

Pursuant to Article 161, paragraph (1) of the Credit Institutions Act (Official Gazette 117/2008) and Article 43, paragraph (2), item (9) of the Act on the Croatian National Bank (Official Gazette 75/2008), the Governor of the Croatian National Bank hereby issues the

**Decision
on reports on own funds and capital requirements of credit institutions**

I GENERAL PROVISIONS

Article 1

(1) In this Decision, the Croatian National Bank governs in detail the obligation of credit institutions to deliver reports on own funds and capital requirements to the Croatian National Bank for the purpose of supervision of credit institutions' operation pursuant to the Credit Institutions Act and regulations adopted under that Act and other laws.

(2) This Decision shall apply to:

- 1) credit institutions with registered offices in the Republic of Croatia, authorised by the Croatian National Bank; and
- 2) branches of third-country credit institutions, authorised by the Croatian National Bank to provide services.

(3) By way of derogation from paragraph (2) of this Article, this Decision shall not apply to electronic money institutions.

(4) Credit institutions shall comply with the provisions of this Decision on a consolidated basis if they are required to comply with the requirements on supervision on a consolidated basis for their groups of credit institutions in the RC as set out in Article 127 of the Credit Institutions Act.

Article 2

The contents, form and method of completion and delivery of templates on own funds and capital requirements, which credit institutions are required to calculate in accordance with the Decision on own funds of credit institutions, the Decision on the capital adequacy of credit institutions and the Decision on supervisory reports of credit institutions, shall be set forth in the Instructions for the implementation of the decision on reports on own funds and capital requirements of credit institutions attached to this Decision and forming an integral part of it.

II TYPES OF TEMPLATES AND THE METHOD OF AND TIME LIMITS FOR THEIR DELIVERY

1 Templates on own funds and capital requirements for risks

Article 3

Pursuant to this Decision, credit institutions shall deliver to the Croatian National Bank templates set out in Table 1 of this Decision.

Table 1 Templates on own funds and capital requirements of credit institutions

Ordinal number	Name of template	Abbreviation
1.	Own funds	JKAP
2.	Total capital requirements and capital adequacy ratio	SAJK
3.	Capital requirements of members of a group of credit institutions in the RC	KONS
CAPITAL REQUIREMENTS FOR CREDIT RISK		
	<i>Capital requirements for credit risk, counterparty credit risk and free deliveries risk calculated in accordance with Part 2 of Title II of the Decision on the capital adequacy of credit institutions – the Standardised Approach</i>	
4.	Exposures to credit risk under the Standardised Approach	SA
5.	Exposures to central governments and central banks – SA	SA-DB
6.	Exposures to bodies of local and regional self-government – SA	SA-LS
7.	Exposures to public sector entities – SA	SA-JT
8.	Exposures to multilateral development banks – SA	SA-MB
9.	Exposures to international organisations – SA	SA-MO
10.	Exposures to institutions – SA	SA-IN
11.	Exposures to corporates – SA	SA-TD
12.	Retail exposures (including SMEs) – SA	SA-ST
13.	Exposures in the form of covered bonds – SA	SA-PO
14.	Exposures in the form of collective investment undertakings – SA	SA-IF
15.	Other exposures – SA	SA-OI
	<i>Capital requirements for credit risk, counterparty credit risk and free deliveries risk calculated in accordance with Part 3 of Title II of the Decision on the capital adequacy of credit institutions – the IRB Approach</i>	
16.	Exposures to credit risk under the IRB Approach	IRB
17.	Exposures to central governments and central banks – IRB	IRB-DB
18.	Exposures to institutions – IRB	IRB-IN
19.	Exposures to credit institutions and investment firms – IRB	IRB-KI
20.	Exposures to corporates – IRB	IRB-TD
21.	Specialised lending exposures – IRB	IRB-SF
22.	Exposures to SMEs (from the exposure class 'corporates') – IRB	IRB-SD
23.	Retail exposures – IRB	IRB-ST
24.	Retail exposures secured by real estate property – IRB	IRB-NS
25.	Qualifying revolving retail exposures – IRB	IRB-RS
26.	Exposures to SMEs (from the exposure class 'retail') – IRB	IRB-SS
27.	Other retail exposures – IRB	IRB-OS
28.	Equity investments	IRB-VU
	<i>Capital requirements for credit risk under the IRB Approach (for the exposure classes to which the Standardised Approach is applied)</i>	
29.	Exposures to credit institutions and investment firms – SA	SA-KI
30.	Specialised lending exposures – SA	SA-SF
31.	Exposures to SMEs (from the exposure class 'corporates') – SA	SA-SD

Ordinal number	Name of template	Abbreviation
32.	Retail exposures secured by real estate property – SA	SA-NS
33.	Qualifying revolving retail exposures – SA	SA-RS
34.	Exposures to SMEs (from the exposure class 'retail') – SA	SA-SS
35.	Other retail exposures – SA	SA-OS
	<i>Capital requirements for securitisation positions calculated in accordance with the provisions set out in Part 5 of Title II of the Decision on the capital adequacy of credit institutions – the Securitisation framework</i>	
36.	Capital requirements for credit risk of synthetic securitisation – the Standardised Approach	SEK-SS
37.	Capital requirements for credit risk of traditional securitisation – the Standardised Approach	SEK-TS
38.	Capital requirements for credit risk of synthetic securitisation – the IRB Approach	SEK-SI
39.	Capital requirements for credit risk of traditional securitisation – the IRB Approach	SEK-TI
40.	Detailed data on securitisations by originators and sponsors	SEK-DET
	<i>Capital requirements for settlement risk in the trading book</i>	
41.	Exposures to settlement/delivery risk	RN
CAPITAL REQUIREMENTS FOR MARKET RISKS		
	<i>Capital requirements for market risks calculated in accordance with the provisions set out in Title III of the Decision on the capital adequacy of credit institutions – Market risks</i>	
42.	Trading book – daily balances	KT-DS
43.	Detailed trading book	DKT
44.	Open foreign exchange positions by currencies and initial capital requirements for foreign-exchange risk	VR
45.	Initial capital requirements for exceeding the permitted exposure limits	PDI
46.	Specific risk of debt instruments by currencies	SK
47.	General risk of debt instruments by currencies (the Maturity-based Approach)	OK-D
48.	General risk of debt instruments by currencies (the Duration-based Approach)	OK-T
49.	Initial capital requirements for equity risk	VVP
50.	Initial capital requirements for commodity risk (the Simplified Approach)	RR-JP
51.	Initial capital requirements for commodity risk (the Maturity Ladder Approach)	RR-PD
52.	Initial capital requirements for risk of options	RPO
53.	Initial capital requirements for market risks under the Internal Models Approach	IM
54.	Initial capital requirements for market risks under the Internal Models Approach – details	IM-DET
CAPITAL REQUIREMENTS FOR OPERATIONAL RISK		
	<i>Capital requirements for operational risk calculated in accordance with the provisions set out in Title IV of the Decision on the capital adequacy of credit institutions – Operational risk</i>	
55.	Initial capital requirements for operational risk	OPR
56.	Gross losses by business lines and event types	OPR-DET
57.	Significant operational risk losses	OPR-ZNG

2 Types of reports and reporting periods

Article 4

(1) Credit institutions shall complete templates set out under ordinal numbers 1, 2 and 4 to 54 in Table 1 of this Decision on a quarterly basis as at 31 March, 30 June, 30 September and 31 December. Credit institutions shall complete templates set out under ordinal numbers 55 to 57 in Table 1 of this Decision as at 31 December. These reports shall be titled 'unconsolidated unaudited preliminary reports' ("NP").

(2) Credit institutions shall use audited data to complete templates set out under ordinal numbers 1, 2 and 4 to 54 in Table 1 of this Decision as at 31 December. These reports shall be titled 'unconsolidated audited reports' ("NR").

(3) Pursuant to this Decision and Article 22 of the Decision on supervision of a group of credit institutions on a consolidated basis, the parent credit institution in a group of credit institutions in the RC set forth in the Decision on supervision of a group of credit institutions on a consolidated basis (hereinafter: parent credit institution) shall complete consolidated unaudited preliminary reports ("KP") of a group of credit institutions in the RC as at 30 June. Consolidated unaudited preliminary reports ("KP") shall comprise templates set out under ordinal numbers 1 to 54 in Table 1 of this Decision.

(4) Pursuant to this Decision and Article 22 of the Decision on supervision of a group of credit institutions on a consolidated basis, the parent credit institution shall complete consolidated audited reports ("KR") of a group of credit institutions in the RC as at 31 December. Consolidated audited reports ("KR") shall comprise templates set out under ordinal numbers 1 to 57 in Table 1 of this Decision.

(5) The provisions on audit of financial statements and other reports which are prepared in accordance with Chapter III, items (2) and (3) of the Decision on the contents of audits of credit institutions shall apply *mutatis mutandis* to unconsolidated audited reports ("NR") and consolidated audited reports ("KR") as at 31 December.

3 Time limits for delivery of reports

Article 5

(1) Credit institutions shall deliver to the Croatian National Bank unconsolidated unaudited preliminary reports on a quarterly basis by 30 April, 31 July and 31 October of the current year and by 31 January of the following year at the latest.

(2) By way of derogation from paragraph (1) of this Article, credit institutions and parent credit institutions shall deliver to the Croatian National Bank reports set out under ordinal numbers 55 to 57 in Table 1 of this Decision on a semi-annual basis:

- by 31 January of the current year, reports completed with unaudited data as at 31 December of the previous year; and
- by 30 April of the current year, reports completed with audited data as at 31 December of the previous year.

(3) Consolidated unaudited preliminary reports as at 30 June shall be delivered to the Croatian National Bank by 30 September of the current year at the latest.

(4) Unconsolidated and consolidated audited reports as at 31 December shall be delivered to the Croatian National Bank by 30 April of the following year at the latest.

(5) Unconsolidated and consolidated audited reports as at 31 December which are subject to the provisions of the Decision on the contents of audits of credit institutions shall be delivered to the Croatian National Bank within 15 days of receipt of audit reports and at the latest by 30 April of the following year.

(6) It shall be considered that credit institutions have delivered reports within the prescribed time limits if they have undergone formal and logical control set forth in the Instructions for the delivery of credit institutions' reports by means of telecommunication, including the control of compliance between templates.

Table 2 Time limits for delivery of reports

Ordinal number	Name of template	Abbreviation	NP				NR	KP	KR
			31/3	30/6	30/9	31/12	31/12	30/06	31/12
1.	Own funds	JKAP	30/4	31/7	31/10	31/1	30/4	30/9	30/4
2.	Total capital requirements and capital adequacy ratio	SAJK	30/4	31/7	31/10	31/1	30/4	30/9	30/4
3.	Capital requirements of members of a group of credit institutions in the RC	KONS	–	–	–	–	–	30/9	30/4
	CAPITAL REQUIREMENTS FOR CREDIT RISK								
	<i>Capital requirements for credit risk, counterparty credit risk and free deliveries risk calculated in accordance with Part 2 of Title II of the Decision on the capital adequacy of credit institutions – the Standardised Approach</i>								
4.	Exposures to credit risk under the Standardised Approach	SA	30/4	31/7	31/10	31/1	30/4	30/9	30/4
5.	Exposures to central governments and central banks – SA	SA-DB	30/4	31/7	31/10	31/1	30/4	30/9	30/4
6.	Exposures to bodies of local and regional self-government – SA	SA-LS	30/4	31/7	31/10	31/1	30/4	30/9	30/4
7.	Exposures to public sector entities – SA	SA-JT	30/4	31/7	31/10	31/1	30/4	30/9	30/4
8.	Exposures to multilateral development banks – SA	SA-MB	30/4	31/7	31/10	31/1	30/4	30/9	30/4
9.	Exposures to international organisations – SA	SA-MO	30/4	31/7	31/10	31/1	30/4	30/9	30/4
10.	Exposures to institutions – SA	SA-IN	30/4	31/7	31/10	31/1	30/4	30/9	30/4
11.	Exposures to corporates – SA	SA-TD	30/4	31/7	31/10	31/1	30/4	30/9	30/4
12.	Retail exposures (including SMEs) – SA	SA-ST	30/4	31/7	31/10	31/1	30/4	30/9	30/4
13.	Exposures in the form of covered bonds – SA	SA-PO	30/4	31/7	31/10	31/1	30/4	30/9	30/4
14.	Exposures in the form of collective investment undertakings – SA	SA-IF	30/4	31/7	31/10	31/1	30/4	30/9	30/4
15.	Other exposures – SA	SA-OI	30/4	31/7	31/10	31/1	30/4	30/9	30/4
	<i>Capital requirements for credit risk, counterparty credit risk and free deliveries risk calculated in accordance with Part 3 of Title II of the Decision on the capital adequacy of credit institutions – the IRB Approach</i>								
16.	Exposures to credit risk under the IRB Approach	IRB	30/4	31/7	31/10	31/1	30/4	30/9	30/4
17.	Exposures to central governments and central banks – IRB	IRB-DB	30/4	31/7	31/10	31/1	30/4	30/9	30/4
18.	Exposures to institutions – IRB	IRB-IN	30/4	31/7	31/10	31/1	30/4	30/9	30/4
19.	Exposures to credit institutions and investment firms – IRB	IRB-KI	30/4	31/7	31/10	31/1	30/4	30/9	30/4
20.	Exposures to corporates – IRB	IRB-TD	30/4	31/7	31/10	31/1	30/4	30/9	30/4
21.	Specialised lending exposures – IRB	IRB-SF	30/4	31/7	31/10	31/1	30/4	30/9	30/4

Ordinal number	Name of template	Abbreviation	NP				NR	KP	KR
			31/3	30/6	30/9	31/12	31/12	30/06	31/12
22.	Exposures to SMEs (from the exposure class 'corporates') – IRB	IRB-SD	30/4	31/7	31/10	31/1	30/4	30/9	30/4
23.	Retail exposures – IRB	IRB-ST	30/4	31/7	31/10	31/1	30/4	30/9	30/4
24.	Retail exposures secured by real estate property – IRB	IRB-NS	30/4	31/7	31/10	31/1	30/4	30/9	30/4
25.	Qualifying revolving retail exposures – IRB	IRB-RS	30/4	31/7	31/10	31/1	30/4	30/9	30/4
26.	Exposures to SMEs (from the exposure class 'retail') – IRB	IRB-SS	30/4	31/7	31/10	31/1	30/4	30/9	30/4
27.	Other retail exposures – IRB	IRB-OS	30/4	31/7	31/10	31/1	30/4	30/9	30/4
28.	Equity investments	IRB-VU	30/4	31/7	31/10	31/1	30/4	30/9	30/4
	<i>Capital requirements for credit risk, counterparty credit risk and free deliveries risk under the IRB Approach (for the exposure classes to which the Standardised Approach is applied)</i>								
29.	Exposures to credit institutions and investment firms – SA	SA-KI	30/4	31/7	31/10	31/1	30/4	30/9	30/4
30.	Specialised lending exposures – SA	SA-SF	30/4	31/7	31/10	31/1	30/4	30/9	30/4
31.	Exposures to SMEs (from the exposure class 'corporates') – SA	SA-SD	30/4	31/7	31/10	31/1	30/4	30/9	30/4
32.	Retail exposures secured by real estate property – SA	SA-NS	30/4	31/7	31/10	31/1	30/4	30/9	30/4
33.	Qualifying revolving retail exposures – SA	SA-RS	30/4	31/7	31/10	31/1	30/4	30/9	30/4
34.	Exposures to SMEs (from the exposure class 'retail') – SA	SA-SS	30/4	31/7	31/10	31/1	30/4	30/9	30/4
35.	Other retail exposures – SA	SA-OS	30/4	31/7	31/10	31/1	30/4	30/9	30/4
	<i>Capital requirements for securitisation positions calculated in accordance with Part 5 of Title II of the Decision on the capital adequacy of credit institutions – the Securitisation framework</i>								
36.	Capital requirements for credit risk of synthetic securitisation – the Standardised Approach	SEK-SS	30/4	31/7	31/10	31/1	30/4	30/9	30/4
37.	Capital requirements for credit risk of traditional securitisation – the Standardised Approach	SEK-TS	30/4	31/7	31/10	31/1	30/4	30/9	30/4
38.	Capital requirements for credit risk of synthetic securitisation – the IRB Approach	SEK-SI	30/4	31/7	31/10	31/1	30/4	30/9	30/4
39.	Capital requirements for credit risk of traditional securitisation – the IRB Approach	SEK-TI	30/4	31/7	31/10	31/1	30/4	30/9	30/4
40.	Detailed data on securitisations by originators and sponsors	SEK-DET	30/4	31/7	31/10	31/1	30/4	30/9	30/4
	<i>Initial capital requirements for settlement/delivery risk in the trading book</i>		30/4	31/7	31/10	31/1	30/4	30/9	30/4
41.	Exposures to settlement/delivery risk	RN	30/4	31/7	31/10	31/1	30/4	30/9	30/4

Ordinal number	Name of template	Abbreviation	NP				NR	KP	KR
			31/3	30/6	30/9	31/12	31/12	30/06	31/12
	INITIAL CAPITAL REQUIREMENTS FOR MARKET RISKS								
	<i>Initial capital requirements for market risks calculated in accordance with the provisions set out in Title III of the Decision on the capital adequacy of credit institutions – Market risks</i>		30/4	31/7	31/10	31/1	30/4	30/9	30/4
42.	Trading book – daily balances	KT-DS	30/4	31/7	31/10	31/1	30/4	30/9	30/4
43.	Detailed trading book	DKT	30/4	31/7	31/10	31/1	30/4	30/9	30/4
44.	Open foreign exchange positions by currencies and initial capital requirements for foreign-exchange risk	VR	30/4	31/7	31/10	31/1	30/4	30/9	30/4
45.	Initial capital requirements for exceeding the permitted exposure limits	PDI	30/4	31/7	31/10	31/1	30/4	30/9	30/4
46.	Specific risk of debt instruments by currencies	SK	30/4	31/7	31/10	31/1	30/4	30/9	30/4
47.	General risk of debt instruments by currencies (the Maturity-based Approach)	OK-D	30/4	31/7	31/10	31/1	30/4	30/9	30/4
48.	General risk of debt instruments by currencies (the Duration-based Approach)	OK-T	30/4	31/7	31/10	31/1	30/4	30/9	30/4
49.	Initial capital requirements for equity risk	VVP	30/4	31/7	31/10	31/1	30/4	30/9	30/4
50.	Initial capital requirements for commodity risk (the Simplified Approach)	RR-JP	30/4	31/7	31/10	31/1	30/4	30/9	30/4
51.	Initial capital requirements for commodity risk (the Maturity Ladder Approach)	RR-PD	30/4	31/7	31/10	31/1	30/4	30/9	30/4
52.	Initial capital requirements for risk of options	RPO	30/4	31/7	31/10	31/1	30/4	30/9	30/4
53.	Initial capital requirements for market risks under the Internal Models Approach	IM	30/4	31/7	31/10	31/1	30/4	30/9	30/4
54.	Initial capital requirements for market risks under the Internal Models Approach – details	IM-DET	30/4	31/7	31/10	31/1	30/4	30/9	30/4
	INITIAL CAPITAL REQUIREMENTS FOR OPERATIONAL RISK								
	<i>Initial capital requirements for operational risk calculated in accordance with the provisions set out in Title IV of the Decision on the capital adequacy of credit institutions – Operational risk</i>								
55.	Initial capital requirements for operational risk	OPR	–	–	–	31/1	30/4	–	30/4
56.	Gross losses by business lines and event types	OPR-DET	–	–	–	31/1	30/4	–	30/4
57.	Significant operational risk losses	OPR-ZNG	–	–	–	31/1	30/4	–	30/4

4 Method of delivery of templates

Article 6

(1) Credit institutions shall deliver to the Croatian National Bank templates prescribed by this Decision in hard copy and by means of telecommunication (or on a magnetic medium), entirely complying with the prescribed format of an individual template. Exceptionally, credit institutions shall deliver templates set out under ordinal numbers 4 and 16 in Table 1 of this Decision only in hard copy.

(2) Unconsolidated unaudited preliminary reports ("NP") and unconsolidated audited reports ("NR") in hard copy and consolidated unaudited preliminary reports ("KP") and consolidated audited reports ("KR") in hard copy shall comprise all templates for a specified reporting period.

(3) The cover pages of unconsolidated unaudited preliminary reports ("NP"), consolidated unaudited preliminary reports ("KP"), unconsolidated audited reports ("NR") and consolidated audited reports ("KR") shall be signed and dated at a designated place by an authorised managing official who is responsible for reporting and by at least one member of the management board of a credit institution.

(4) Any subsequent amendments to unconsolidated unaudited preliminary reports ("NP") and consolidated unaudited preliminary reports ("KP") shall be approved and signed by an authorised managing official who is responsible for reporting. Any subsequent amendments to unconsolidated audited reports ("NR") and consolidated audited reports ("KR") shall be approved and signed by an authorised managing official who is responsible for reporting and by at least one member of the management board of a credit institution.

(5) Credit institutions shall deliver reports on own funds and capital requirements in hard copy to the following address:

Croatian National Bank
Off-Site Supervision Department
PO Box 603
10002 Zagreb

(6) If reports are delivered by means of telecommunication (or on a magnetic medium), credit institutions shall complete their reports as set out in the Instructions for the delivery of credit institutions' reports by means of telecommunication.

(7) If the Croatian National Bank detects errors in templates, credit institutions shall complete and deliver new reports.

III OWN FUNDS, CAPITAL REQUIREMENTS AND CAPITAL ADEQUACY RATIO

Own funds **Article 7**

Credit institutions shall report items included in the calculation of own funds in the template *Own funds (JKAP template)*.

Total capital requirements and capital adequacy ratio **Article 8**

Credit institutions shall report the calculation of own funds and capital requirements, required for the calculation of capital adequacy ratio, in the template *Total capital requirements and capital adequacy ratio (SAJK template)*. The template shall also include the amounts of allocated original own funds, additional own funds and ancillary own funds which are used to cover the calculated capital requirements in accordance with the limits set out in Article 25 of the Decision on own funds of credit institutions.

Total capital requirements of members of a group of credit institutions in the RC **Article 9**

(1) The parent credit institution shall complete and deliver the template *Capital requirements of members of a group of credit institutions in the RC (KONS template)*.

(2) The credit institution referred to in paragraph (1) of this Article shall calculate individual capital requirements in accordance with the Decision on the capital adequacy of credit institutions and the Decision on supervision of a group of credit institutions on a consolidated basis.

IV CAPITAL REQUIREMENTS FOR CREDIT RISK

Capital requirements for credit risk, counterparty credit risk and free deliveries risk calculated in accordance with Part 2 of Title II of the Decision on the capital adequacy of credit institutions – the Standardised Approach **Article 10**

(1) Where credit institutions use the Standardised Approach set out in Part 2 of Title II of the Decision on the capital adequacy of credit institutions for the calculation of risk-weighted exposure amounts for credit risk, they shall complete and deliver their templates on capital requirements for credit risk in accordance with the Standardised Approach.

(2) Capital requirements for credit risk under the Standardised Approach shall be delivered in the summary template *Exposures to credit risk under the Standardised Approach* (SA template) and eleven individual templates.

(3) The summary SA template shall be compiled by summing the corresponding items from the following individual templates:

- *Exposures to central governments and central banks* (SA-DB template);
 - *Exposures to bodies of local and regional self-government* (SA-LS template);
 - *Exposures to public sector entities* (SA-JT template);
 - *Exposures to multilateral development banks* (SA-MB template);
 - *Exposures to international organisations* (SA-MO template);
 - *Exposures to institutions* (SA-IN template);
 - *Exposures to corporates* (SA-TD template);
 - *Retail exposures (including SMEs)* (SA-ST template);
 - *Exposures in the form of covered bonds* (SA-PO template);
 - *Exposures in the form of collective investment undertakings* (SA-IF template);
- and
- *Other exposures* (SA-OI template).

(4) Credit institutions shall report their total risk-weighted exposure amounts for credit risk, distributed into on- and off-balance sheet items, securities transactions and derivative financial instruments and other exposures to counterparty credit risk and free deliveries risk, in templates on capital requirements for credit risk under the Standardised Approach and apply the risk weights set out in Part 2, Part 4 and Part 6 of Title II of the Decision on the capital adequacy of credit institutions.

Capital requirements for credit risk, counterparty credit risk and free deliveries risk calculated in accordance with Part 3 of Title II of the Decision on the capital adequacy of credit institutions – the IRB Approach

Article 11

(1) Where credit institutions have obtained the permission of the Croatian National Bank to calculate their risk-weighted exposure amounts for credit risk under the IRB Approach, they shall complete and deliver templates on capital requirements for credit risk under the IRB Approach for those exposures classes for which the IRB Approach is used.

(2) Where credit institutions have obtained the permission of the Croatian National Bank to calculate their risk-weighted exposure amounts for credit risk under the IRB Approach, they shall complete and deliver the appropriate individual templates on capital requirements for credit risk under the Standardised Approach for those exposures classes for which the Standardised Approach set out in Part 2 of Title II of the Decision on the capital adequacy of credit institutions is used.

(3) For the purpose of calculating the risk-weighted exposure amounts for credit risk referred to in paragraph (2) of this Article, credit institutions shall assign each exposure to one of the exposure classes in accordance with their methodologies and calculate the risk-weighted exposure amounts for credit risk in accordance with the provisions set out in Part 2 of Title II of the Decision on the capital adequacy of credit institutions.

Article 12

In accordance with Article 11, paragraphs (1) and (2) of this Decision, credit institutions shall complete and deliver templates which form the following two groups:

1. templates for the exposure classes to which the IRB Approach is applied, i.e. in which the risk-weighted exposure amounts for credit risk under the IRB Approach are reported; and
2. templates for the exposure classes to which the Standardised Approach is applied but which are determined according to the credit institutions' methodologies used for assigning exposures to different exposure classes and the provisions of Part 3.2 of Title II of the Decision on the capital adequacy of credit institutions.

Article 13

(1) Capital requirements for credit risk on exposure classes for which the IRB Approach is used shall be delivered in the summary template *Exposures to credit risk under the IRB Approach* (IRB template), eleven individual templates and the template *Equity investments* (IRB-VU template).

(2) The summary IRB template shall be compiled by summing the corresponding items from the following individual templates:

- *Exposures to central governments and central banks* (IRB-DB template);
- *Exposures to institutions* (IRB-IN template);
- *Exposures to corporates* (IRB-TD template); and
- *Retail exposures* (IRB-ST template).

(3) In addition to the templates referred to in paragraph (2) of this Article, credit institutions shall also deliver analytical templates for each exposure sub-class, including:

- *Exposures to credit institutions and investment firms* (IRB-KI template);
- *Specialised lending exposures* (IRB-SF template);
- *Exposures to SMEs (from the exposure class 'corporates')* (IRB-SD template);
- *Retail exposures secured by real estate property* (IRB-NS template);
- *Qualifying revolving retail exposures* (IRB-RS template);
- *Exposures to SMEs (from the exposure class 'retail')* (IRB-SS template); and
- *Other retail exposures* (IRB-OS template).

(4) The template *Retail exposures* (IRB-ST template) referred to in paragraph (2) of this Article shall be the summary of the analytical templates *Retail exposures secured by real estate property* (IRB-NS template), *Qualifying revolving retail exposures* (IRB-RS

template), *Exposures to SMEs (from the exposure class 'retail')* (IRB-SS template) and *Other retail exposures* (IRB-OS template) referred to in paragraph (3) of this Article.

(5) The risk-weighted exposure amounts for credit risk on equity exposures for which credit institutions use the IRB Approach shall be reported in the template *Equity investments* (IRB-VU template). If credit institutions use the Standardised Approach, equity exposures shall be reported as set out in Article 14 of this Decision.

(6) Exceptionally, credit institutions shall report the exposure amount of "other assets" calculated under the IRB Approach in the template *Other exposures* (SA-OI template) in which they shall also report other exposures referred to Article 14, paragraph (1) of this Article calculated under the Standardised Approach.

Article 14

(1) Credit institutions shall compile the summary SA template and the corresponding individual templates referred to in Article 10, paragraph (3) of this Decision for those exposures classes which are prescribed in their methodologies used for assigning exposures to different exposure classes set out in Part 3.2 of Title II of the Decision on the capital adequacy of credit institutions and to which the Standardised Approach set out in Part 2 of Title II of the Decision on the capital adequacy of credit institutions is applied.

(2) With regard to the prescribed exposure classes, credit institutions shall also compile the following analytical templates for those exposure sub-classes to which the Standardised Approach is applied:

- *Exposures to credit institutions and investment firms* (SA-KI template);
- *Specialised lending exposures* (SA-SF template);
- *Exposures to SMEs (from the exposure class 'corporates')* (SA-SD template);
- *Retail exposures secured by real estate property* (SA-NS template);
- *Qualifying revolving retail exposures* (SA-RS template);
- *Exposures to SMEs (from the exposure class 'retail')* (SA-SS template); and
- *Other retail exposures* (SA-OS template).

Capital requirements for securitisation positions calculated in accordance with the provisions set out in Part 5 of Title II of the Decision on the capital adequacy of credit institutions – the Securitisation framework

Article 15

(1) Credit institutions shall deliver the calculation of capital requirements for securitisation positions in the following templates:

- *Capital requirements for credit risk of synthetic securitisation – the Standardised Approach* (SEK-SS template);
- *Capital requirements for credit risk of traditional securitisation – the Standardised Approach* (SEK-TS template);

- *Capital requirements for credit risk of synthetic securitisation – the IRB Approach (SEK-SI template)*;
- *Capital requirements for credit risk of traditional securitisation – the IRB Approach (SEK-TI template)*; and
- *Detailed data on securitisation positions (SEK-DET template)*.

(2) Credit institutions shall deliver the templates referred to in the first to fourth indent of paragraph (1) of this Article in accordance with the approach they use for the calculation of capital requirements for securitisation positions and the role they assume in the process of securitisation, which is why the reporting items differ with regard to whether credit institutions are originators, investors or sponsors.

(3) Where credit institutions calculate capital requirements for securitisation positions, they shall deliver the template *Detailed data on securitisation positions (SEK-DET template)* regardless of the approach they use for the calculation of capital requirements for securitisation positions and the role they assume in the process of securitisation.

V INITIAL CAPITAL REQUIREMENTS FOR SETTLEMENT/DELIVERY RISK

Initial capital requirements for settlement/delivery risk in the trading book

Article 16

(1) Credit institutions shall report their exposures to settlement risk and capital requirements for trading book transactions in debt instruments, equities, commodities and foreign currencies, which have not been settled between credit institutions and their counterparties within five or more working days after their due delivery dates, in the template *Exposures to settlement/delivery risk (RN template)* and apply the factors set out in Table 21 in Article 481 of the Decision on the capital adequacy of credit institutions.

(2) In case of repurchase and reverse repurchase transactions and securities or commodities lending or borrowing transactions, credit institutions shall not calculate their exposures to settlement/delivery risk.

VI INITIAL CAPITAL REQUIREMENTS FOR MARKET RISKS

Exposures in the trading book

Article 17

(1) Where credit institutions hold the positions in the trading book, they shall, regardless of the volume of their trading book positions, deliver to the Croatian National Bank reports on the balance in the trading book using the following templates:

- *Trading book – daily balances (KT-DS template)*; and
- *Detailed trading book (DKT template)*.

(2) Credit institutions shall report daily balances of all operations, total nominal value of items in the trading book, total market value of items in the trading book and the share of the trading book in all operations in the template *Trading book – daily balances (KT-DS template)*.

(3) If the nominal value of individual financial instruments exceeds 1% of the total nominal value of the trading book, credit institutions shall report these financial instruments in the template *Detailed trading book (DKT template)*. If the nominal value of individual financial instruments accounts for less than 1% of the total nominal value of the trading book, credit institutions shall report these financial instruments under line item "Other", taking into account the category to which individual instruments belong (e.g. Other shares and holdings in undertakings, Other debt securities, etc.).

Initial capital requirements for position risks

Article 18

(1) Where credit institutions calculate capital requirements for trading book positions in accordance with the provisions set out in Part 3 of Title III of the Decision on the capital adequacy of credit institutions, they shall deliver the calculation of initial capital requirements for position risks in the following templates, taking into account the trading book structure:

- *Specific risk of debt instruments by currencies (SK template)*;
- *General risk of debt instruments by currencies (OK-D template or OK-T template)*; and
- *Initial capital requirements for equity risk (VVP template)*.

(2) The number of templates *Specific risk of debt instruments by currencies (SK template)* completed by credit institutions shall correspond to the number of currencies in which their trading book positions are denominated. If credit institutions hold at least one position in one of the currencies, they shall complete all line items for the respective currency.

(3) Where credit institutions use the Maturity-based Approach for the calculation of initial capital requirements for general position risk of debt instruments, they shall

complete the template *General risk of debt instruments by currencies (the Maturity-based Approach)* (OK-D template). The number of templates completed by credit institutions shall correspond to the number of currencies in which credit institutions hold positions exposed to this risk. Credit institutions shall complete all line items for each currency in which they hold positions exposed to this risk.

(4) Where credit institutions use the Duration-based Approach for the calculation of initial capital requirements for general position risk of debt instruments, they shall complete the template *General risk of debt instruments by currencies (the Duration-based Approach)* (OK-T template). The number of templates completed by credit institutions shall correspond to the number of currencies in which credit institutions hold at least one position exposed to this risk. Credit institutions shall complete all line items for each currency in which they hold positions exposed to this risk.

Initial capital requirements for foreign-exchange risk

Article 19

Credit institutions shall deliver the calculation of total open foreign exchange positions and initial capital requirements for foreign-exchange risk in the template *Open foreign exchange positions by currencies and initial capital requirements for foreign-exchange risk* (VR template). The positions shall be calculated in accordance with the provisions set out in Part 4 of Title III of the Decision on the capital adequacy of credit institutions.

Initial capital requirements for commodity risk

Article 20

(1) Credit institutions shall calculate initial capital requirements for commodity risk associated with overall banking business (for trading and non-trading book positions).

(2) In accordance with the approach they use for the calculation of initial capital requirements, credit institutions shall deliver their exposures to commodity risk and calculation of initial capital requirements for commodity risk in the template *Initial capital requirements for commodity risk* (the Simplified Approach) (RR-JP template) or in the template *Initial capital requirements for commodity risk* (the Maturity Ladder Approach) (RR-PD template). The positions shall be calculated in accordance with the provisions set out in Part 5 of Title III of the Decision on the capital adequacy of credit institutions

(3) If credit institutions hold at least one position in commodity, they shall calculate initial capital requirements for the respective commodity.

Initial capital requirements for risk of options

Article 21

Credit institutions shall deliver their exposures to risk of options and calculation of initial capital requirements for risk of options in the template *Initial capital requirements for risk of options (RPO template)*. The template shall be in accordance with the method they use for the calculation of initial capital requirements for risk of options.

Initial capital requirements for exceeding the permitted exposure limits

Article 22

(1) Where credit institutions exceed the maximum permitted exposure limits referred to in Articles 150 and 151 of the Credit Institutions Act on the reporting date and where the excess arises exclusively and entirely from trading book positions, they shall calculate initial capital requirements for excess as set out in Part 8 of Title III of the Decision on the capital adequacy of credit institutions.

(2) Credit institutions shall deliver the calculation of initial capital requirements in the template *Initial capital requirements for exceeding the permitted exposure limits (PDI template)*.

Capital requirements for position risks, foreign-exchange risk and/or commodity risk under internal models for managing risk

Article 23

Where credit institutions calculate initial capital requirements for position risks, foreign-exchange risk and/or commodity risk under the Internal Models Approach, they shall deliver to the Croatian National Bank the template *Initial capital requirements for market risks under the Internal Models Approach (IM template)* and the template *Initial capital requirements for market risks under the Internal Models Approach – details (IM-DET template)*.

VII INITIAL CAPITAL REQUIREMENTS FOR OPERATIONAL RISK

Article 24

(1) Credit institutions shall complete and deliver to the Croatian National Bank templates on initial capital requirements for operational risk in which they shall report the calculation of initial capital requirements for operational risk under the selected approach or the combination of approaches and loss events (losses) associated with operational risk.

(2) Credit institutions shall deliver their exposures to operational risk and calculation of initial capital requirements for operational risk in the following templates:

– *Initial capital requirements for operational risk (OPR template)*;

- *Gross losses by business lines and event types (OPR-DET template)*; and
- *Significant operational risk losses (OPR-ZNG template)*.

(3) Credit institutions shall complete and deliver the template *Initial capital requirements for operational risk (OPR template)* regardless of the approach they use for the calculation of initial capital requirements for operational risk.

(4) Where credit institutions have obtained the permission of the Croatian National Bank to calculate their initial capital requirements for operational risk under the Advanced Measurement Approach, they shall complete and deliver the template *Gross losses by business lines and event types (OPR-DET template)* and the template *Significant operational risk losses (OPR-ZNG template)*.

VIII TRANSITIONAL AND FINAL PROVISIONS

Article 25

(1) The Governor of the Croatian National Bank shall issue the Instructions for the implementation of this Decision.

(2) In accordance with this Decision, credit institutions shall complete their first reports, comprising templates set out under ordinal numbers 1, 2 and 4 to 57 in Table 1 of this Decision, as at 1 July 2009 and deliver them to the Croatian National Bank by 31 July 2009.

Article 26

In accordance with this Decision, the Croatian National Bank shall publish the Instructions in which it shall prescribe the method of delivery of credit institutions' reports by means of telecommunication.

Article 27

This Decision shall be published in the Official Gazette and shall enter into force on 1 July 2009.

No.: 3-020/01-09/ŽR
Zagreb, 2 January 2009

Croatian National Bank
Council Chairman
Governor
Željko Rohatinski, m.p.