

Council Directive of 8 December 1986 on the annual accounts and consolidated accounts of banks and other financial institutions (86/635/EEC)

SECTION 5

**LAYOUT OF THE PROFIT AND LOSS ACCOUNT**

*Article 26*

For the presentation of the profit and loss account, the Member States shall prescribe one or both of the layouts provided for in Articles 27 and 28. If a Member State prescribes both layouts it may allow undertakings to choose between them.

[<sup>F1</sup>By way of derogation from Article 2(1) of Directive 78/660/EEC, Member States may permit or require all credit institutions, or any classes of credit institution, to present a statement of their performance instead of the presentation of profit and loss items in accordance with Articles 27 or 28, provided that the information given is at least equivalent to that otherwise required by those Articles.]

**Textual Amendments**

- F1** Inserted by [Directive 2003/51/EC of the European Parliament and of the Council of 18 June 2003 amending Directives 78/660/EEC, 83/349/EEC, 86/635/EEC and 91/674/EEC on the annual and consolidated accounts of certain types of companies, banks and other financial institutions and insurance undertakings \(Text with EEA relevance\).](#)

*Article 27*

**Vertical layout**

1. Interest receivable and similar income, showing separately that arising from fixed-income securities
2. Interest payable and similar charges
3. Income from securities:
  - (a) Income from shares and other variable-yield securities
  - (b) Income from participating interests
  - (c) Income from shares in affiliated undertakings
4. Commissions receivable
5. Commissions payable
6. Net profit or net loss on financial operations
7. Other operating income
8. General administrative expenses:
  - (a) Staff costs, showing separately:

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- wages and salaries
- social security costs, with a separate indication of those relating to pensions
- (b) Other administrative expenses
- 9. Value adjustments in respect of Assets items 9 and 10
- 10. Other operating charges
- 11. Value adjustments in respect of loans and advances and provisions for contingent liabilities and for commitments
- 12. Value re-adjustments in respect of loans and advances and provisions for contingent liabilities and for commitments
- 13. Value adjustments in respect of transferable securities held as financial fixed assets, participating interests and shares in affiliated undertakings
- 14. Value re-adjustments in respect of transferable securities held as financial fixed assets, participating interests and shares in affiliated undertakings
- 15. Tax on profit or loss on ordinary activities
- 16. Profit or loss on ordinary activities after tax
- 17. Extraordinary income
- 18. Extraordinary charges
- 19. Extraordinary profit or loss
- 20. Tax on extraordinary profit or loss
- 21. Extraordinary profit or loss after tax
- 22. Other taxes not shown under the preceeding items
- 23. Profit or loss for the financial year

#### *Article 28*

#### **Horizontal layout**

- A. *Charges*
  - 1. Interest payable and similar charges
  - 2. Commissions payable
  - 3. Net loss on financial operations
  - 4. General administrative expenses:
    - (a) Staff costs, showing separately:
      - wages and salaries
      - social security costs, with a separate indication of those relating to pensions

- (b) Other administrative expenses
  - 5. Value adjustments in respect of Assets items 9 and 10
  - 6. Other operating charges
  - 7. Value adjustments in respect of loans and advances and provisions for contingent liabilities and for commitments
  - 8. Value adjustments in respect of transferable securities held as financial fixed assets, participating interests and shares in affiliated undertakings
  - 9. Tax on profit or loss on ordinary activities
  - 10. Profit or loss on ordinary activities after tax
  - 11. Extraordinary charges
  - 12. Tax on extraordinary profit or loss
  - 13. Extraordinary loss after tax
  - 14. Other taxes not shown under the preceding items
  - 15. Profit for the financial year
- B. *Income***
- 1. Interest receivable and similar income, showing separately that arising from fixed-income securities
  - 2. Income from securities:
    - (a) Income from shares and other variable-yield securities
    - (b) Income from participating interests
    - (c) Income from shares in affiliated undertakings
  - 3. Commissions receivable
  - 4. Net profit on financial operations
  - 5. Value re-adjustments in respect of loans and advances and provisions for contingent liabilities and for commitments
  - 6. Value re-adjustments in respect of transferable securities held as financial fixed assets, participating interests and shares in affiliated undertakings
  - 7. Other operating income
  - 8. Profit or loss on ordinary activities after tax
  - 9. Extraordinary income
  - 10. Extraordinary profit after tax
  - 11. Loss for the financial year