

Pursuant to Article 146c and Article 162, paragraph (1), item (2) of the Credit Institutions Act (Official Gazette 159/2013, 19/2015 and 102/2015) and Article 43, paragraph (2), item (9) of the Act on the Croatian National Bank (Official Gazette 75/2008 and 54/2013), the Governor of the Croatian National Bank hereby issues the

Decision on amendments to the Decision on supervisory reports of credit institutions

Article 1

In the whole text of the Decision on supervisory reports of credit institutions (Official Gazette 41A/2014, 127/2014, 67/2015, 119/2015, 7/2017 and 44/2017), the word "RS3" is replaced by the word "RS4", the word "MIKI2" is replaced by the word "MIKI3", the word "PIKI1" is replaced by the word "PIKI2", the word "ID3" is replaced by the word "ID4", the word "VIKR2" is replaced by the word "VIKR3", the word "DNP" is replaced by the word "DNP1", the word "ROC1" is replaced by the word "ROC2", the word "D5M2" is replaced by the word "D5M3", the word "POKI1" is replaced by the word "POKI2", and the word "PROP" by the word "PROP1".

Article 2

In Article 3, paragraph (3), the words "items (1) to (16)" are replaced by the words "items (2) to (14)".

Article 3

In Article 7, paragraph (1), items (1), (15) and (16) are deleted.

Article 4

In Article 8, paragraph (1), item (1), the words "items (1) to (3)" are replaced by the words "item (2), item (3)".

Item (3) is deleted.

Article 5

In Article 9, paragraph (1), item (1) is amended to read:

"1) the data for the preparation of the supervisory reports referred to in Article 7, paragraph (1), items (2) to (5), items (10) and (11); and".

Article 6

In Article 10, paragraph (1), item (1) is amended to read:

"1) the data for the preparation of the supervisory reports referred to in Article 7, paragraph (1), items (2) to (12) and item (20); and".

Paragraph (3), item (1) is amended to read:

"1) the data for the preparation of the supervisory reports referred to in Article 7, paragraph (1), items (2) to (5), item (10) and item (11); and "

Article 7

In Article 11, paragraph (1), item (1), the words "items (1) to (3)" are replaced by the words "item (2), item (3)".

In item (2), the words "item (11), item (12), item (15), item (16) of this Decision" are replaced by the words "item (11) and item (12) of this Decision".

Article 8

In the Instructions for preparing and delivering supervisory reports of credit institutions, which constitutes an integral part of the Decision on supervisory reports of credit institutions, Chapters II.2.1, II.2.15 and II.2.16 are deleted.

Article 9

Item (7) of the Instructions is amended to read:

"7. The reporting requirement on credit institutions which is met by supervisory reports is prescribed by the Credit Institutions Act and subordinate legislation of the Croatian National Bank on the classification of exposures into risk categories and on the limits of credit institutions' holdings of tangible assets."

Article 10

Item (20) of the Instructions is amended to read:

"20. The Report IBS shall show the assumed off-balance sheet liabilities in accordance with the subordinate legislation of the Croatian National bank on the classification of exposures into risk categories (standard risky off-balance sheet items) and the notional amount of derivative financial instruments."

Article 11

Item (22) of the Instructions is amended to read:

"22. The Report on credit risk exposure by risk categories (hereinafter: the Report RS4) shall be prepared pursuant to Article 162, paragraph (1), item (2) of the Credit Institutions Act and pursuant to the subordinate legislation of the Croatian National Bank on the classification of exposures into risk categories."

Article 12

Items (24) to (29) of the Instructions are amended to read:

"24. The Report RS4 shall show by individual risk category the balance sheet exposures and off-balance sheet liabilities referred to in the subordinate legislation of the Croatian National Bank on the classification of exposures into risk categories.

25. The Report RS4 shall show exposure items as at the last day of the reporting period, at the gross carrying amount, i.e. before any impairment.

26. The Report RS4 shall show balance sheet exposures grouped into portfolios "Financial assets at amortised cost" and "Financial assets at fair value through other comprehensive income".

27. Receivables based on interest and receivables based on fees for individual financial instruments shall be presented separately in each of the relevant portfolios of financial assets.

28. Fair values of embedded derivatives shall be presented in the Report RS4 under the amount of the underlying financial instrument.

29. At the level of individual types of balance sheet exposures, the undue portion of the placement, the due portion of the placement and impairment shall be presented in the Report RS4."

Article 13

Items (30) and (31) of the Instructions are deleted.

Article 14

In item (34) of the Instructions, the words "under IAS 39" are replaced by the words "International Financial Reporting Standard 9".

Article 15

In the whole item (42) of the Instructions, the words "'AM", "AA" and "OI"' are replaced by the words "'AM" and "OI"'.

Article 16

Items (44) and (45) are amended to read:

"44. Total tangible assets shall be presented in the Report MIK13 depending on its treatment by the credit institution in accordance with International Financial Reporting Standards, while assets acquired by the credit institution in exchange for claims shall be presented separately.

45. Total rights to use tangible assets shall be presented in the Report MIK13 as assets in use and assets in preparation or, if so valued by the credit institution, as tangible assets held for sale (International Financial Reporting Standard 5)."

Article 17

In item (48) of the Instructions, the words "and depreciation" are added after the words "value adjustments".

Article 18

Items (55) to (63) of the Instructions are amended to read:

"55. The Report on exposures to debtors (hereinafter: the Report ID4) shall be prepared pursuant to Article 162, paragraph (1), item (2) of the Credit Institutions Act and subordinate legislation of the Croatian National Bank on the classification of exposures into risk categories.

56. The Report ID4 shall present the following values of exposure to each debtor, i.e. a group of persons connected with the credit institution:

- 1) exposure to credit risk and classification of exposures into risk categories;
- 2) other exposures;
- 3) claims written-off and interest excluded;
- 4) restructured exposures; and
- 5) exposure to currency induced credit risk.

57. In the Report ID4, items relating to exposure to credit risk and classification of balance sheet and off-balance sheet exposures by risk categories shall be presented as at the last day of the reporting period, at gross carrying amount, i.e. before any impairment. Other exposures shall be presented as at the last day of the reporting period, at net carrying amount, i.e. after any impairment.

58. Claims written-off, interest excluded and restructured exposures shall be presented as at the last day of the reporting period. The columns on individual debtors shall present the data only for domestic legal persons and monetary financial institutions of the European Union; domestic natural persons, craftsmen and non-residents shall be shown on a summary basis in the row of Portfolio of small loans.

59. Restructured exposures include restructured exposures as defined in the Commission Implementing Regulation (EU) No 680/2014 of 16 April 2014 laying down implementing technical standards with regard to supervisory reporting of institutions according to Regulation (EU) No 575/2013 of the European Parliament and of the Council.

60. In the Report ID4, items relating to exposure to currency induced credit risk, as defined in the subordinate legislation of the Croatian National Bank on the classification of exposures into risk categories, shall be presented as at the last day of the reporting period, at net carrying amount, i.e. after any impairment.

61. The value of exposure to individual debtors is defined in subordinate legislation of the Croatian National Bank on the classification of exposures into risk categories, which describes individually significant exposures, where individual debtors are classified into groups of connected persons to which a respective debtor belongs.

62. Determination of the value of individual debtors in the Report ID4 shall be based on the identification number, and shall include all the counterparties (debtors) marked in the report "PO" by a modality "IZ" in attribute 27 "Identification basis".

63. The Report ID4 shall be prepared on the basis of the data submitted in the reports "AA", "AF", "AN", "AP", "AS", "AV", "AW", "RA", "AE" and "PO" by selecting individual attribute modalities from these reports for each position (tag) in the Report ID4 and in accordance with Table 9 of these Instructions."

Article 19

Items (73) to (77) of the Instructions are amended to read:

"73. The assessment of whether balance sheet exposures and off-balance sheet liabilities are hedged against currency induced credit risk presented in the Report VIKR3 in accordance with subordinate legislation of the Croatian National Bank on the classification of risks into risk categories shall be based on an internal system of identification of credit institutions' debtors with matched and those with unmatched foreign exchange positions.

74. In the Report VIKR3, the amounts of items hedged and items unhedged against currency induced credit risk, i.e. those items that are not assessed under subordinate legislation of the Croatian National Bank on the classification of exposures into risk categories shall be presented separately.

75. Exposures of credit institutions, presented in the Report VIKR3 shall include balance sheet exposures and assumed off-balance sheet liabilities presented in the Report RS4, denominated in foreign currency or indexed to a foreign currency, including a one-way currency clause.

76. In the Report VIKR3, balance sheet exposures shall be grouped into portfolios "Financial assets at amortised cost" and "Financial assets at fair value through other comprehensive income".

77. Balance sheet exposures in the Report VIKR3 shall be presented at net carrying amount, i.e. after any impairment."

Article 20

In item (111) of the Instructions, the words "before any reduction for value adjustments for identified losses arising from placements" are replaced by the words "before any impairment arising from balance sheet exposures".

Article 21

Item (135.n) of the Instructions is amended to read:

"135.n The Report PROP1 shall present data on financial assets sold by a credit institution in the reporting month, with data on placements by risk category (balance sheet exposures within the scope of subordinate legislation of the Croatian National Bank on the classification of exposures into risk categories), financial assets held by the credit institution in accordance with the International Financial Reporting Standard 5 and financial assets measured at fair value through profit or loss in accordance with International Financial Reporting Standard 9 (except held for trading assets portfolio), being shown separately. Gross carrying amount and impairment of sold placements, off-balance sheet liabilities arising from sold placements and the price at which placements were sold shall be indicated."

Article 22

In item (135.r) the words "data on placements" are replaced by the words "data on placements (debt financial instruments held by credit institution in accordance with International Financial Reporting Standards 5 or 9)".

Article 23

Item (246.c) of the Instructions is amended to read:

"The form Impact of interest rate risk in the non-trading book on net interest income (hereinafter: the Form NKP) has four lines earmarked for the description of the impact of interest rate risk in the non-trading book on net interest income. When specifying the time needed for capital allocation, the date shall be entered in the field in line 3 (Date1). Even though the line relates to the calendar year and month, for the purposes of technical delivery, the calendar year, the month and the last day of the month shall be entered in the date field. For instance, for December 2016, in the field Date1, digits 20161231 (yyyymmdd) shall be entered. The first two lines of the field Date1 are left empty ("Null"). This field is submitted in the same manner in line 3 if the credit institution made no capital allocation based on the impact of interest risk in the non-trading book on net interest income"

Article 24

This Article stipulates the technical specifications for preparing supervisory reports so it is left out from the translated text.

Article 25

Credit institutions shall prepare the first Report on credit risk exposure by risk categories (RS4), the Report on past due receivables (DNP1), the Report on borrowers whose debt exceeds HRK 5m (D5M3), the Report on exposures to persons in a special relationship with a credit institution (POKI2), and the Report on sold placements (PROP1) in accordance with this Decision and submit it with the balance as at 31 January 2018.

Credit institutions shall prepare the first Report on tangible assets (MIKI3), the Report on acquired assets (PIKI2), the Report on exposures to debtors (ID4), the Report on exposure to currency induced credit risk (VIKR3) and the Report on the remaining maturity of assets and liabilities (ROC2) and submit it with the balance as at 31 March 2018.

In accordance with the Decision on supervisory reports of credit institutions (Official Gazette 41A/2014, 127/2014, 67/2015, 119/2015, 7/2017 and 44/2017) credit institutions shall submit the last Balance sheet (BN1), the Report on credit risk exposure by risk categories (RS3), the Report on tangible assets (MIKI2), the Report on acquired assets (PIKI1), the Report on exposures to debtors (ID3), the Report on exposure to currency induced credit risk (VIKR2), the Report on past due receivables (DNP), the Report on the remaining maturity of assets and liabilities (ROC1), the Report on borrowers whose debt exceeds HRK 5m (D5M2), the Report on changes in value adjustments and provisions (PIV3), the Income statement (RN), the Report on exposures to persons in a special relationship with a credit institution (POKI1) and the Report on sold placements (PROP) to the Croatian National Bank with the balance as at 31 December 2017 within the following deadlines:

- 1) unaudited preliminary reports by 11 February 2018 at the latest;
- 2) audited reports by 30 April 2018 at the latest.

Article 26

This Decision shall be published in the Official Gazette and shall enter into force on 1 January 2018.

No.: 322-020/11-17/BV
Zagreb, 20 November 2017

Croatian National Bank
Governor
Boris Vujčić