

Pursuant to Article 101, paragraph (2), item (2) of the Credit Institutions Act (Official Gazette 159/2013, 19/2015, 102/2015, 15/2018, 70/2019, 47/2020 and 146/2020) and Article 43, paragraph (2), item (10) of the Act on the Croatian National Bank (Official Gazette 75/2008, 54/2013 and 47/2020), the Governor of the Croatian National Bank hereby issues the

Decision on amendments to the Decision on the classification of exposures into risk categories and the method of determining credit losses

Article 1

In the Decision on the classification of exposures into risk categories and the method of determining credit losses (Official Gazette 114/2017 and 110/2018), in Article 1, after paragraph (2), paragraph (3) is added which reads: "(3) The provisions of this Decision comply with the following Guidelines of the European Banking Authority:

- 1) Guidelines on the application of the definition of default under Article 178 of Regulation (EU) No 575/2013 EBA/GL/2016/07 of 18 January 2017;
- 2) Guidelines on credit institutions' credit risk management practices and accounting for expected credit losses EBA/GL/2017/06 of 20 September 2017;
- 3) Guidelines on management of non-performing and forborne exposures EBA/GL/2018/06 of 31 October 2018;
- 4) Guidelines on loan origination and monitoring EBA/GL/2020/06 of 29 May 2020."

Article 2

In Article 5, paragraph (4), the words "HRK 50 000 and HRK 500 000, respectively" are replaced by the words "EUR 6 600 and EUR 66 000, respectively".

Article 3

In Article 8, paragraph (2), items (1) to (3) are amended to read:

- "1) EUR 66 000 if the total assets of a credit institution amount to less than EUR 1bn;
- 2) EUR 130 000 if the total assets of a credit institution amount to over EUR 1bn and less than EUR 3bn; or
- 3) EUR 400 000 if the total assets of a credit institution amount to over EUR 3bn."

Article 4

In Article 12, at the end of paragraph (2), a new sentence is added after the full stop which reads: "This paragraph shall not be applied in cases where there is no legal basis for taking legal action."

Article 5

In Article 17, paragraph (3), the words "(Official Gazette 160/2013, 140/2015 and 113/2016)" are replaced by the words "(Official Gazette 160/2013, 140/2015, 113/2016, 87/2018 and 53/2021)".

Article 6

- (1) In Article 18, paragraph (10), the words "HRK 20m" are replaced by the words "EUR 3 million".
- (2) In Article 18, paragraph (12), the words "HRK 3 million" are replaced by the words "EUR 400 000".

Article 7

This Decision shall be published in the Official Gazette and enter into force on the day the euro is introduced as the official currency in the Republic of Croatia.

Dec. No. 414-091/11-22/BV

Zagreb, 16 November 2022

Croatian National Bank
Governor
Boris Vujčić