital repayable on demand	0
Other liabilities	5,184
Liabilities included in disposal groups classified as held for sale	0
TOTAL LIABILITIES	1,659,843
Capital	89,100
Paid up capital	89,100
Unpaid capital which has been called up	0
Share premium	628
Equity instruments issued other than capital	0
Other equity	0
Accumulated other comprehensive income	1,531
Retained earnings	24,166
Other reserves	66,054
Reserves or accumulated losses of investments in subsidiaries, joint ventures and associates accounted for using the equity method	0
Other	66,054
(-) Treasury shares	0
Profit or loss attributable to owners of the parent	11,519
(-) Interim dividends	0
Minority interests [Non-controlling interests]	0
TOTAL EQUITY	192,997
TOTAL LIABILITIES AND TOTAL EQUITY	1,852,840

Income statement

for 2018, in thousand HRK

Interest income	59,049
Financial assets held for trading	0
Non-trading financial assets mandatorily at fair value through profit or loss	0
Financial assets at fair value through profit or loss	0
Financial assets at fair value through other comprehensive income	6,572
Financial assets at amortised cost	52,477
Derivatives – hedge accounting, interest rate risk	0
Other assets	0
Interest income on liabilities	0
(Interest expenses)	16,795
(Financial liabilities held for trading)	0
(Financial liabilities designated at fair value through profit or loss)	0
(Financial liabilities measured at amortised cost)	16,538
(Derivatives – hedge accounting, interest rate risk)	0
(Other liabilities)	0
(Interest expense on assets)	257
DIVIDEND INCOME	100
Fee and commission income	7,544
(Fee and commission expenses)	1,863
Other operating income	1,960
(Other operating expenses)	3,352
TOTAL OPERATING INCOME, NET	50,635
(Administrative expenses)	37,176
(Staff expenses)	24,689
(Other administrative expenses)	12,487
(Depreciation)	2,560
Modification gains (–) losses, net	0
(Provisions or (–) reversal of provisions)	–285
(Commitments and guarantees given)	–285
(Other provisions)	0
(Impairment or (–) reversal of impairment on financial assets not measured at fair value through profit or loss)	–2,890
(Financial assets at fair value through other comprehensive income)	1,055
(Financial assets at amortised cost)	–3,944
(Impairment or (–) reversal of impairment of investments in subsidiaries, joint ventures and associates)	0
(Impairment or (–) reversal of impairment on non-financial assets)	0
Negative goodwill recognised in profit or loss	0
Share of the profit or (–) loss of investments in subsidiaries, joint ventures and associates accounted for using the equity method	0
Profit or (–) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	0
PROFIT OR (–) LOSS BEFORE TAX FROM CONTINUING OPERATIONS	14,073
(Tax expense or (–) income related to profit or loss from continuing operations)	2,554
PROFIT OR (–) LOSS AFTER TAX FROM CONTINUING OPERATIONS	11,519
Profit or (–) loss after tax from discontinued operations	0
Profit or (–) loss before tax from discontinued operations	0
(Tax expense or (–) income related to discontinued operations)	0
Profit (loss) for the year	11,519

Off-balance sheet items

as at 31 December 2018, in thousand HRK

Standard off-balance sheet items	
Guarantees	88,420
Uncovered letters of credit	1,088
Guaranteed bills of exchange	0
Accepted bills of exchange	0
Revolving loans	21,665
Margin credit lines	0
Other credit lines and commitments	47,386
Other standard risky off-balance sheet items	0
Total standard off-balance sheet items	158,559
Derivative financial instruments	
Options	0
Swaps	0
Forwards	0
Futures	0
Warrants	0
Other derivative financial instruments	0
Total notional amount of derivative financial instruments	0

PODRAVSKA BANKA d.d.

Opatička 3, 48300 Koprivnica
www.poba.hr

Management board

Goran Varat – chairperson, Daniel Unger, Renata Vinković

Supervisory board

Miljan Todorović – chairperson, Dario Montinari, Sigilfredo Montinari, Dolly Predović, Maurizio Dallochio, Filippo Disertori, Michael Calcaterra Borri, Ezio Simonelli, Antonio Moniaci

Total capital ratio

as at 31 December 2018, in %

18.22

Balance sheet

as at 31 December 2018, in thousand HRK

Assets	
Cash, cash balances at central banks and other demand deposits	429,745
Cash on hand	45,208
Cash balances at central banks	312,935
Other demand deposits	71,602
Financial assets held for trading	0
Derivatives	0
Equity instruments	0
Debt securities	0
Loans and advances	0
Non-trading financial assets mandatorily at fair value through profit or loss	26,589
Equity instruments	26,589
Debt securities	0
Loans and advances	0
Financial assets at fair value through profit or loss	0
Debt securities	0
Loans and advances	0
Financial assets at fair value through other comprehensive income	674,016
Equity instruments	168,296
Debt securities	505,720
Loans and advances	0
Financial assets at amortised cost	2,097,252
Debt securities	116,174
Loans and advances	1,981,078
Derivatives – hedge accounting	0
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0
Investments in subsidiaries, joint ventures and associates	0
Tangible assets	87,480
Property, plant and equipment	44,351
Investment property	43,129
Intangible assets	44,566
Goodwill	16,867
Other intangible assets	27,700
Tax assets	6,116
Current tax assets	87
Deferred tax assets	6,028
Other assets	2,237
Non-current assets and disposal groups classified as held for sale	10,498
TOTAL ASSETS	3,378,500

Shareholders

Share in share capital (%)

1. Antonia Gorgoni	9.91
2. Lorenzo Gorgoni	9.87
3. Assicurazioni Generali S.p.A.	9.54
4. Cerere S.p.A.	9.53
5. Miljan Todorović	8.33
6. Andrea Montinari	5.76
7. Dario Montinari	5.76
8. Piero Montinari	5.76
9. Sigilfredo Montinari	5.76
10. Giovanni Semeraro	4.11

Audit firm for 2018:

Ernst&Young d.o.o., Zagreb

Liabilities and equity	
Financial liabilities held for trading	0
Derivatives	0
Short positions	0
Deposits	0
Issued debt securities	0
Other financial liabilities	0
Financial liabilities at fair value through profit or loss	0
Financial liabilities measured at amortised cost	2,880,565
Deposits	2,782,041
Issued debt securities	97,004
Other financial liabilities	1,521
Derivatives – hedge accounting	0
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0
Provisions	5,748
Pensions and other post employment defined benefit obligations	0
Other long-term employee benefits	0
Restructuring	0
Pending legal issues and tax litigation	297
Commitments and guarantees given	5,451
Other provisions	0
Tax liabilities	806
Current tax liabilities	806
Deferred tax liabilities	0
Share capital repayable on demand	0
Other liabilities	50,817
Liabilities included in disposal groups classified as held for sale	0
TOTAL LIABILITIES	2,937,936
Capital	267,500
Paid up capital	267,500
Unpaid capital which has been called up	0
Share premium	3,015
Equity instruments issued other than capital	0
Other equity	0
Accumulated other comprehensive income	-8,508
Retained earnings	4,481
Other reserves	163,359
Reserves or accumulated losses of investments in subsidiaries, joint ventures and associates accounted for using the equity method	0
Other	163,359
(-) Treasury shares	-1,388
Profit or loss attributable to owners of the parent	12,106
(-) Interim dividends	0
Minority interests [Non-controlling interests]	0
TOTAL EQUITY	440,564
TOTAL LIABILITIES AND TOTAL EQUITY	3,378,500

Income statement

for 2018, in thousand HRK

Interest income	99,879
Financial assets held for trading	0
Non-trading financial assets mandatorily at fair value through profit or loss	0
Financial assets at fair value through profit or loss	0
Financial assets at fair value through other comprehensive income	9,416
Financial assets at amortised cost	90,388
Derivatives – hedge accounting, interest rate risk	0
Other assets	50
Interest income on liabilities	26
(Interest expenses)	22,202
(Financial liabilities held for trading)	0
(Financial liabilities designated at fair value through profit or loss)	0
(Financial liabilities measured at amortised cost)	22,183
(Derivatives – hedge accounting, interest rate risk)	0
(Other liabilities)	20
(Interest expense on assets)	0
DIVIDEND INCOME	816
Fee and commission income	37,161
(Fee and commission expenses)	14,471
Other operating income	6,927
(Other operating expenses)	10,797
TOTAL OPERATING INCOME, NET	109,543
(Administrative expenses)	75,300
(Staff expenses)	42,415
(Other administrative expenses)	32,885
(Depreciation)	5,807
Modification gains (–) losses, net	0
(Provisions or (–) reversal of provisions)	1,354
(Commitments and guarantees given)	1,354
(Other provisions)	0
(Impairment or (–) reversal of impairment on financial assets not measured at fair value through profit or loss)	12,512
(Financial assets at fair value through other comprehensive income)	348
(Financial assets at amortised cost)	12,164
(Impairment or (–) reversal of impairment of investments in subsidiaries, joint ventures and associates)	0
(Impairment or (–) reversal of impairment on non-financial assets)	0
Negative goodwill recognised in profit or loss	0
Share of the profit or (–) loss of investments in subsidiaries, joint ventures and associates accounted for using the equity method	0
Profit or (–) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	–284
PROFIT OR (–) LOSS BEFORE TAX FROM CONTINUING OPERATIONS	14,288
(Tax expense or (–) income related to profit or loss from continuing operations)	3,194
PROFIT OR (–) LOSS AFTER TAX FROM CONTINUING OPERATIONS	11,094
Profit or (–) loss after tax from discontinued operations	1,011
Profit or (–) loss before tax from discontinued operations	1,011
(Tax expense or (–) income related to discontinued operations)	0
Profit (loss) for the year	12,106

Off-balance sheet items

as at 31 December 2018, in thousand HRK

Standard off-balance sheet items	
Guarantees	66,602
Uncovered letters of credit	2,909
Guaranteed bills of exchange	0
Accepted bills of exchange	0
Revolving loans	14,548
Margin credit lines	0
Other credit lines and commitments	364,583
Other standard risky off-balance sheet items	0
Total standard off-balance sheet items	448,641
Derivative financial instruments	
Options	0
Swaps	0
Forwards	0
Futures	0
Warrants	0
Other derivative financial instruments	0
Total notional amount of derivative financial instruments	0

PRIVREDNA BANKA ZAGREB d.d.

Radnička cesta 50, 10000 Zagreb
www.pbz.hr

Management board

Dinko Lucić – chairperson, Alessio Cioni, Ivan Gerovac, Darko Drozdek, Draženko Kopljar, Andrea Pavlović, Ivan Krolo

Supervisory board

Ignacio José Jaquotot Calvo – chairperson, Draginja Đurić, Christophe Velle, Branko Jeren, Paolo Sarcinelli, Adriano Arietti, Giulio Moreno

Total capital ratio

as at 31 December 2018, in %

24.66

Balance sheet

as at 31 December 2018, in thousand HRK

Assets	
Cash, cash balances at central banks and other demand deposits	14,178,367
Cash on hand	1,769,604
Cash balances at central banks	9,678,384
Other demand deposits	2,730,379
Financial assets held for trading	828,803
Derivatives	934
Equity instruments	0
Debt securities	827,869
Loans and advances	0
Non-trading financial assets mandatorily at fair value through profit or loss	35,940
Equity instruments	35,940
Debt securities	0
Loans and advances	0
Financial assets at fair value through profit or loss	0
Debt securities	0
Loans and advances	0
Financial assets at fair value through other comprehensive income	6,807,453
Equity instruments	62,658
Debt securities	6,744,795
Loans and advances	0
Financial assets at amortised cost	57,960,102
Debt securities	662,829
Loans and advances	57,297,272
Derivatives – hedge accounting	0
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0
Investments in subsidiaries, joint ventures and associates	1,961,732
Tangible assets	636,495
Property, plant and equipment	635,699
Investment property	796
Intangible assets	204,257
Goodwill	14,225
Other intangible assets	190,032
Tax assets	218,504
Current tax assets	122,911
Deferred tax assets	95,593
Other assets	89,283
Non-current assets and disposal groups classified as held for sale	102,365
TOTAL ASSETS	83,023,299

Shareholders

Share in share capital (%)

1. Intesa Sanpaolo Holding International S.A. 97.47

Audit firm for 2018:

KPMG Croatia d.o.o., Zagreb

Liabilities and equity	
Financial liabilities held for trading	3,863
Derivatives	3,863
Short positions	0
Deposits	0
Issued debt securities	0
Other financial liabilities	0
Financial liabilities at fair value through profit or loss	0
Financial liabilities measured at amortised cost	67,566,728
Deposits	67,551,654
Issued debt securities	0
Other financial liabilities	15,073
Derivatives – hedge accounting	0
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0
Provisions	505,967
Pensions and other post employment defined benefit obligations	0
Other long-term employee benefits	35,223
Restructuring	0
Pending legal issues and tax litigation	54,281
Commitments and guarantees given	354,055
Other provisions	62,408
Tax liabilities	32,171
Current tax liabilities	0
Deferred tax liabilities	32,171
Share capital repayable on demand	0
Other liabilities	763,790
Liabilities included in disposal groups classified as held for sale	0
TOTAL LIABILITIES	68,872,518
Capital	1,907,477
Paid up capital	1,907,477
Unpaid capital which has been called up	0
Share premium	1,627,494
Equity instruments issued other than capital	0
Other equity	0
Accumulated other comprehensive income	155,743
Retained earnings	8,939,436
Other reserves	216,812
Reserves or accumulated losses of investments in subsidiaries, joint ventures and associates accounted for using the equity method	0
Other	216,812
(-) Treasury shares	-76,001
Profit or loss attributable to owners of the parent	1,379,821
(-) Interim dividends	0
Minority interests [Non-controlling interests]	0
TOTAL EQUITY	14,150,781
TOTAL LIABILITIES AND TOTAL EQUITY	83,023,299

Income statement

for 2018, in thousand HRK

Interest income	2,443,606
Financial assets held for trading	22,935
Non-trading financial assets mandatorily at fair value through profit or loss	0
Financial assets at fair value through profit or loss	0
Financial assets at fair value through other comprehensive income	29,281
Financial assets at amortised cost	2,383,659
Derivatives – hedge accounting, interest rate risk	0
Other assets	3,119
Interest income on liabilities	4,613
(Interest expenses)	271,589
(Financial liabilities held for trading)	0
(Financial liabilities designated at fair value through profit or loss)	0
(Financial liabilities measured at amortised cost)	228,372
(Derivatives – hedge accounting, interest rate risk)	0
(Other liabilities)	5,413
(Interest expense on assets)	37,804
DIVIDEND INCOME	51,439
Fee and commission income	971,373
(Fee and commission expenses)	293,333
Other operating income	88,447
(Other operating expenses)	229,704
TOTAL OPERATING INCOME, NET	3,142,959
(Administrative expenses)	1,239,906
(Staff expenses)	806,917
(Other administrative expenses)	432,989
(Depreciation)	131,517
Modification gains (–) losses, net	–12,280
(Provisions or (–) reversal of provisions)	28,017
(Commitments and guarantees given)	–16,696
(Other provisions)	44,714
(Impairment or (–) reversal of impairment on financial assets not measured at fair value through profit or loss)	251,601
(Financial assets at fair value through other comprehensive income)	–13,161
(Financial assets at amortised cost)	264,762
(Impairment or (–) reversal of impairment of investments in subsidiaries, joint ventures and associates)	0
(Impairment or (–) reversal of impairment on non-financial assets)	4,708
Negative goodwill recognised in profit or loss	0
Share of the profit or (–) loss of investments in subsidiaries, joint ventures and associates accounted for using the equity method	0
Profit or (–) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	0
PROFIT OR (–) LOSS BEFORE TAX FROM CONTINUING OPERATIONS	1,474,930
(Tax expense or (–) income related to profit or loss from continuing operations)	95,109
PROFIT OR (–) LOSS AFTER TAX FROM CONTINUING OPERATIONS	1,379,821
Profit or (–) loss after tax from discontinued operations	0
Profit or (–) loss before tax from discontinued operations	0
(Tax expense or (–) income related to discontinued operations)	0
Profit (loss) for the year	1,379,821

Off-balance sheet items

as at 31 December 2018, in thousand HRK

Standard off-balance sheet items	
Guarantees	3,542,870
Uncovered letters of credit	65,113
Guaranteed bills of exchange	0
Accepted bills of exchange	0
Revolving loans	3,370,908
Margin credit lines	0
Other credit lines and commitments	7,731,981
Other standard risky off-balance sheet items	554
Total standard off-balance sheet items	14,711,426
Derivative financial instruments	
Options	0
Swaps	1,294,253
Forwards	243,400
Futures	0
Warrants	0
Other derivative financial instruments	0
Total notional amount of derivative financial instruments	1,537,654

RAIFFEISENBANK AUSTRIA d.d.

Magazinska cesta 69, 10000 Zagreb
www.rba.hr

Management board

Michael Georg Müller – chairperson, Ivan Žižić, Zoran Koščak, Daniel Mitteregger, Liana Keserić, Marko Jurjević, Višnja Božinović

Supervisory board

Andreas Gschwenter – chairperson, Peter Jacenko, Lovorka Penavić, Markus Kirchmair, Harald Kreuzmair, Hrvoje Markovinović, Sabine Zucker

Total capital ratio

as at 31 December 2018, in %

20.60

Balance sheet

as at 31 December 2018, in thousand HRK

Assets	
Cash, cash balances at central banks and other demand deposits	5,322,103
Cash on hand	1,049,167
Cash balances at central banks	4,160,007
Other demand deposits	112,929
Financial assets held for trading	831,029
Derivatives	51,446
Equity instruments	5,210
Debt securities	774,373
Loans and advances	0
Non-trading financial assets mandatorily at fair value through profit or loss	35,500
Equity instruments	0
Debt securities	0
Loans and advances	35,500
Financial assets at fair value through profit or loss	187,954
Debt securities	187,954
Loans and advances	0
Financial assets at fair value through other comprehensive income	5,057,049
Equity instruments	32,427
Debt securities	5,024,622
Loans and advances	0
Financial assets at amortised cost	19,782,671
Debt securities	252,188
Loans and advances	19,530,483
Derivatives – hedge accounting	0
Fair value changes of the hedged items in portfolio hedge of interest rate risk	5,274
Investments in subsidiaries, joint ventures and associates	422,861
Tangible assets	507,318
Property, plant and equipment	507,318
Investment property	0
Intangible assets	224,210
Goodwill	0
Other intangible assets	224,210
Tax assets	119,582
Current tax assets	24,610
Deferred tax assets	94,972
Other assets	129,022
Non-current assets and disposal groups classified as held for sale	0
TOTAL ASSETS	32,624,575

Shareholders

Share in share capital (%)

1. Raiffeisen SEE Region Holding GmbH..... 100.00

Audit firm for 2018:

KPMG Croatia d.o.o., Zagreb

Liabilities and equity	
Financial liabilities held for trading	29,946
Derivatives	29,946
Short positions	0
Deposits	0
Issued debt securities	0
Other financial liabilities	0
Financial liabilities at fair value through profit or loss	0
Financial liabilities measured at amortised cost	27,868,608
Deposits	27,865,987
Issued debt securities	0
Other financial liabilities	2,622
Derivatives – hedge accounting	9,880
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0
Provisions	188,947
Pensions and other post employment defined benefit obligations	0
Other long-term employee benefits	16,690
Restructuring	0
Pending legal issues and tax litigation	60,938
Commitments and guarantees given	95,361
Other provisions	15,958
Tax liabilities	0
Current tax liabilities	0
Deferred tax liabilities	0
Share capital repayable on demand	0
Other liabilities	292,163
Liabilities included in disposal groups classified as held for sale	0
TOTAL LIABILITIES	28,389,544
Capital	3,621,432
Paid up capital	3,621,432
Unpaid capital which has been called up	0
Share premium	12,200
Equity instruments issued other than capital	0
Other equity	0
Accumulated other comprehensive income	65,063
Retained earnings	135,976
Other reserves	181,850
Reserves or accumulated losses of investments in subsidiaries, joint ventures and associates accounted for using the equity method	0
Other	181,850
(-) Treasury shares	0
Profit or loss attributable to owners of the parent	218,510
(-) Interim dividends	0
Minority interests [Non-controlling interests]	0
TOTAL EQUITY	4,235,031
TOTAL LIABILITIES AND TOTAL EQUITY	32,624,575

Income statement

for 2018, in thousand HRK

Interest income	951,710
Financial assets held for trading	22,933
Non-trading financial assets mandatorily at fair value through profit or loss	2,205
Financial assets at fair value through profit or loss	4,881
Financial assets at fair value through other comprehensive income	38,912
Financial assets at amortised cost	881,920
Derivatives – hedge accounting, interest rate risk	0
Other assets	799
Interest income on liabilities	60
(Interest expenses)	124,500
(Financial liabilities held for trading)	9,850
(Financial liabilities designated at fair value through profit or loss)	0
(Financial liabilities measured at amortised cost)	103,551
(Derivatives – hedge accounting, interest rate risk)	3,915
(Other liabilities)	848
(Interest expense on assets)	6,335
DIVIDEND INCOME	79,056
Fee and commission income	684,935
(Fee and commission expenses)	386,110
Other operating income	17,955
(Other operating expenses)	79,311
TOTAL OPERATING INCOME, NET	1,467,820
(Administrative expenses)	688,720
(Staff expenses)	372,285
(Other administrative expenses)	316,435
(Depreciation)	80,971
Modification gains (–) losses, net	–15,254
(Provisions or (–) reversal of provisions)	13,058
(Commitments and guarantees given)	11,657
(Other provisions)	1,401
(Impairment or (–) reversal of impairment on financial assets not measured at fair value through profit or loss)	392,630
(Financial assets at fair value through other comprehensive income)	–4,416
(Financial assets at amortised cost)	397,046
(Impairment or (–) reversal of impairment of investments in subsidiaries, joint ventures and associates)	38,559
(Impairment or (–) reversal of impairment on non-financial assets)	0
Negative goodwill recognised in profit or loss	0
Share of the profit or (–) loss of investments in subsidiaries, joint ventures and associates accounted for using the equity method	0
Profit or (–) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	0
PROFIT OR (–) LOSS BEFORE TAX FROM CONTINUING OPERATIONS	238,628
(Tax expense or (–) income related to profit or loss from continuing operations)	20,090
PROFIT OR (–) LOSS AFTER TAX FROM CONTINUING OPERATIONS	218,538
Profit or (–) loss after tax from discontinued operations	–28
Profit or (–) loss before tax from discontinued operations	–28
(Tax expense or (–) income related to discontinued operations)	0
Profit (loss) for the year	218,510

Off-balance sheet items

as at 31 December 2018, in thousand HRK

Standard off-balance sheet items	
Guarantees	2,526,193
Uncovered letters of credit	82,977
Guaranteed bills of exchange	0
Accepted bills of exchange	0
Revolving loans	963,125
Margin credit lines	0
Other credit lines and commitments	1,581,201
Other standard risky off-balance sheet items	2,459,784
Total standard off-balance sheet items	7,613,280
Derivative financial instruments	
Options	0
Swaps	13,869,402
Forwards	2,547,206
Futures	310,420
Warrants	0
Other derivative financial instruments	0
Total notional amount of derivative financial instruments	16,727,029

SAMOBORSKA BANKA d.d.

Trg kralja Tomislava 8, 10430 Samobor
www.sabank.hr

Management board

Marijan Kantolić – chairperson, Verica Ljubičić

Supervisory board

Dragutin Plahutar – chairperson, Milan Penava, Drago Jakovčević, Roman Malarić

Total capital ratio

as at 31 December 2018, in %

24.37

Balance sheet

as at 31 December 2018, in thousand HRK

Assets	
Cash, cash balances at central banks and other demand deposits	244,823
Cash on hand	16,614
Cash balances at central banks	182,885
Other demand deposits	45,324
Financial assets held for trading	0
Derivatives	0
Equity instruments	0
Debt securities	0
Loans and advances	0
Non-trading financial assets mandatorily at fair value through profit or loss	399
Equity instruments	399
Debt securities	0
Loans and advances	0
Financial assets at fair value through profit or loss	0
Debt securities	0
Loans and advances	0
Financial assets at fair value through other comprehensive income	0
Equity instruments	0
Debt securities	0
Loans and advances	0
Financial assets at amortised cost	206,655
Debt securities	0
Loans and advances	206,655
Derivatives – hedge accounting	0
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0
Investments in subsidiaries, joint ventures and associates	35
Tangible assets	23,882
Property, plant and equipment	23,882
Investment property	0
Intangible assets	399
Goodwill	0
Other intangible assets	399
Tax assets	243
Current tax assets	243
Deferred tax assets	0
Other assets	190
Non-current assets and disposal groups classified as held for sale	7,562
TOTAL ASSETS	484,187

Shareholders

Share in share capital (%)

1. Aquae Vivae d.d.	83.54
2. Samoborka d.d.	5.15
3. Tigra d.o.o.	3.13

Audit firm for 2018:

BDO Croatia d.o.o., Zagreb

Liabilities and equity	
Financial liabilities held for trading	0
Derivatives	0
Short positions	0
Deposits	0
Issued debt securities	0
Other financial liabilities	0
Financial liabilities at fair value through profit or loss	0
Financial liabilities measured at amortised cost	420,956
Deposits	420,773
Issued debt securities	0
Other financial liabilities	183
Derivatives – hedge accounting	0
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0
Provisions	347
Pensions and other post employment defined benefit obligations	0
Other long-term employee benefits	38
Restructuring	0
Pending legal issues and tax litigation	49
Commitments and guarantees given	260
Other provisions	0
Tax liabilities	215
Current tax liabilities	215
Deferred tax liabilities	0
Share capital repayable on demand	0
Other liabilities	2,708
Liabilities included in disposal groups classified as held for sale	0
TOTAL LIABILITIES	424,225
Capital	49,248
Paid up capital	49,248
Unpaid capital which has been called up	0
Share premium	2,694
Equity instruments issued other than capital	0
Other equity	0
Accumulated other comprehensive income	0
Retained earnings	0
Other reserves	8,456
Reserves or accumulated losses of investments in subsidiaries, joint ventures and associates accounted for using the equity method	0
Other	8,456
(-) Treasury shares	-1,486
Profit or loss attributable to owners of the parent	1,050
(-) Interim dividends	0
Minority interests [Non-controlling interests]	0
TOTAL EQUITY	59,962
TOTAL LIABILITIES AND TOTAL EQUITY	484,187

Income statement

for 2018, in thousand HRK

Interest income	11,408
Financial assets held for trading	0
Non-trading financial assets mandatorily at fair value through profit or loss	0
Financial assets at fair value through profit or loss	0
Financial assets at fair value through other comprehensive income	0
Financial assets at amortised cost	11,401
Derivatives – hedge accounting, interest rate risk	0
Other assets	7
Interest income on liabilities	0
(Interest expenses)	2,282
(Financial liabilities held for trading)	0
(Financial liabilities designated at fair value through profit or loss)	0
(Financial liabilities measured at amortised cost)	1,899
(Derivatives – hedge accounting, interest rate risk)	0
(Other liabilities)	0
(Interest expense on assets)	383
DIVIDEND INCOME	0
Fee and commission income	5,405
(Fee and commission expenses)	2,214
Other operating income	261
(Other operating expenses)	1,122
TOTAL OPERATING INCOME, NET	12,323
(Administrative expenses)	11,598
(Staff expenses)	7,530
(Other administrative expenses)	4,068
(Depreciation)	1,146
Modification gains (–) losses, net	0
(Provisions or (–) reversal of provisions)	–79
(Commitments and guarantees given)	–78
(Other provisions)	–1
(Impairment or (–) reversal of impairment on financial assets not measured at fair value through profit or loss)	–1,392
(Financial assets at fair value through other comprehensive income)	0
(Financial assets at amortised cost)	–1,392
(Impairment or (–) reversal of impairment of investments in subsidiaries, joint ventures and associates)	0
(Impairment or (–) reversal of impairment on non-financial assets)	0
Negative goodwill recognised in profit or loss	0
Share of the profit or (–) loss of investments in subsidiaries, joint ventures and associates accounted for using the equity method	0
Profit or (–) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	0
PROFIT OR (–) LOSS BEFORE TAX FROM CONTINUING OPERATIONS	1,050
(Tax expense or (–) income related to profit or loss from continuing operations)	0
PROFIT OR (–) LOSS AFTER TAX FROM CONTINUING OPERATIONS	1,050
Profit or (–) loss after tax from discontinued operations	0
Profit or (–) loss before tax from discontinued operations	0
(Tax expense or (–) income related to discontinued operations)	0
Profit (loss) for the year	1,050

Off-balance sheet items

as at 31 December 2018, in thousand HRK

Standard off-balance sheet items	
Guarantees	13,169
Uncovered letters of credit	0
Guaranteed bills of exchange	0
Accepted bills of exchange	0
Revolving loans	0
Margin credit lines	0
Other credit lines and commitments	10,843
Other standard risky off-balance sheet items	0
Total standard off-balance sheet items	24,012
Derivative financial instruments	
Options	7,210
Swaps	0
Forwards	0
Futures	0
Warrants	0
Other derivative financial instruments	0
Total notional amount of derivative financial instruments	7,210

SBERBANK d.d.

Varšavska 9, 10000 Zagreb
www.sberbank.hr

Management board

Csaba Soós – chairperson, Holger Peter Stupar², Igor Repin

Supervisory board

Aleksei Mikhailov – chairperson, Rainer Schamberger, Dmitry Kuzin, Kornél Halmos, Dragutin Bohuš

Total capital ratio

as at 31 December 2018, in %

19.71

Balance sheet

as at 31 December 2018, in thousand HRK

Assets	
Cash, cash balances at central banks and other demand deposits	1,748,689
Cash on hand	172,805
Cash balances at central banks	1,207,143
Other demand deposits	368,741
Financial assets held for trading	103,788
Derivatives	5,597
Equity instruments	0
Debt securities	98,191
Loans and advances	0
Non-trading financial assets mandatorily at fair value through profit or loss	0
Equity instruments	0
Debt securities	0
Loans and advances	0
Financial assets at fair value through profit or loss	0
Debt securities	0
Loans and advances	0
Financial assets at fair value through other comprehensive income	534,569
Equity instruments	141
Debt securities	534,428
Loans and advances	0
Financial assets at amortised cost	7,055,277
Debt securities	0
Loans and advances	7,055,277
Derivatives – hedge accounting	0
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0
Investments in subsidiaries, joint ventures and associates	0
Tangible assets	38,314
Property, plant and equipment	37,580
Investment property	734
Intangible assets	74,063
Goodwill	0
Other intangible assets	74,063
Tax assets	62,942
Current tax assets	12
Deferred tax assets	62,930
Other assets	21,609
Non-current assets and disposal groups classified as held for sale	0
TOTAL ASSETS	9,639,251

Shareholders

Share in share capital (%)

1. Sberbank Europe AG..... 100.00

Audit firm for 2018:

Ernst&Young d.o.o., Zagreb

Liabilities and equity	
Financial liabilities held for trading	684
Derivatives	684
Short positions	0
Deposits	0
Issued debt securities	0
Other financial liabilities	0
Financial liabilities at fair value through profit or loss	0
Financial liabilities measured at amortised cost	8,369,271
Deposits	8,369,271
Issued debt securities	0
Other financial liabilities	0
Derivatives – hedge accounting	0
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0
Provisions	37,652
Pensions and other post employment defined benefit obligations	0
Other long-term employee benefits	1,787
Restructuring	0
Pending legal issues and tax litigation	15,049
Commitments and guarantees given	13,639
Other provisions	7,177
Tax liabilities	0
Current tax liabilities	0
Deferred tax liabilities	0
Share capital repayable on demand	0
Other liabilities	109,033
Liabilities included in disposal groups classified as held for sale	0
TOTAL LIABILITIES	8,516,640
Capital	615,623
Paid up capital	615,623
Unpaid capital which has been called up	0
Share premium	915,045
Equity instruments issued other than capital	0
Other equity	0
Accumulated other comprehensive income	12,554
Retained earnings	-508,820
Other reserves	20,311
Reserves or accumulated losses of investments in subsidiaries, joint ventures and associates accounted for using the equity method	0
Other	20,311
(-) Treasury shares	0
Profit or loss attributable to owners of the parent	67,897
(-) Interim dividends	0
Minority interests [Non-controlling interests]	0
TOTAL EQUITY	1,122,611
TOTAL LIABILITIES AND TOTAL EQUITY	9,639,251

2 Holger Peter Stupar resigned from the management board effective from 14 June 2019.

Income statement

for 2018, in thousand HRK

Interest income	330,674
Financial assets held for trading	1,054
Non-trading financial assets mandatorily at fair value through profit or loss	0
Financial assets at fair value through profit or loss	0
Financial assets at fair value through other comprehensive income	10,278
Financial assets at amortised cost	318,947
Derivatives – hedge accounting, interest rate risk	0
Other assets	136
Interest income on liabilities	258
(Interest expenses)	65,397
(Financial liabilities held for trading)	0
(Financial liabilities designated at fair value through profit or loss)	0
(Financial liabilities measured at amortised cost)	62,214
(Derivatives – hedge accounting, interest rate risk)	0
(Other liabilities)	671
(Interest expense on assets)	2,512
DIVIDEND INCOME	0
Fee and commission income	80,718
(Fee and commission expenses)	21,431
Other operating income	7,374
(Other operating expenses)	15,415
TOTAL OPERATING INCOME, NET	331,285
(Administrative expenses)	196,205
(Staff expenses)	104,662
(Other administrative expenses)	91,543
(Depreciation)	21,085
Modification gains (–) losses, net	0
(Provisions or (–) reversal of provisions)	10,199
(Commitments and guarantees given)	6,148
(Other provisions)	4,051
(Impairment or (–) reversal of impairment on financial assets not measured at fair value through profit or loss)	20,088
(Financial assets at fair value through other comprehensive income)	–274
(Financial assets at amortised cost)	20,362
(Impairment or (–) reversal of impairment of investments in subsidiaries, joint ventures and associates)	0
(Impairment or (–) reversal of impairment on non-financial assets)	303
Negative goodwill recognised in profit or loss	0
Share of the profit or (–) loss of investments in subsidiaries, joint ventures and associates accounted for using the equity method	0
Profit or (–) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	0
PROFIT OR (–) LOSS BEFORE TAX FROM CONTINUING OPERATIONS	83,406
(Tax expense or (–) income related to profit or loss from continuing operations)	15,508
PROFIT OR (–) LOSS AFTER TAX FROM CONTINUING OPERATIONS	67,897
Profit or (–) loss after tax from discontinued operations	0
Profit or (–) loss before tax from discontinued operations	0
(Tax expense or (–) income related to discontinued operations)	0
Profit (loss) for the year	67,897

Off-balance sheet items

as at 31 December 2018, in thousand HRK

Standard off-balance sheet items	
Guarantees	298,926
Uncovered letters of credit	3,468
Guaranteed bills of exchange	0
Accepted bills of exchange	0
Revolving loans	26,929
Margin credit lines	0
Other credit lines and commitments	255,400
Other standard risky off-balance sheet items	0
Total standard off-balance sheet items	584,723
Derivative financial instruments	
Options	0
Swaps	0
Forwards	3,314,252
Futures	0
Warrants	0
Other derivative financial instruments	0
Total notional amount of derivative financial instruments	3,314,252

SLATINSKA BANKA d.d.

Vladimira Nazora 2, 33520 Slatina
www.slatinska-banka.hr

Management board

Andrej Kopilaš – chairperson, Marin Prskalo, Elvis Mališ

Supervisory board

Ružica Vađić – chairperson, Krunoslav Lisjak, Dušan Banović,
Srećko Vukić

Shareholders

Share in share
capital (%)

1. SZAIF d.d.	24.00
2. Republic of Croatia.....	8.24
3. Dragutin Sokačić.....	8.03
4. Treasury shares	7.77
5. Banka splitsko-dalmatinska d.d. in bankruptcy ...	6.53
6. Emil Mikulić.....	3.98
7. Ljubica Berišić.....	3.96
8. Josip Galić.....	3.26
9. Milivoj Mrkoci.....	3.26
10. Finesa Credos d.d.	3.16

Audit firm for 2018:

BDO Croatia d.o.o., Zagreb

Total capital ratio

as at 31 December 2018, in %

17.72

Balance sheet

as at 31 December 2018, in thousand HRK

Assets	
Cash, cash balances at central banks and other demand deposits	264,520
Cash on hand	29,078
Cash balances at central banks	214,635
Other demand deposits	20,808
Financial assets held for trading	0
Derivatives	0
Equity instruments	0
Debt securities	0
Loans and advances	0
Non-trading financial assets mandatorily at fair value through profit or loss	0
Equity instruments	0
Debt securities	0
Loans and advances	0
Financial assets at fair value through profit or loss	0
Debt securities	0
Loans and advances	0
Financial assets at fair value through other comprehensive income	340,930
Equity instruments	16,369
Debt securities	324,561
Loans and advances	0
Financial assets at amortised cost	901,693
Debt securities	5,885
Loans and advances	895,807
Derivatives – hedge accounting	0
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0
Investments in subsidiaries, joint ventures and associates	5,698
Tangible assets	24,146
Property, plant and equipment	24,146
Investment property	0
Intangible assets	7,005
Goodwill	0
Other intangible assets	7,005
Tax assets	3,309
Current tax assets	765
Deferred tax assets	2,544
Other assets	21,327
Non-current assets and disposal groups classified as held for sale	0
TOTAL ASSETS	1,568,629

Liabilities and equity	
Financial liabilities held for trading	0
Derivatives	0
Short positions	0
Deposits	0
Issued debt securities	0
Other financial liabilities	0
Financial liabilities at fair value through profit or loss	0
Financial liabilities measured at amortised cost	1,381,017
Deposits	1,380,895
Issued debt securities	0
Other financial liabilities	122
Derivatives – hedge accounting	0
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0
Provisions	4,677
Pensions and other post employment defined benefit obligations	0
Other long-term employee benefits	0
Restructuring	0
Pending legal issues and tax litigation	3,154
Commitments and guarantees given	1,523
Other provisions	0
Tax liabilities	0
Current tax liabilities	0
Deferred tax liabilities	0
Share capital repayable on demand	0
Other liabilities	18,660
Liabilities included in disposal groups classified as held for sale	0
TOTAL LIABILITIES	1,404,353
Capital	91,897
Paid up capital	91,897
Unpaid capital which has been called up	0
Share premium	149
Equity instruments issued other than capital	0
Other equity	0
Accumulated other comprehensive income	240
Retained earnings	58,622
Other reserves	15,183
Reserves or accumulated losses of investments in subsidiaries, joint ventures and associates accounted for using the equity method	0
Other	15,183
(–) Treasury shares	(6,592)
Profit or loss attributable to owners of the parent	4,777
(–) Interim dividends	0
Minority interests [Non-controlling interests]	0
TOTAL EQUITY	164,276
TOTAL LIABILITIES AND TOTAL EQUITY	1,568,629

Income statement

for 2018, in thousand HRK

Interest income	61,265
Financial assets held for trading	0
Non-trading financial assets mandatorily at fair value through profit or loss	0
Financial assets at fair value through profit or loss	0
Financial assets at fair value through other comprehensive income	1,957
Financial assets at amortised cost	59,308
Derivatives – hedge accounting, interest rate risk	0
Other assets	0
Interest income on liabilities	0
(Interest expenses)	14,024
(Financial liabilities held for trading)	0
(Financial liabilities designated at fair value through profit or loss)	0
(Financial liabilities measured at amortised cost)	14,017
(Derivatives – hedge accounting, interest rate risk)	0
(Other liabilities)	0
(Interest expense on assets)	7
DIVIDEND INCOME	0
Fee and commission income	13,022
(Fee and commission expenses)	4,000
Other operating income	2,246
(Other operating expenses)	4,266
TOTAL OPERATING INCOME, NET	57,798
(Administrative expenses)	35,979
(Staff expenses)	22,426
(Other administrative expenses)	13,553
(Depreciation)	3,304
Modification gains (–) losses, net	0
(Provisions or (–) reversal of provisions)	318
(Commitments and guarantees given)	244
(Other provisions)	74
(Impairment or (–) reversal of impairment on financial assets not measured at fair value through profit or loss)	11,429
(Financial assets at fair value through other comprehensive income)	257
(Financial assets at amortised cost)	11,172
(Impairment or (–) reversal of impairment of investments in subsidiaries, joint ventures and associates)	26
(Impairment or (–) reversal of impairment on non-financial assets)	202
Negative goodwill recognised in profit or loss	0
Share of the profit or (–) loss of investments in subsidiaries, joint ventures and associates accounted for using the equity method	0
Profit or (–) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	0
PROFIT OR (–) LOSS BEFORE TAX FROM CONTINUING OPERATIONS	6,541
(Tax expense or (–) income related to profit or loss from continuing operations)	1,764
PROFIT OR (–) LOSS AFTER TAX FROM CONTINUING OPERATIONS	4,777
Profit or (–) loss after tax from discontinued operations	0
Profit or (–) loss before tax from discontinued operations	0
(Tax expense or (–) income related to discontinued operations)	0
Profit (loss) for the year	4,777

Off-balance sheet items

as at 31 December 2018, in thousand HRK

Standard off-balance sheet items	
Guarantees	17,108
Uncovered letters of credit	0
Guaranteed bills of exchange	0
Accepted bills of exchange	0
Revolving loans	4,612
Margin credit lines	10,475
Other credit lines and commitments	72,460
Other standard risky off-balance sheet items	0
Total standard off-balance sheet items	104,655
Derivative financial instruments	
Options	0
Swaps	0
Forwards	0
Futures	0
Warrants	0
Other derivative financial instruments	0
Total notional amount of derivative financial instruments	0

ZAGREBAČKA BANKA d.d.

Trg bana Josipa Jelačića 10, 10000 Zagreb
www.zaba.hr

Management board

Miljenko Živaljić – chairperson, Claudio Cesario, Nikolaus Maximilian Linarić, Lorenzo Ramajola, Marco Lotteri, Eugen Paić-Karega

Supervisory board

Simone Marucci – chairperson, Danimir Gulin, Zeynep Nazan Somer Ozelgin, Romeo Collina, Aurelio Maccario, Wolfgang Schilk, Christoph Metze, Savoula Demetriou

Total capital ratio

as at 31 December 2018, in %

26.22

Balance sheet

as at 31 December 2018, in thousand HRK

Assets	
Cash, cash balances at central banks and other demand deposits	21,864,011
Cash on hand	2,462,671
Cash balances at central banks	17,180,244
Other demand deposits	2,221,096
Financial assets held for trading	1,180,834
Derivatives	1,124,667
Equity instruments	23,337
Debt securities	32,830
Loans and advances	0
Non-trading financial assets mandatorily at fair value through profit or loss	261,004
Equity instruments	261,004
Debt securities	0
Loans and advances	0
Financial assets at fair value through profit or loss	0
Debt securities	0
Loans and advances	0
Financial assets at fair value through other comprehensive income	10,231,364
Equity instruments	5,149
Debt securities	10,226,215
Loans and advances	0
Financial assets at amortised cost	76,402,797
Debt securities	180,349
Loans and advances	76,222,448
Derivatives – hedge accounting	0
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0
Investments in subsidiaries, joint ventures and associates	1,537,475
Tangible assets	1,146,379
Property, plant and equipment	1,055,846
Investment property	90,532
Intangible assets	206,340
Goodwill	0
Other intangible assets	206,340
Tax assets	364,619
Current tax assets	88,281
Deferred tax assets	276,338
Other assets	46,569
Non-current assets and disposal groups classified as held for sale	1,941
TOTAL ASSETS	113,243,331

Shareholders

Share in share capital (%)

1. UniCredit S.p.A. 84.47
2. Allianz SE 11.72

Audit firm for 2018:

Deloitte d.o.o., Zagreb

Liabilities and equity	
Financial liabilities held for trading	960,923
Derivatives	960,923
Short positions	0
Deposits	0
Issued debt securities	0
Other financial liabilities	0
Financial liabilities at fair value through profit or loss	0
Financial liabilities measured at amortised cost	94,286,888
Deposits	93,858,862
Issued debt securities	54,250
Other financial liabilities	373,776
Derivatives – hedge accounting	0
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0
Provisions	726,995
Pensions and other post employment defined benefit obligations	8,280
Other long-term employee benefits	49,962
Restructuring	104,033
Pending legal issues and tax litigation	41,005
Commitments and guarantees given	487,533
Other provisions	36,181
Tax liabilities	0
Current tax liabilities	0
Deferred tax liabilities	0
Share capital repayable on demand	0
Other liabilities	844,705
Liabilities included in disposal groups classified as held for sale	0
TOTAL LIABILITIES	96,819,511
Capital	6,404,839
Paid up capital	6,404,839
Unpaid capital which has been called up	0
Share premium	3,504,016
Equity instruments issued other than capital	0
Other equity	13,640
Accumulated other comprehensive income	226,481
Retained earnings	3,992,614
Other reserves	460,923
Reserves or accumulated losses of investments in subsidiaries, joint ventures and associates accounted for using the equity method	0
Other	460,923
(-) Treasury shares	-35,788
Profit or loss attributable to owners of the parent	1,857,094
(-) Interim dividends	0
Minority interests [Non-controlling interests]	0
TOTAL EQUITY	16,423,820
TOTAL LIABILITIES AND TOTAL EQUITY	113,243,331

Income statement

for 2018, in thousand HRK

Interest income	3,112,693
Financial assets held for trading	158,759
Non-trading financial assets mandatorily at fair value through profit or loss	0
Financial assets at fair value through profit or loss	0
Financial assets at fair value through other comprehensive income	142,119
Financial assets at amortised cost	2,794,201
Derivatives – hedge accounting, interest rate risk	0
Other assets	11,241
Interest income on liabilities	6,372
(Interest expenses)	446,168
(Financial liabilities held for trading)	120,997
(Financial liabilities designated at fair value through profit or loss)	0
(Financial liabilities measured at amortised cost)	311,584
(Derivatives – hedge accounting, interest rate risk)	0
(Other liabilities)	1,595
(Interest expense on assets)	11,992
DIVIDEND INCOME	313,671
Fee and commission income	1,298,604
(Fee and commission expenses)	199,437
Other operating income	64,336
(Other operating expenses)	211,761
TOTAL OPERATING INCOME, NET	4,264,827
(Administrative expenses)	1,449,505
(Staff expenses)	883,821
(Other administrative expenses)	565,684
(Depreciation)	179,343
Modification gains (–) losses, net	0
(Provisions or (–) reversal of provisions)	64,109
(Commitments and guarantees given)	–46,039
(Other provisions)	110,148
(Impairment or (–) reversal of impairment on financial assets not measured at fair value through profit or loss)	511,618
(Financial assets at fair value through other comprehensive income)	–3,702
(Financial assets at amortised cost)	515,320
(Impairment or (–) reversal of impairment of investments in subsidiaries, joint ventures and associates)	0
(Impairment or (–) reversal of impairment on non-financial assets)	19,442
Negative goodwill recognised in profit or loss	0
Share of the profit or (–) loss of investments in subsidiaries, joint ventures and associates accounted for using the equity method	40,391
Profit or (–) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	29,888
PROFIT OR (–) LOSS BEFORE TAX FROM CONTINUING OPERATIONS	2,111,088
(Tax expense or (–) income related to profit or loss from continuing operations)	253,994
PROFIT OR (–) LOSS AFTER TAX FROM CONTINUING OPERATIONS	1,857,094
Profit or (–) loss after tax from discontinued operations	0
Profit or (–) loss before tax from discontinued operations	0
(Tax expense or (–) income related to discontinued operations)	0
Profit (loss) for the year	1,857,094

Off-balance sheet items

as at 31 December 2018, in thousand HRK

Standard off-balance sheet items	
Guarantees	4,562,635
Uncovered letters of credit	184,168
Guaranteed bills of exchange	0
Accepted bills of exchange	0
Revolving loans	2,569,744
Margin credit lines	0
Other credit lines and commitments	10,590,206
Other standard risky off-balance sheet items	237,551
Total standard off-balance sheet items	18,144,305
Derivative financial instruments	
Options	0
Swaps	51,937,376
Forwards	3,114,920
Futures	0
Warrants	0
Other derivative financial instruments	0
Total notional amount of derivative financial instruments	55,052,296

HPB-STAMBENA ŠTEDIONICA d.d.

Savska cesta 58, 10000 Zagreb
www.hpb-stedionica.hr

Management board

Damir Šprem – chairperson, Slavica Matic

Supervisory board

Mato Filipović – chairperson, Alen Stojanović, Miroslav Marić

Total capital ratio

as at 31 December 2018, in %

18.30

Balance sheet

as at 31 December 2018, in thousand HRK

Assets	
Cash, cash balances at central banks and other demand deposits	0
Cash on hand	0
Cash balances at central banks	0
Other demand deposits	0
Financial assets held for trading	165,464
Derivatives	0
Equity instruments	0
Debt securities	165,464
Loans and advances	0
Non-trading financial assets mandatorily at fair value through profit or loss	0
Equity instruments	0
Debt securities	0
Loans and advances	0
Financial assets at fair value through profit or loss	0
Debt securities	0
Loans and advances	0
Financial assets at fair value through other comprehensive income	0
Equity instruments	0
Debt securities	0
Loans and advances	0
Financial assets at amortised cost	200,232
Debt securities	0
Loans and advances	200,232
Derivatives – hedge accounting	0
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0
Investments in subsidiaries, joint ventures and associates	0
Tangible assets	87
Property, plant and equipment	87
Investment property	0
Intangible assets	510
Goodwill	0
Other intangible assets	510
Tax assets	586
Current tax assets	288
Deferred tax assets	299
Other assets	230
Non-current assets and disposal groups classified as held for sale	0
TOTAL ASSETS	367,108

Shareholders

Share in share
capital (%)

1. Hrvatska poštanska banka d.d. 100.00

Audit firm for 2018:

Ernst&Young d.o.o., Zagreb

Liabilities and equity	
Financial liabilities held for trading	0
Derivatives	0
Short positions	0
Deposits	0
Issued debt securities	0
Other financial liabilities	0
Financial liabilities at fair value through profit or loss	0
Financial liabilities measured at amortised cost	321,520
Deposits	321,520
Issued debt securities	0
Other financial liabilities	0
Derivatives – hedge accounting	0
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0
Provisions	806
Pensions and other post employment defined benefit obligations	0
Other long-term employee benefits	0
Restructuring	0
Pending legal issues and tax litigation	350
Commitments and guarantees given	7
Other provisions	449
Tax liabilities	973
Current tax liabilities	914
Deferred tax liabilities	59
Share capital repayable on demand	0
Other liabilities	5,010
Liabilities included in disposal groups classified as held for sale	0
TOTAL LIABILITIES	328,309
Capital	40,000
Paid up capital	40,000
Unpaid capital which has been called up	0
Share premium	0
Equity instruments issued other than capital	0
Other equity	0
Accumulated other comprehensive income	0
Retained earnings	2,458
Other reserves	134
Reserves or accumulated losses of investments in subsidiaries, joint ventures and associates accounted for using the equity method	0
Other	134
(-) Treasury shares	0
Profit or loss attributable to owners of the parent	-3,793
(-) Interim dividends	0
Minority interests [Non-controlling interests]	0
TOTAL EQUITY	38,799
TOTAL LIABILITIES AND TOTAL EQUITY	367,108

Income statement

for 2018, in thousand HRK

Interest income	14,926
Financial assets held for trading	7,998
Non-trading financial assets mandatorily at fair value through profit or loss	0
Financial assets at fair value through profit or loss	0
Financial assets at fair value through other comprehensive income	0
Financial assets at amortised cost	6,928
Derivatives – hedge accounting, interest rate risk	0
Other assets	0
Interest income on liabilities	0
(Interest expenses)	8,024
(Financial liabilities held for trading)	0
(Financial liabilities designated at fair value through profit or loss)	0
(Financial liabilities measured at amortised cost)	8,024
(Derivatives – hedge accounting, interest rate risk)	0
(Other liabilities)	0
(Interest expense on assets)	0
DIVIDEND INCOME	0
Fee and commission income	3,866
(Fee and commission expenses)	122
Other operating income	204
(Other operating expenses)	2,136
TOTAL OPERATING INCOME, NET	4,209
(Administrative expenses)	7,068
(Staff expenses)	4,432
(Other administrative expenses)	2,636
(Depreciation)	92
Modification gains (–) losses, net	0
(Provisions or (–) reversal of provisions)	354
(Commitments and guarantees given)	0
(Other provisions)	354
(Impairment or (–) reversal of impairment on financial assets not measured at fair value through profit or loss)	238
(Financial assets at fair value through other comprehensive income)	0
(Financial assets at amortised cost)	238
(Impairment or (–) reversal of impairment of investments in subsidiaries, joint ventures and associates)	0
(Impairment or (–) reversal of impairment on non-financial assets)	0
Negative goodwill recognised in profit or loss	0
Share of the profit or (–) loss of investments in subsidiaries, joint ventures and associates accounted for using the equity method	0
Profit or (–) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	0
PROFIT OR (–) LOSS BEFORE TAX FROM CONTINUING OPERATIONS	–3,542
(Tax expense or (–) income related to profit or loss from continuing operations)	251
PROFIT OR (–) LOSS AFTER TAX FROM CONTINUING OPERATIONS	–3,793
Profit or (–) loss after tax from discontinued operations	0
Profit or (–) loss before tax from discontinued operations	0
(Tax expense or (–) income related to discontinued operations)	0
Profit (loss) for the year	–3,793

Off-balance sheet items

as at 31 December 2018, in thousand HRK

Standard off-balance sheet items	
Guarantees	0
Uncovered letters of credit	0
Guaranteed bills of exchange	0
Accepted bills of exchange	0
Revolving loans	0
Margin credit lines	0
Other credit lines and commitments	4,110
Other standard risky off-balance sheet items	0
Total standard off-balance sheet items	4,110
Derivative financial instruments	
Options	0
Swaps	0
Forwards	0
Futures	0
Warrants	0
Other derivative financial instruments	0
Total notional amount of derivative financial instruments	0

PBZ STAMBENA ŠTEDIONICA d.d.

Radnička cesta 44, 10000 Zagreb
www.pbz-stambena.hr

Management board

Branimir Čosić – chairperson, Dražen Klarić

Supervisory board

Ivan Krolo – chairperson, Davor Vodanović, Damir Novotny,
Neven Horvat, Petar Sopek

Total capital ratio

as at 31 December 2018, in %

48.02

Balance sheet

as at 31 December 2018, in thousand HRK

Assets	
Cash, cash balances at central banks and other demand deposits	66,805
Cash on hand	0
Cash balances at central banks	0
Other demand deposits	66,805
Financial assets held for trading	0
Derivatives	0
Equity instruments	0
Debt securities	0
Loans and advances	0
Non-trading financial assets mandatorily at fair value through profit or loss	0
Equity instruments	0
Debt securities	0
Loans and advances	0
Financial assets at fair value through profit or loss	0
Debt securities	0
Loans and advances	0
Financial assets at fair value through other comprehensive income	819,380
Equity instruments	0
Debt securities	819,380
Loans and advances	0
Financial assets at amortised cost	1,061,574
Debt securities	0
Loans and advances	1,061,574
Derivatives – hedge accounting	0
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0
Investments in subsidiaries, joint ventures and associates	0
Tangible assets	71
Property, plant and equipment	71
Investment property	0
Intangible assets	327
Goodwill	0
Other intangible assets	327
Tax assets	802
Current tax assets	0
Deferred tax assets	802
Other assets	62
Non-current assets and disposal groups classified as held for sale	0
TOTAL ASSETS	1,949,022

Shareholders

Share in share
capital (%)

1. Privredna banka Zagreb d.d. 100.00

Audit firm for 2018:

KPMG Croatia d.o.o., Zagreb

Liabilities and equity	
Financial liabilities held for trading	0
Derivatives	0
Short positions	0
Deposits	0
Issued debt securities	0
Other financial liabilities	0
Financial liabilities at fair value through profit or loss	0
Financial liabilities measured at amortised cost	1,672,899
Deposits	1,672,739
Issued debt securities	0
Other financial liabilities	160
Derivatives – hedge accounting	0
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0
Provisions	111
Pensions and other post employment defined benefit obligations	0
Other long-term employee benefits	24
Restructuring	0
Pending legal issues and tax litigation	26
Commitments and guarantees given	61
Other provisions	0
Tax liabilities	4,796
Current tax liabilities	508
Deferred tax liabilities	4,288
Share capital repayable on demand	0
Other liabilities	10,277
Liabilities included in disposal groups classified as held for sale	0
TOTAL LIABILITIES	1,688,083
Capital	115,000
Paid up capital	115,000
Unpaid capital which has been called up	0
Share premium	0
Equity instruments issued other than capital	0
Other equity	0
Accumulated other comprehensive income	19,535
Retained earnings	111,282
Other reserves	5,750
Reserves or accumulated losses of investments in subsidiaries, joint ventures and associates accounted for using the equity method	0
Other	5,750
(–) Treasury shares	0
Profit or loss attributable to owners of the parent	9,372
(–) Interim dividends	0
Minority interests [Non-controlling interests]	0
TOTAL EQUITY	260,939
TOTAL LIABILITIES AND TOTAL EQUITY	1,949,022

Income statement

for 2018, in thousand HRK

Interest income	61,254
Financial assets held for trading	0
Non-trading financial assets mandatorily at fair value through profit or loss	0
Financial assets at fair value through profit or loss	0
Financial assets at fair value through other comprehensive income	26,606
Financial assets at amortised cost	34,648
Derivatives – hedge accounting, interest rate risk	0
Other assets	0
Interest income on liabilities	0
(Interest expenses)	38,086
(Financial liabilities held for trading)	0
(Financial liabilities designated at fair value through profit or loss)	0
(Financial liabilities measured at amortised cost)	37,961
(Derivatives – hedge accounting, interest rate risk)	0
(Other liabilities)	125
(Interest expense on assets)	0
DIVIDEND INCOME	0
Fee and commission income	6,990
(Fee and commission expenses)	3,109
Other operating income	38
(Other operating expenses)	6,020
TOTAL OPERATING INCOME, NET	21,035
(Administrative expenses)	9,619
(Staff expenses)	5,796
(Other administrative expenses)	3,822
(Depreciation)	72
Modification gains (–) losses, net	0
(Provisions or (–) reversal of provisions)	–1
(Commitments and guarantees given)	–2
(Other provisions)	1
(Impairment or (–) reversal of impairment on financial assets not measured at fair value through profit or loss)	–679
(Financial assets at fair value through other comprehensive income)	–2,082
(Financial assets at amortised cost)	1,403
(Impairment or (–) reversal of impairment of investments in subsidiaries, joint ventures and associates)	0
(Impairment or (–) reversal of impairment on non-financial assets)	0
Negative goodwill recognised in profit or loss	0
Share of the profit or (–) loss of investments in subsidiaries, joint ventures and associates accounted for using the equity method	0
Profit or (–) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	0
PROFIT OR (–) LOSS BEFORE TAX FROM CONTINUING OPERATIONS	12,024
(Tax expense or (–) income related to profit or loss from continuing operations)	2,651
PROFIT OR (–) LOSS AFTER TAX FROM CONTINUING OPERATIONS	9,372
Profit or (–) loss after tax from discontinued operations	0
Profit or (–) loss before tax from discontinued operations	0
(Tax expense or (–) income related to discontinued operations)	0
Profit (loss) for the year	9,372

Off-balance sheet items

as at 31 December 2018, in thousand HRK

Standard off-balance sheet items	
Guarantees	0
Uncovered letters of credit	0
Guaranteed bills of exchange	0
Accepted bills of exchange	0
Revolving loans	0
Margin credit lines	0
Other credit lines and commitments	7,921
Other standard risky off-balance sheet items	0
Total standard off-balance sheet items	7,921
Derivative financial instruments	
Options	0
Swaps	0
Forwards	0
Futures	0
Warrants	0
Other derivative financial instruments	0
Total notional amount of derivative financial instruments	0

RAIFFEISEN STAMBENA ŠTEDIONICA d.d.

Ulica grada Vukovara 37b, 10000 Zagreb
www.raiffeisenstambena.hr

Management board

Tomislav Matić – chairperson, Sonja Skobe

Supervisory board

Višnja Božinović – chairperson, Marko Jurjević, Liana Keserić

Total capital ratio

as at 31 December 2018, in %

22.96

Balance sheet

as at 31 December 2018, in thousand HRK

Assets	
Cash, cash balances at central banks and other demand deposits	85,808
Cash on hand	3
Cash balances at central banks	0
Other demand deposits	85,805
Financial assets held for trading	0
Derivatives	0
Equity instruments	0
Debt securities	0
Loans and advances	0
Non-trading financial assets mandatorily at fair value through profit or loss	0
Equity instruments	0
Debt securities	0
Loans and advances	0
Financial assets at fair value through profit or loss	0
Debt securities	0
Loans and advances	0
Financial assets at fair value through other comprehensive income	206,713
Equity instruments	0
Debt securities	206,713
Loans and advances	0
Financial assets at amortised cost	920,970
Debt securities	166,791
Loans and advances	754,179
Derivatives – hedge accounting	0
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0
Investments in subsidiaries, joint ventures and associates	0
Tangible assets	649
Property, plant and equipment	649
Investment property	0
Intangible assets	6,041
Goodwill	0
Other intangible assets	6,041
Tax assets	0
Current tax assets	0
Deferred tax assets	0
Other assets	3,036
Non-current assets and disposal groups classified as held for sale	0
TOTAL ASSETS	1,223,217

Shareholders

Share in share
capital (%)

1. Raiffeisenbank Austria d.d..... 100.00

Audit firm for 2018:

KPMG Croatia d.o.o., Zagreb

Liabilities and equity	
Financial liabilities held for trading	2,780
Derivatives	2,780
Short positions	0
Deposits	0
Issued debt securities	0
Other financial liabilities	0
Financial liabilities at fair value through profit or loss	0
Financial liabilities measured at amortised cost	1,102,778
Deposits	1,102,771
Issued debt securities	0
Other financial liabilities	7
Derivatives – hedge accounting	0
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0
Provisions	1,582
Pensions and other post employment defined benefit obligations	0
Other long-term employee benefits	663
Restructuring	0
Pending legal issues and tax litigation	277
Commitments and guarantees given	64
Other provisions	578
Tax liabilities	3,199
Current tax liabilities	2,875
Deferred tax liabilities	323
Share capital repayable on demand	0
Other liabilities	10,806
Liabilities included in disposal groups classified as held for sale	0
TOTAL LIABILITIES	1,121,143
Capital	180,000
Paid up capital	180,000
Unpaid capital which has been called up	0
Share premium	0
Equity instruments issued other than capital	0
Other equity	0
Accumulated other comprehensive income	3,109
Retained earnings	-84,197
Other reserves	0
Reserves or accumulated losses of investments in subsidiaries, joint ventures and associates accounted for using the equity method	0
Other	0
(-) Treasury shares	0
Profit or loss attributable to owners of the parent	3,162
(-) Interim dividends	0
Minority interests [Non-controlling interests]	0
TOTAL EQUITY	102,074
TOTAL LIABILITIES AND TOTAL EQUITY	1,223,217

Income statement

for 2018, in thousand HRK

Interest income	47,702
Financial assets held for trading	0
Non-trading financial assets mandatorily at fair value through profit or loss	0
Financial assets at fair value through profit or loss	0
Financial assets at fair value through other comprehensive income	2,179
Financial assets at amortised cost	44,519
Derivatives – hedge accounting, interest rate risk	0
Other assets	1,004
Interest income on liabilities	0
(Interest expenses)	26,302
(Financial liabilities held for trading)	1,117
(Financial liabilities designated at fair value through profit or loss)	0
(Financial liabilities measured at amortised cost)	25,159
(Derivatives – hedge accounting, interest rate risk)	0
(Other liabilities)	4
(Interest expense on assets)	22
DIVIDEND INCOME	0
Fee and commission income	3,600
(Fee and commission expenses)	1,281
Other operating income	503
(Other operating expenses)	4,529
TOTAL OPERATING INCOME, NET	17,673
(Administrative expenses)	15,876
(Staff expenses)	8,920
(Other administrative expenses)	6,956
(Depreciation)	1,150
Modification gains (–) losses, net	0
(Provisions or (–) reversal of provisions)	–69
(Commitments and guarantees given)	–64
(Other provisions)	–5
(Impairment or (–) reversal of impairment on financial assets not measured at fair value through profit or loss)	–2,447
(Financial assets at fair value through other comprehensive income)	21
(Financial assets at amortised cost)	–2,468
(Impairment or (–) reversal of impairment of investments in subsidiaries, joint ventures and associates)	0
(Impairment or (–) reversal of impairment on non-financial assets)	0
Negative goodwill recognised in profit or loss	0
Share of the profit or (–) loss of investments in subsidiaries, joint ventures and associates accounted for using the equity method	0
Profit or (–) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	0
PROFIT OR (–) LOSS BEFORE TAX FROM CONTINUING OPERATIONS	3,162
(Tax expense or (–) income related to profit or loss from continuing operations)	0
PROFIT OR (–) LOSS AFTER TAX FROM CONTINUING OPERATIONS	3,162
Profit or (–) loss after tax from discontinued operations	0
Profit or (–) loss before tax from discontinued operations	0
(Tax expense or (–) income related to discontinued operations)	0
Profit (loss) for the year	3,162

Off-balance sheet items

as at 31 December 2018, in thousand HRK

Standard off-balance sheet items	
Guarantees	0
Uncovered letters of credit	0
Guaranteed bills of exchange	0
Accepted bills of exchange	0
Revolving loans	0
Margin credit lines	0
Other credit lines and commitments	7,973
Other standard risky off-balance sheet items	0
Total standard off-balance sheet items	7,973
Derivative financial instruments	
Options	0
Swaps	148,352
Forwards	0
Futures	0
Warrants	0
Other derivative financial instruments	0
Total notional amount of derivative financial instruments	148,352

WÜSTENROT STAMBENA ŠTEDIONICA d.d.

Heinzelova 33A, 10000 Zagreb
www.wuestenrot.hr

Management board

Zdravko Anđel – chairperson, Ivan Ostojić

Supervisory board

Susanne Riess – chairperson, Emanuel Kovačić, Andreas Grünbichler

Total capital ratio

as at 31 December 2018, in %

15.11

Balance sheet

as at 31 December 2018, in thousand HRK

Assets	
Cash, cash balances at central banks and other demand deposits	48,576
Cash on hand	6
Cash balances at central banks	0
Other demand deposits	48,570
Financial assets held for trading	99,874
Derivatives	0
Equity instruments	0
Debt securities	99,874
Loans and advances	0
Non-trading financial assets mandatorily at fair value through profit or loss	0
Equity instruments	0
Debt securities	0
Loans and advances	0
Financial assets at fair value through profit or loss	0
Debt securities	0
Loans and advances	0
Financial assets at fair value through other comprehensive income	0
Equity instruments	0
Debt securities	0
Loans and advances	0
Financial assets at amortised cost	1,752,238
Debt securities	338,979
Loans and advances	1,413,259
Derivatives – hedge accounting	0
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0
Investments in subsidiaries, joint ventures and associates	0
Tangible assets	2,570
Property, plant and equipment	1,718
Investment property	851
Intangible assets	2,727
Goodwill	0
Other intangible assets	2,727
Tax assets	7,686
Current tax assets	1,699
Deferred tax assets	5,987
Other assets	30
Non-current assets and disposal groups classified as held for sale	496
TOTAL ASSETS	1,914,197

Shareholders

Share in share
capital (%)

1. Bausparkasse Wüstenrot AG..... 100.00

Audit firm for 2018:

KPMG Croatia d.o.o., Zagreb

Liabilities and equity	
Financial liabilities held for trading	0
Derivatives	0
Short positions	0
Deposits	0
Issued debt securities	0
Other financial liabilities	0
Financial liabilities at fair value through profit or loss	0
Financial liabilities measured at amortised cost	1,784,214
Deposits	1,783,320
Issued debt securities	0
Other financial liabilities	894
Derivatives – hedge accounting	0
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0
Provisions	2,542
Pensions and other post employment defined benefit obligations	0
Other long-term employee benefits	2,083
Restructuring	0
Pending legal issues and tax litigation	229
Commitments and guarantees given	230
Other provisions	0
Tax liabilities	4,387
Current tax liabilities	4,387
Deferred tax liabilities	0
Share capital repayable on demand	0
Other liabilities	11,394
Liabilities included in disposal groups classified as held for sale	0
TOTAL LIABILITIES	1,802,537
Capital	72,894
Paid up capital	72,894
Unpaid capital which has been called up	0
Share premium	0
Equity instruments issued other than capital	0
Other equity	0
Accumulated other comprehensive income	0
Retained earnings	35,399
Other reserves	1,863
Reserves or accumulated losses of investments in subsidiaries, joint ventures and associates accounted for using the equity method	0
Other	1,863
(-) Treasury shares	0
Profit or loss attributable to owners of the parent	1,504
(-) Interim dividends	0
Minority interests [Non-controlling interests]	0
TOTAL EQUITY	111,660
TOTAL LIABILITIES AND TOTAL EQUITY	1,914,197

Income statement

for 2018, in thousand HRK

Interest income	82,185
Financial assets held for trading	3,596
Non-trading financial assets mandatorily at fair value through profit or loss	0
Financial assets at fair value through profit or loss	0
Financial assets at fair value through other comprehensive income	410
Financial assets at amortised cost	78,179
Derivatives – hedge accounting, interest rate risk	0
Other assets	0
Interest income on liabilities	0
(Interest expenses)	40,580
(Financial liabilities held for trading)	0
(Financial liabilities designated at fair value through profit or loss)	0
(Financial liabilities measured at amortised cost)	40,580
(Derivatives – hedge accounting, interest rate risk)	0
(Other liabilities)	0
(Interest expense on assets)	0
DIVIDEND INCOME	0
Fee and commission income	20,227
(Fee and commission expenses)	631
Other operating income	2,662
(Other operating expenses)	6,138
TOTAL OPERATING INCOME, NET	55,462
(Administrative expenses)	51,603
(Staff expenses)	27,849
(Other administrative expenses)	23,755
(Depreciation)	1,355
Modification gains (–) losses, net	0
(Provisions or (–) reversal of provisions)	–23
(Commitments and guarantees given)	–34
(Other provisions)	11
(Impairment or (–) reversal of impairment on financial assets not measured at fair value through profit or loss)	445
(Financial assets at fair value through other comprehensive income)	0
(Financial assets at amortised cost)	445
(Impairment or (–) reversal of impairment of investments in subsidiaries, joint ventures and associates)	0
(Impairment or (–) reversal of impairment on non-financial assets)	0
Negative goodwill recognised in profit or loss	0
Share of the profit or (–) loss of investments in subsidiaries, joint ventures and associates accounted for using the equity method	0
Profit or (–) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	0
PROFIT OR (–) LOSS BEFORE TAX FROM CONTINUING OPERATIONS	2,081
(Tax expense or (–) income related to profit or loss from continuing operations)	577
PROFIT OR (–) LOSS AFTER TAX FROM CONTINUING OPERATIONS	1,504
Profit or (–) loss after tax from discontinued operations	0
Profit or (–) loss before tax from discontinued operations	0
(Tax expense or (–) income related to discontinued operations)	0
Profit (loss) for the year	1,504

Off-balance sheet items

as at 31 December 2018, in thousand HRK

Standard off-balance sheet items	
Guarantees	0
Uncovered letters of credit	0
Guaranteed bills of exchange	0
Accepted bills of exchange	0
Revolving loans	0
Margin credit lines	0
Other credit lines and commitments	28,750
Other standard risky off-balance sheet items	0
Total standard off-balance sheet items	28,750
Derivative financial instruments	
Options	0
Swaps	0
Forwards	0
Futures	0
Warrants	0
Other derivative financial instruments	0
Total notional amount of derivative financial instruments	0

Attachment I List of credit institutions, end of period

Ordinal no. as at 31. Dec. 2018	Name of credit institution and its head office	Identifier									
		2010	2011	2012	2013	2014	2015	2016	2017	2018	
1	Addiko Bank d.d., Zagreb ¹⁾	B	B	B	B	B	B	B	B	B	B
2	Agram banka d.d., Zagreb ²⁾	B	B	B	B	B	B	B	B	B	B
	Banco Popolare Croatia d.d., Zagreb ³⁾	B	B	B	B	–	–	–	–	–	–
3	Banka Kovanica d.d., Varaždin	B	B	B	B	B	B	B	B	B	B
	Banka splitsko-dalmatinska d.d., Split ⁴⁾	B	B	B	B	B	B	–	–	–	–
	BKS Bank d.d., Rijeka ⁵⁾	B	B	B	B	B	B	–	–	–	–
	Centar banka d.d., Zagreb ⁶⁾	B	B	B	–	–	–	–	–	–	–
	Credo banka d.d., Split ⁷⁾	B	–	–	–	–	–	–	–	–	–
4	Croatia banka d.d., Zagreb	B	B	B	B	B	B	B	B	B	B
5	Erste&Steiermärkische Bank d.d., Rijeka	B	B	B	B	B	B	B	B	B	B
6	Hrvatska poštanska banka d.d., Zagreb	B	B	B	B	B	B	B	B	B	B
7	Imex banka d.d., Split	B	B	B	B	B	B	B	B	B	B
8	Istarska kreditna banka Umag d.d., Umag	B	B	B	B	B	B	B	B	B	B
9	J&T banka d.d., Varaždin ⁸⁾	B	B	B	B	B	B	B	B	B	B
10	Jadranska banka d.d., Šibenik ⁹⁾	B	B	B	B	B	B	B	B	B	B
11	Karlovačka banka d.d., Karlovac	B	B	B	B	B	B	B	B	B	B
12	KentBank d.d., Zagreb ¹⁰⁾	B	B	B	B	B	B	B	B	B	B
	Međimurska banka d.d., Čakovec ¹¹⁾	B	B	–	–	–	–	–	–	–	–
	Nava banka d.d., Zagreb ¹²⁾	B	B	B	B	–	–	–	–	–	–
13	OTP banka Hrvatska d.d., Split ¹³⁾	B	B	B	B	B	B	B	B	B	B
14	Partner banka d.d., Zagreb	B	B	B	B	B	B	B	B	B	B
15	Podravska banka d.d., Koprivnica	B	B	B	B	B	B	B	B	B	B
	Primorska banka d.d., Rijeka ¹⁴⁾	B	B	B	B	B	B	B	B	B	–
16	Privredna banka Zagreb d.d., Zagreb	B	B	B	B	B	B	B	B	B	B
17	Raiffeisenbank Austria d.d., Zagreb	B	B	B	B	B	B	B	B	B	B
18	Samoborska banka d.d., Samobor	B	B	B	B	B	B	B	B	B	B
19	Sberbank d.d., Zagreb ¹⁵⁾	B	B	B	B	B	B	B	B	B	B
20	Slatinska banka d.d., Slatina	B	B	B	B	B	B	B	B	B	B
	Splitska banka d.d., Split ¹⁶⁾	B	B	B	B	B	B	B	B	–	–
	Štedbanka d.d., Zagreb ¹⁷⁾	B	B	B	B	B	B	B	–	–	–
	Tesla štedna banka d.d., Zagreb ¹⁸⁾	SB	SB	SB	SB	SB	SB	SB	SB	SB	–
	Veneto banka d.d., Zagreb ¹⁹⁾	B	B	B	B	B	B	B	B	–	–
21	Zagrebačka banka d.d., Zagreb	B	B	B	B	B	B	B	B	B	B
1	HPB-Stambena štedionica d.d., Zagreb	HSB	HSB	HSB	HSB	HSB	HSB	HSB	HSB	HSB	HSB
2	PBZ stambena štedionica d.d., Zagreb	HSB	HSB	HSB	HSB	HSB	HSB	HSB	HSB	HSB	HSB
	Prva stambena štedionica d.d., Zagreb ²⁰⁾	HSB	HSB	HSB	HSB	HSB	HSB	HSB	HSB	HSB	–
3	Raiffeisen stambena štedionica d.d., Zagreb	HSB	HSB	HSB	HSB	HSB	HSB	HSB	HSB	HSB	HSB
4	Wüstenrot stambena štedionica d.d., Zagreb	HSB	HSB	HSB	HSB	HSB	HSB	HSB	HSB	HSB	HSB

¹⁾ Hypo Alpe-Adria-Bank d.d., Zagreb, changed its name to Addiko Bank d.d., Zagreb, on 11 July 2016. ²⁾ Kreditna banka Zagreb d.d., Zagreb, changed its name to Agram banka d.d., Zagreb on 28 December 2018. ³⁾ Banco Popolare Croatia d.d., Zagreb, merged with OTP banka Hrvatska d.d., Split, on 1 December 2014. ⁴⁾ Bankruptcy proceedings were instituted against Banka splitsko-dalmatinska d.d., Split, on 1 July 2016. ⁵⁾ BKS Bank d.d., Rijeka, merged with BKS Bank AG, Klagenfurt, on 1 October 2016. At the same time, BKS Bank AG, Glavna podružnica Rijeka, became operational. It changed its name to BKS Bank AG, Glavna podružnica Hrvatska, on 30 June 2017. ⁶⁾ Bankruptcy proceedings were instituted against Centar banka d.d., Zagreb, on 30 September 2013. ⁷⁾ Credo banka d.d., Split, had its authorisation withdrawn on 22 November 2011 and a decision was reached to open compulsory winding-up proceedings. Bankruptcy proceedings were initiated on 16 January 2012. ⁸⁾ Vaba d.d. banka Varaždin, Varaždin, changed its name to J&T banka d.d., Varaždin, on 2 January 2017. ⁹⁾ Resolution proceedings were instituted against Jadranska banka d.d., Šibenik, on 9 October 2015 and were completed on 13 July 2018. The Bank merged with Hrvatska poštanska banka d.d., Zagreb, on 1 April 2019. ¹⁰⁾ Banka Brod d.d., Slavonski Brod, changed its name to KentBank d.d., Zagreb, on 6 July 2012. ¹¹⁾ Međimurska banka d.d., Čakovec, merged with Privredna banka Zagreb d.d., Zagreb, on 1 December 2012. ¹²⁾ Bankruptcy proceedings were instituted against Nava banka d.d., Zagreb, on 1 December 2014. ¹³⁾ OTP banka Hrvatska d.d., Split, relocated its head office from Zadar to Split on 3 October 2018. ¹⁴⁾ Voluntary winding-up proceedings were initiated in Primorska banka d.d., Rijeka, on 21 June 2018. ¹⁵⁾ Volksbank d.d., Zagreb, changed its name to Sberbank d.d., Zagreb, on 18 January 2013. ¹⁶⁾ Société Générale-Splitska banka d.d., Split, changed its name to Splitska banka d.d., Split, on 15 May 2017 and merged with OTP banka Hrvatska d.d., Split, on 3 December 2018. ¹⁷⁾ Voluntary winding-up proceedings were initiated in Štedbanka d.d., Zagreb, on 27 December 2017. ¹⁸⁾ A štedna banka malog poduzetništva d.d., Zagreb, changed its name to Tesla štedna banka d.d., Zagreb, on 23 May 2011. Bankruptcy proceedings were instituted against it on 30 March 2018. The Bank did not submit the audited data as at the end of 2017 and is therefore not included in the aggregated data as at the date presented in tables and figures (it is included in the data relating to the number of banks). ¹⁹⁾ Veneto banka d.d., Zagreb, merged with Privredna banka Zagreb d.d., Zagreb, on 12 October 2018. ²⁰⁾ Prva stambena štedionica d.d., Zagreb, merged with Zagrebačka banka d.d., Zagreb, on 1 June 2018.

B – bank; SB – savings bank; HSB – housing savings bank

Attachment II Credit institution groups subject to reporting to the CNB on a consolidated basis, as at 31 December 2018

	Credit institution group	Parent credit institution	Group members
1	ERSTE&STEIERMÄRKISCHE BANK	Erste&Steiermärkische Bank d.d., Rijeka	Erste Bank AD, Podgorica Erste Card Club d.d., Zagreb Erste Factoring d.o.o., Zagreb Erste&Steiermärkische S-Leasing d.o.o., Zagreb Erste Card d.o.o., Ljubljana Diners Club International Mak d.o.o.e.l., Skopje
2	HRVATSKA POŠTANSKA BANKA	Hrvatska poštanska banka d.d., Zagreb	HPB-Stambena štedionica d.d., Zagreb Jadranska banka d.d., Šibenik
3	OTP BANKA	OTP banka Hrvatska d.d., Split	SB ZGRADA d.o.o., Split
4	PRIVREDNA BANKA ZAGREB	Privredna banka Zagreb d.d., Zagreb	PBZ CARD d.o.o., Zagreb Banka Intesa Sanpaolo d.d. Slovenija, Koper Intesa Sanpaolo Banka d.d. Bosna i Hercegovina, Sarajevo PBZ CROATIA OSIGURANJE d.d. za upravljanje obveznim mirovinskim fondovima, Zagreb PBZ-LEASING d.o.o., Zagreb PBZ stambena štedionica d.d., Zagreb PBZ-NEKRETNINE d.o.o., Zagreb
5	RAIFFEISENBANK AUSTRIA	Raiffeisenbank Austria d.d., Zagreb	Raiffeisen Consulting d.o.o., Zagreb Raiffeisen Factoring d.o.o., Zagreb Raiffeisen Leasing d.o.o., Zagreb Raiffeisen stambena štedionica d.d., Zagreb
6	ZAGREBAČKA BANKA	Zagrebačka banka d.d., Zagreb	UniCredit Bank d.d. Mostar, Mostar ZB Invest d.o.o., Zagreb UniCredit Leasing Croatia d.o.o., Zagreb

Abbreviations

bn	– billion
CBRD	– Croatian Bank for Reconstruction and Development
CICR	– currency-induced credit risk
CNB	– Croatian National Bank
DAB	– State Agency for Deposit Insurance and Bank Resolution
d.d.	– dioničko društvo (joint stock company)
EIR	– effective interest rate
EU	– European Union
HHI	– Herfindahl-Hirschman Index
HRK	– Croatian kuna
IAS	– International Accounting Standard
IFRS	– International Financial Reporting Standard
IRB	– internal ratings-based approach
LCR	– liquidity coverage ratio
MoF	– Ministry of Finance
m	– million
No.	– number
NSFR	– net stable funding ratio
OG	– Official Gazette
RC	– Republic of Croatia
ROAA	– return on average assets
ROAE	– return on average equity
TCR	– total capital ratio

Symbols

.... – data not available

