

Pursuant to Article 161, paragraph (1), item (3) 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 amendments to the Decision on risk management

Article 1

In the Decision on risk management (Official Gazette 1/2009), in Article 3, paragraph (1), item (4) is amended to read:

"4) "risk containment" shall mean the overall strategic determinants, methods, criteria and procedures to accept, avoid, mitigate or transfer the identified risk;"

Item (7) is amended to read:

"7) "stress testing" shall mean a risk management technique used to assess the potential effects of specific events and/or changes in several risk factors on the financial position of a credit institution. Stress testing may be divided into scenario analysis and sensitivity analysis. Scenario analysis is an assessment of the impact of a concurrent change in several risk factors on the financial position of a credit institution in clearly defined stressed conditions. Sensitivity analysis is an assessment of the impact of a specific risk factor on the financial position of a credit institution wherein the cause of stress is not identified;"

Item (8) is amended to read:

"8) "operation support function" shall mean the activities of a credit institution performed by the persons authorised to keep bookkeeping records and carry out other back-office tasks."

Article 2

In Article 12, paragraph (5) is deleted.

Article 3

After Article 43, Article 43a is added which reads:

"Article 43a

Credit institutions shall adjust their operation to the provisions of Articles 41 to 43 by 1 July 2010 at the latest."

Article 4

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

No. 241-020/03-09/ŽR
Zagreb, 11 March 2009

Croatian National Bank
Governor
Željko Rohatinski, m.p.