

Pursuant to Article 304, item (3) of the Credit Institutions Act (Official Gazette 159/2013) 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 the content of and the form in which consumers are provided information prior to contracting banking services**

*Scope of the Decision and legal persons subject to the Decision*

Article 1

(1) This Decision regulates the content and the form of information which a credit institution is required to provide to a consumer (who uses or intends to use services of the credit institution) before concluding a contract on the provision of a particular banking service.

(2) The provisions of this Decision shall apply to all credit institutions which conduct business or intend to conduct business with consumers and which, as part of such business, conclude or intend to conclude credit and/or deposit contracts, regardless of currency, maturity, amount or purpose.

(3) By way of derogation, the provisions of Article 2, paragraph (1), items (4), (5) and (6) of this Decision shall not apply to credit contracts covered by a cash deposit pledged in a 100% amount.

*Content of information*

Article 2

(1) In addition to the minimum scope of information prescribed in Article 303, paragraphs (4) and (5) of the Credit Institutions Act and information referred to in Article 5, paragraph (1) of the Consumer Credit Act (Official Gazette 75/2009, 112/2012, 143/2013 and 147/2013), before concluding a contract referred to in Article 1, paragraph (1) of this Decision, a credit institution shall provide the following information/explanations to a consumer:

1. the method of loan repayment (annuities or instalments) and, if it is possible to choose a repayment method, the difference between these two methods of repayment and an example of a schedule of annuity payments and of a schedule of instalment payments;
2. with the information on the method of calculating interest, if it is possible to choose the method of calculating interest, the difference between proportional or equivalent interest rate should be explained;
3. with the terms and conditions under which regular and default interest may be changed for the duration of the contract, specify the parameters affecting changes in regular and default interest, provide an explanation of that correlation and intervals of monitoring specified parameters before adopting a decision to change those interest rates;
4. for a concrete example, illustrate (simulate) the impact of a possible increase in regular interest of two percentage points relative to the interest that would apply at the time of concluding the contract on the amount of the monthly annuity or instalment for the loan, making sure that the simulated interest rate does not exceed the legally prescribed default interest rate. For loans initially carrying a fixed and then a variable

interest rate, show (simulate) the impact of an increase in the variable interest rate applicable at the time of providing information prescribed under this Decision;

5. for a concrete example, illustrate the impact of a possible one-off depreciation of the domestic currency on the amount of the monthly annuity or instalment for the loan, as follows:

(a) in the amount of 10%, if the principal amount is linked to the euro;

(b) in the amount of 35% if the principal amount is linked to any other currency,

6. the calculation of the joint impact of a parallel significant increase in the interest rate and of a significant depreciation of the domestic currency described in items (4) and (5) of this paragraph on the amount of the monthly annuity or instalment;

7. with the fees charged to the borrower or depositor, an explanation relating to the possible changes to these fees during the life of the credit/deposit contract;

8. the consequences of defaulting on contractual commitments, cancellation, i.e. termination of the contract and, for credit contracts, the order in which collateral is activated, and the possibilities as regards the repayment of a time deposit before its maturity date and the consequences thereof, information on the treatment of deposits after the maturity date and information on the conditions for the management of deposits of minors;

9. the list of all articles of the General operating conditions which are relevant for an individual product.

(2) If the loan is denominated in a foreign currency, a credit institution shall provide a consumer the information referred to in paragraph (1) of this Article comparative to the information for a loan granted in the domestic currency of an equivalent amount and maturity.

(3) If a credit institution does not offer a comparable loan in the domestic currency, the credit institution shall make special reference to this fact in the Form containing information and present to the consumer the information list referred to in Article 3, paragraph (5) of this Decision.

#### *Form of information* Article 3

(1) Credit institutions shall provide to consumers the information referred to in Article 2 of this Decision in the forms which are given in the Annex to this Decision and constitute its integral part.

(2) The list of selected types of loans and the information included in the information list referred to in Article 2, paragraph (3) of this Decision is given in the Annex to this Decision (Form IV) and constitutes its integral part.

(3) Credit institutions shall deliver to the Croatian National Bank the first completed Form referred to in paragraph (2) of this Article at the latest by 15 June 2015.

(4) In case of changes in the information included in the information list referred to in paragraph (2) of this Article, credit institutions shall promptly deliver to the Croatian National Bank a new Form referred to in paragraph (2) of this Article.

(5) The Croatian National Bank shall, based on the received completed Forms referred to in paragraph (2) or paragraph (4) of this Article, draw up an information list containing the offer of loans in the domestic currency for all credit institutions and post it on its official website.

*Entry into force*

Article 4

(1) On the date of entry into force of this Decision, the Decision on the content of and the form in which consumers are provided information prior to contracting banking services (Official Gazette 130/2012) shall cease to have effect.

(2) This Decision shall be published in the Official Gazette and shall enter into force on 1 June 2015, with the exception of Article 2, paragraphs (2) and (3) of this Decision which shall enter into force on 1 July 2015.

No. 486-020/12-14/BV  
Zagreb, 19 December 2014

Croatian National Bank  
Governor

**Boris Vujčić**

I FORM containing information referred to in Article 2 of the Decision on the content of and the form in which consumers are provided information prior to contracting (or before concluding a contract on the provision of a particular banking service – for consumer credits – as a supplement to the Form on the information before concluding a credit contract prescribed under Article 5, paragraph (1) of the Consumer Credit Act, Official Gazette 75/2009, 112/2012, 143/2013 and 147/2013)

Ord. No.	TYPES OF INFORMATION	For an offer in the domestic currency	For an offer where the principal amount is linked to a foreign currency
1.	<p><b>Method of loan repayment (annuities or instalments)</b></p> <p>If it is possible to choose a repayment method, an explanation of the difference between annuity repayment and instalment repayment, illustrating the amount of the first annuity and the first and the last instalments as well as the total amount of the assumed interest over the repayment period for both annuity and instalment repayments.</p>		
2.	<p><b>Method of calculating interest on a particular loan</b></p> <p>If it is possible to choose the method of calculating interest, an explanation of the difference between proportional and equivalent interest rate (for a concrete example, specify the difference in numerical terms)</p>		
3.	<p><b>Parameters affecting changes in regular and default interest; an explanation of that correlation; intervals of monitoring specified parameters before adopting a decision to change those interest rates and a numerical illustration of a simulation of the impact of an increase in regular interest of two percentage points relative to the interest that would apply at the time of concluding the contract on the amount of the monthly annuity (instalment) for a particular loan</b></p>		

	<b>amount</b>		
<b>4.</b>	<p><b>Where applicable</b></p> <p><b>Explanation relating to the risk of change in the exchange rate with a numerical illustration of a simulation of the impact of a significant one-off depreciation of the domestic currency on the amount of the monthly annuity (instalment) for a particular loan amount; and</b></p> <p><b>a numerical illustration of the impact of a parallel increase in the interest rate of two percentage points relative to the interest that would apply at the time of concluding the contract and of a significant depreciation of the domestic currency on the amount of the monthly annuity (instalment) for a particular loan amount</b></p>		
<b>5.</b>	<p><b>Where applicable</b></p> <p><b>Explanation relating to the possible changes to fees during the life of the credit contract</b></p>		
<b>6.</b>	<p><b>Consequences of defaulting on contractual commitments, cancellation, i.e. termination of the credit contract and the order in which collateral is activated with the information on the credit institution's right to choose the order in which collateral is activated depending on its own assessment</b></p>		
<b>7.</b>	<p><b>List of all articles of the General operating conditions which are relevant for a particular loan</b></p>		

**II FORM containing information referred to in Article 2 of the Decision on the content of and the form in which consumers are provided information prior to contracting (or before concluding a contract on the provision of a particular banking service – for other consumer credits which are not regulated under the Consumer Credit Act)**

Ord. No.	TYPES OF INFORMATION	For an offer in the domestic currency	For an offer where the principal amount is linked to a foreign currency
1.	Name (firm name) of the credit institution, address, phone number, fax number, email address, website		
2.	Loan type and amount ( <i>if it is an offer where the principal amount is linked to a foreign currency, provide the information for a loan granted in the domestic currency of an equivalent amount and maturity</i> )		
3.	<p>Method of loan repayment (<i>annuities or instalments</i>)</p> <p>If it is possible to choose a repayment method, an explanation of the difference between annuity repayment and instalment repayment, illustrating the amount of the first annuity and the first and the last instalments as well as the total amount of the assumed interest over the repayment period for both annuity and instalment repayments.</p>		
4.	Applicable annual nominal rate of regular and default interest		
5.	<p>Method of calculating interest</p> <p>If it is possible to choose the method of calculating interest, an explanation of the difference between proportional or equivalent interest rate (<i>for a concrete example, specify the difference in numerical terms</i>)</p>		
6.	Terms and conditions under which regular and default interest may be changed during the period of loan utilisation, i.e. repayment; parameters affecting changes in regular and default interest; an explanation of that correlation; intervals of monitoring specified		

	parameters before adopting a decision to change those interest rates and a numerical illustration of a simulation of the impact of an increase in regular interest of two percentage points relative to the interest that would apply at the time of concluding the contract on the amount of the monthly annuity (instalment) for a particular loan amount		
7.	<p>Where applicable</p> <p>Currency in which the principal amount is denominated or to which the principal amount is linked; the type of exchange rate used in loan disbursement and repayment, the size of fluctuations of that currency against the kuna in the last 12 and 60 months with a numerical illustration of a simulation of the impact of a significant one-off depreciation of the domestic currency on the amount of the monthly annuity (instalment) for a particular loan amount; and a numerical illustration of the impact of a parallel increase in the interest rate of two percentage points relative to the interest that would apply at the time of concluding the contract and of a significant one-off depreciation of the domestic currency on the amount of the monthly annuity (instalment) for a particular loan amount</p>		
8.	Fees and commissions charged to the borrower, including the explanation relating to the possible changes to these fees during the life of the credit contract		
9.	Effective interest rate reflecting the total price of the credit, calculated in accordance with the regulations of the Croatian National Bank		
10.	Amount of principal and interest payments ( <i>including other costs</i> ) for the respective credit amount, repayment periods, the number and amount of instalments		
11.	Where applicable		

	Terms and conditions for making a deposit with the credit institution ( <i>if this is a prerequisite for the granting of a credit</i> )		
12.	Where applicable  Possibilities and terms and conditions for offsetting credits against deposits ( <i>if making a deposit with the credit institution is a prerequisite for the granting of a credit</i> ), including the legal possibilities of offsetting		
13.	Collateral instruments and other terms and conditions imposed by the credit institution		
14.	Consequences of defaulting on contractual commitments, cancellation, i.e. termination of the credit contract and the order in which collateral is activated with the information on the credit institution's right to choose the order in which collateral is activated depending on its own assessment		
15.	Where applicable  Right of the consumer to withdraw from the contract and thus connected time limits provided		
16.	Contact person and phone number for further information		
17.	List of all articles of the General operating conditions which are relevant for a particular loan		
18.	Date until information in the form is valid		

**III FORM containing information referred to in Article 2 of the Decision on the content of and the form in which consumers are provided information prior to contracting (or before concluding a contract on the provision of a particular banking service – for deposits)**

<b>Ord. No.</b>	<b>TYPES OF INFORMATION</b>	
1.	Name (firm name) of the credit institution, address, phone number, fax number, email address, website	
2.	Deposit type and amount (e.g. depending on maturity, purpose and currency)	
3.	Where applicable  Currency to which the deposited amount is linked, the size of fluctuations of that currency against the kuna in the last 12 and 36 months	
4.	Applicable annual nominal rate	
5.	Method of calculating interest  If it is possible to choose the method of calculating interest, an explanation of the difference between proportional or equivalent interest rate (for a concrete example, specify the difference in numerical terms)	
6.	Terms and conditions under which the interest may be changed during the period of the contract; parameters affecting changes in the interest rate; an explanation of that correlation; intervals of monitoring specified parameters before adopting a decision to change that interest rate	
7.	Fees and commissions charged to depositors, including the explanation relating to the possible changes to these fees during the life of the deposit contract	
8.	Effective interest rate reflecting the total return on deposit, calculated in accordance with the regulations of the Croatian National Bank	
9.	Lowest amount accepted in deposit	
10.	Where applicable  Possibilities as regards the repayment of a time deposit before its maturity date and the	

	<b>consequences thereof</b>	
<b>11.</b>	<b>Treatment of deposits after the maturity date</b>	
<b>12.</b>	<b>Conditions for the management of deposits of minors</b>	
<b>13.</b>	<b>Basic information on deposit insurance</b>	
<b>14.</b>	<b>Contact person and phone number for further information</b>	
<b>15.</b>	<b>List of all articles of the General operating conditions which are relevant for a particular deposit</b>	
<b>16.</b>	<b>Date until information in the form is valid</b>	

**IV FORM - List of selected types of loans and information to be included in the information list of the Croatian National Bank**

**Credit institution:** \_\_\_\_\_

<b>No.</b>	<b>TYPE OF LOAN</b>	<b>SELECTED INFORMATION</b>	
1.	<b>Cash general-purpose loans</b>	Largest loan amount (in HRK) *	
		Longest loan maturity (in months)	
2.	<b>Loans for motor vehicle purchase</b>	Largest loan amount (in HRK)	
		Longest loan maturity (in months)	
3.	<b>Education loans</b>	Largest loan amount (in HRK)	
		Longest loan maturity (in months)	
4.	<b>Mortgage loans</b>	Largest loan amount (in HRK)	
		Longest loan maturity (in months)	
5.	<b>Loans for house/flat purchase</b>	Largest loan amount (in HRK)	
		Longest loan maturity (in months)	
6.	<b>Loans for house/flat renovation</b>	Largest loan amount (in HRK)	
		Longest loan maturity (in months)	
7.	<b>Other loans in domestic currency</b>	Largest loan amount (in HRK)	
		Longest loan maturity (in months)	

**Note:** Where a selected loan in the domestic currency is not offered by a credit institution, the text reading "NOT OFFERED" shall be entered in the relevant field of the Form.

\*The largest loan amount means the maximum amount of loan in the domestic currency offered by a credit institution for each type of the listed loans. Also to be specified is the longest loan maturity for each such loan amount.

**Date of completion:**

**Responsible person:**

