

Basic audited financial statements
Consolidated and unconsolidated
31 December 2017

Income statement

For the year ended 31 December

(in HRK million)

	GROUP		BANK	
	2017	Restated 2016	2017	2016
Interest income	3,500	3,686	2,748	2,908
Interest expense	(526)	(736)	(374)	(573)
Net interest income	2,974	2,950	2,374	2,335
Fee and commission income	1,848	1,774	811	754
Fee and commission expense	(347)	(334)	(126)	(120)
Net fee and commission income	1,501	1,440	685	634
Dividend income	6	14	445	227
Net trading income/(expense) and net gains/(losses) on translation of monetary assets and liabilities	240	230	215	213
Fair value adjustment in hedge accounting	(1)	1	-	-
Other operating income	188	589	96	430
Total operating income	4,908	5,224	3,815	3,839
Impairment losses on loans and advances to customers	(823)	(602)	(608)	(389)
Losses recognized in CHF conversion	-	30	-	30
Other impairment losses and provisions	(6)	12	(1)	24
Personnel expenses	(1,102)	(1,081)	(730)	(718)
Depreciation and amortization	(198)	(244)	(118)	(113)
Other operating expenses	(1,143)	(1,158)	(684)	(688)
Share of profits from associates	14	24	-	-
Profit before income tax	1,650	2,205	1,674	1,985
Income tax expense	(304)	(466)	(231)	(380)
Profit for the year	1,346	1,739	1,443	1,605
Attributable to:				
Equity holders of the Bank	1,331	1,660	1,443	1,605
Non-controlling interests	15	79	-	-
	1,346	1,739	1,443	1,605

Statement of financial position

As at 31 December

(in HRK million)

Assets	GROUP		BANK	
	2017	Restated 2016	2017	2016
Cash and current accounts with banks	18,711	14,292	15,466	12,338
Balances with the Croatian National Bank	4,185	3,916	4,185	3,916
Financial assets at fair value through profit or loss	2,213	6,104	2,210	5,975
Derivative financial assets	22	33	2	19
Fair value changes of the hedged items in portfolio hedge of interest rate risk	1	-	-	-
Loans and advances to banks	2,414	3,614	1,493	1,731
Loans and advances to customers	64,900	65,177	44,562	45,667
Financial assets available for sale	7,573	4,085	4,145	370
Held-to-maturity investments	16	17	-	-
Investments in subsidiaries and associates	69	67	1,962	953
Intangible assets	227	189	162	124
Property and equipment	1,360	1,152	621	545
Investment property	8	168	1	50
Non-current assets held for sale	342	-	90	-
Deferred tax assets	125	137	79	88
Other assets	724	735	515	274
Tax prepayments	22	22	4	-
Total assets	102,912	99,708	75,497	72,050

Statement of financial position

As at 31 December

(in HRK million)

	GROUP		BANK	
	2017	Restated 2016	2017	2016
Liabilities				
Current accounts and deposits from banks	1,191	1,595	1,064	1,376
Current accounts and deposits from customers	78,157	74,284	57,173	54,108
Derivative financial liabilities	13	22	7	5
Fair value changes of the hedged items in portfolio hedge of interest rate risk	9	3	-	-
Interest-bearing borrowings	3,783	4,235	2,377	2,747
Subordinated liabilities	1	1	-	-
Other liabilities	2,354	1,932	677	481
Accrued expenses and deferred income	362	318	165	137
Provisions for liabilities and charges	351	362	249	257
Deferred tax liabilities	86	33	30	5
Current tax liability	6	172	-	165
Total liabilities	86,313	82,958	61,742	59,281
Equity				
Share capital	1,907	1,907	1,907	1,907
Share premium	1,570	1,570	1,570	1,570
Treasury shares	(76)	(76)	(76)	(76)
Other reserves	1,370	1,271	296	302
Fair value reserve	99	81	49	19
Retained earnings	11,910	11,127	10,009	9,047
Merger reserve	(1,231)	(254)	-	-
Total equity attributable to equity holders of the Bank	15,549	15,626	13,755	12,769
Non-controlling interests	1,050	1,124	-	-
Total equity	16,599	16,751	13,755	12,769
Total liabilities and equity	102,912	99,708	75,497	72,050

Contingent liabilities and commitments

As at 31 December

(in HRK million)

	GROUP		BANK	
	2017	Restated 2016	2017	2016
Undrawn lending commitments	14,214	12,957	11,224	10,094
Performance guarantees	3,081	2,975	2,329	2,256
Kuna payment guarantees	445	342	445	342
Foreign currency payment guarantees	1,529	1,480	583	456
Foreign currency letters of credit	65	211	53	190
Factoring and forfaiting	-	2	-	2
Other contingent liabilities	1	1	1	1
	19,335	17,968	14,635	13,341