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GOVERNOR

Pursuant to Article 179, paragraph (4) of the Credit Institutions Act (Official Gazette 22/2026) 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 THE DOCUMENTATION TO BE ENCLOSED WITH THE APPLICATION FOR PERMISSION TO CLASSIFY CAPITAL INSTRUMENTS AS OWN FUNDS INSTRUMENTS AND THE PROCEDURE FOR THE INCLUSION OF INTERIM OR YEAR-END PROFITS IN COMMON EQUITY TIER 1 CAPITAL

1 GENERAL PROVISIONS

Article 1

(1) This Decision prescribes:
1. information and documentation to be enclosed by a less significant supervised entity with the application for permission to classify a capital instrument as a common equity tier 1 instrument referred to in Article 26, paragraph (3) of Regulation (EU) No 575/2013;
2. information and documentation to be enclosed by a less significant supervised entity with the notification of subsequent issuances of forms of common equity tier 1 instruments for which it has already been granted permission in accordance with the second sub-paragraph of Article 26, paragraph (3) of Regulation (EU) No 575/2013 and deadlines for submitting the notification prior to classifying instruments as common equity tier 1 instruments;
3. information and documentation to be enclosed by a less significant supervised entity with the application for permission to classify a capital instrument as an additional tier 1 instrument or a tier 2 instrument referred to in Article 179, paragraph (1) of the Credit Institutions Act;
4. information and documentation to be enclosed by a less significant supervised entity with regard to the inclusion of interim or year-end profits in common equity tier 1 capital in accordance with Article 26, paragraph (2) of Regulation (EU) No 575/2013;
5. the procedure and conditions under which a less significant supervised entity is permitted to include interim or year-end profits in common equity tier 1 capital in accordance with Article 26, paragraph (2) of Regulation (EU) No 575/2013.

(2) This Decision harmonises the procedure for less significant supervised entities with regard to the inclusion of interim or year-end profits in common equity tier 1 capital in accordance with Article 26, paragraph (2) of Regulation (EU) No 575/2013 with the procedure for significant supervised entities prescribed by Decision (EU) 2015/656 of the European Central Bank of 4 February 2015 on the conditions under which credit institutions are permitted to include interim or year-end profits in Common Equity Tier 1 capital in accordance with Article 26(2) of Regulation (EU) No 575/2013 (ECB/2015/4) (OJ L 107, 25. 4. 2015).

Article 2

(1) For the purposes of this Decision, the following terms shall have the following meaning:
1. 'Act' means the Credit Institutions Act (Official Gazette 22/2026), including any amendments thereto.
2. 'Regulation (EU) No 575/2013' means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Official Journal EU L 176/2013), including any amendments thereto.
3. 'Commission Delegated Regulation (EU) No 241/2014' means Commission Delegated Regulation (EU) No 241/2014 of 7 January 2014 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for Own Funds requirements for institutions (Official Journal EU L 74/2014), including any amendments thereto.

4. 'Commission Implementing Regulation (EU) No 2024/3172' means Commission Implementing Regulation (EU) 2024/3172 of 29 November 2024 laying down implementing technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to public disclosures by institutions of the information referred to in Part Eight, Titles II and III, of that Regulation, and repealing Commission Implementing Regulation (EU) 2021/637, including any amendments thereto.
5. 'Regulation (EU) No 1024/2013' means Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions (Official Journal L 287/2013), including any amendments thereto.
6. 'Companies Act' means Companies Act (Official Gazette 111/1993, 34/1999, 121/1999, 52/2000, 118/2003, 107/2007, 146/2008, 137/2009, 125/2011, 152/2011, 111/2012, 68/2013, 110/2015, 40/2019, 34/2022, 114/2022, 18/2023, 130/2023, 136/2024), including any amendments thereto.

(2) Other terms in this Decision shall have the same meaning as those used in regulations referred to in paragraph (1) of this Article.

2 DOCUMENTATION TO BE ENCLOSED WITH THE APPLICATION FOR PERMISSION TO CLASSIFY CAPITAL INSTRUMENTS AS OWN FUNDS INSTRUMENTS

Article 3

A less significant supervised entity intending to classify capital instruments as own funds instruments shall obtain the prior permission of the Croatian National Bank to classify capital instruments as own funds instruments in accordance with Article 26, paragraph (3) of Regulation (EU) No 575/2013 and Article 179, paragraph (1) of the Credit Institutions Act.

Article 4

(1) The following needs to be enclosed with the application for permission to classify capital instruments as own funds instruments:
1. information on the class of own funds (common equity tier 1 capital, additional tier 1 capital or tier 2 capital) to which the less significant supervised entity intends to classify a particular capital instrument and information on the level of inclusion of this capital instrument (individual, sub-consolidated and/or consolidated basis);
2. the amount to be classified and the planned date for classification of a capital instrument as own funds instrument and the impact of the classification of such capital instrument on capital ratios referred to in Article 92 of Regulation (EU) No 575/2013;
3. a description of the purpose of the capital increase and compliance with the capital plan of the less significant supervised entity or, where applicable, the capital plan of the group of credit institutions in the Republic of Croatia;
4. information on the type of own funds instrument (e.g. ordinary shares, bonds, received deposits, received loans, etc.);
5. name and surname or the firm name of the twenty largest holders of/investors in the capital instruments for which the application is submitted and the type of holders of/investors in capital instruments (e.g. institutional investor);
6. a written decision of the less significant supervised entity on the issuance of capital instruments;
7. basic documentation associated with the issuance of capital instruments (copy of the signed contract on the capital instrument, prospectus and other information);
8. where applicable, information on the authorised share capital referred to in Article 323 of the Companies Act and the related subsequent issuances of forms of instruments that are intended to be classified as common equity tier 1 instruments;
9. for instruments intended to be classified as common equity tier 1 instruments and, where applicable, as additional tier 1 instruments: the Articles of Association of the less significant supervised entity, an invitation to the general meeting, the minutes of the general meeting, evidence of the entry of the share capital increase and amendments to the Articles of Association into the register of companies, evidence of the shareholder structure after the entry into the register of companies, evidence of the effected payment of the instruments;
10. evidence that the capital instruments have been fully paid up;

11. evidence on funding sources for the purchase of the instruments (in connection with Article 28, paragraph (1), item (b), Article 52, paragraph (1), item (c) and Article 63, item (c) of Regulation (EU) No 575/2013) and a signed statement by the management board of the less significant supervised entity that the less significant supervised entity has not and shall not, either directly or indirectly, finance the acquisition of the capital instruments;
12. where applicable, evidence that, pursuant to the regulations governing the capital market, the less significant supervised entity has obtained all necessary additional authorisations and approvals related to the issuance of the capital instruments;
13. information on whether the less significant supervised entity has the discretion to decide to pay distributions in a form other than cash or an own funds instrument (in connection with Article 73, paragraph (1) of Regulation (EU) No 575/2013);
14. a signed statement by the management board of the less significant supervised entity that all information submitted is correct and complete and that there are no contracts, agreements or other arrangements that may lead to non-compliance of capital instruments with the prescribed conditions for that capital instrument or influence the overall economic impact of the capital instrument (in connection with Article 79a of Regulation (EU) No 575/2013);
15. a description of the main features of capital instruments in the manner prescribed in Article 5 of this Decision;
16. a detailed assessment and explanation, for each capital instrument, in accordance with Article 6 of this Decision;
17. an assessment of the compliance of the documentation on the capital instrument with the regulations governing the issuance of that capital instrument and possible limitations arising under these provisions;
18. a description of the accounting treatment of the capital instrument for which the application is submitted;
19. the calculation of own funds, data on compliance with the own funds requirements and capital buffers applicable to the less significant supervised entity on the last day of the month preceding the month of submitting the application for permission to classify capital instruments as own funds instruments, including the amount and composition of own funds by individual classes and items, unless the less significant supervised entity has already delivered to the Croatian National Bank own funds reports for that reporting date;
20. a business strategy of the less significant supervised entity and, for the next three years, a projection of own funds calculation, compliance with own funds requirements and buffers applicable to the credit institution;
21. for additional tier 1 instruments: (a) a detailed analysis by the less significant supervised entity of the expected amount of common equity tier 1 capital that would be generated if the principal amount of the additional tier 1 instruments was fully written down or converted to common equity tier 1 instruments after deductions of all foreseeable tax liabilities or due tax payments associated with the instruments at the time of the write-down or conversion in accordance with Article 54, paragraph (3) of Regulation (EU) No 575/2013; (b) a detailed analysis by the less significant supervised entity of the increase in the value of the principal amount of the additional tier 1 instrument following write-down as prescribed in Article 21, paragraph (2), item (e) of Commission Delegated Regulation (EU) No 241/2014; (c) where the additional tier 1 instruments have been issued by a subsidiary undertaking established in a third country for which the trigger is calculated in accordance with the national law of that third country or contractual provisions governing the instruments, a properly reasoned legal opinion issued by an appropriately qualified independent legal expert confirming that the national law of that third country and the contractual provisions governing the instruments are at least the same as the requirements set out in Article 54 of Regulation (EU) No 575/2013, in accordance with the provisions of Article 54, paragraph (1), item (e) of Regulation (EU) No 575/2013;
22. for additional tier 1 instruments and tier 2 instruments that have been issued pursuant to third country regulations, a properly reasoned legal opinion by an appropriately qualified independent legal expert confirming that the instrument meets all the prescribed conditions for that instrument, especially in connection with the fulfilment of the conditions prescribed in the provisions of Article 52, paragraph (1), items (p) and (q) of Regulation (EU) No 575/2013 and Article 63, items (n) and (o) of Regulation (EU) No 575/2013;
23. for instruments with new or complex features, a properly reasoned legal opinion issued by an appropriately qualified independent legal expert confirming that the instrument fulfils the prescribed conditions for that instrument;

24. other information, facts and circumstances that have or might have an impact on the fulfilment of the conditions for the issuance of the permission to classify capital instruments as own funds instruments of the less significant supervised entity.

(2) In addition to the documentation referred to in paragraph (1) of this Article, the Croatian National Bank may request other documentation, data or information evidencing the fulfilment of the prescribed conditions.

(3) In assessing whether a capital instrument fulfils the prescribed conditions, the Croatian National Bank shall take into account the opinions of the European Banking Authority and the European Central Bank related to the prescribed conditions.

(4) A less significant supervised entity shall notify the Croatian National Bank without delay of any change in the information or documentation referred to in paragraphs (1) and (2) of this Article which has arisen in the course of the decision-making procedure on the application for permission to classify capital instruments as own funds instruments, and deliver it additional or new information and documentation.

(5) A less significant supervised entity shall submit the information referred to in paragraph (1) of this Article on individual, sub-consolidated and/or consolidated basis depending on the level of classification of capital instruments as own funds instruments.

Article 5

A less significant supervised entity shall deliver a description of the main features of own funds instruments by using the prescribed template provided in Annex I, Part 4 of Commission Implementing Regulation (EU) No 2024/3172 entitled "Template EU CCA: Main features of regulatory own funds instruments and eligible liabilities instruments" in part relating to own funds instruments, which it shall complete in accordance with the accompanying instruction for completing the Template EU CCA: Main features of regulatory own funds instruments and eligible liabilities instruments.

Article 6

(1) A less significant supervised entity shall examine and make a detailed assessment and explanation for each capital instrument with regard to the prescribed conditions in accordance with the provisions of Article 79a of Regulation (EU) No 575/2013.

(2) The assessment referred to in paragraph (1) of this Article shall contain in particular:
1. the provisions prescribing the conditions for an own funds instrument (prescribed conditions);
2. indications of or references to the relevant provisions of the contract governing the capital instrument or another document associated with the fulfilment of each prescribed condition for the own funds instrument; and
3. a reasoned assessment by the less significant supervised entity of the fulfilment of each prescribed condition.

(3) The comparative overview referred to in paragraph (2) of this Article shall be submitted by using the template provided in Annex 1 to this Decision, entitled “Template for assessing the fulfilment of the conditions for common equity tier 1 instruments”, Annex 2 to this Decision, entitled “Template for assessing the fulfilment of the conditions for additional tier 1 instruments” or Annex 3 to this Decision, entitled “Template for assessing the fulfilment of the conditions for tier 2 instruments”.

(4) In examining and making a detailed assessment and explanation referred to in this Article, a less significant supervised entity shall take into account publicly disclosed interpretations, guidelines and recommendations by the European Banking Authority and the European Central Bank with regard to the prescribed conditions.

Article 7

A less significant supervised entity may not by its actions contribute to the emergence of the circumstances due to which the capital instrument for which it has obtained permission to classify capital instruments as own funds instruments no longer fulfils the prescribed conditions.

Article 8

(1) The less significant supervised entity shall notify the Croatian National Bank of any intended change related to the capital instrument for which it has obtained permission to classify capital instruments as own funds instruments, as well as any other change that may lead to non-compliance of such capital instrument with the prescribed conditions.

(2) Where the capital instrument for which the less significant supervised entity has obtained permission to classify capital instruments as own funds instruments has been altered in a way that has an impact or might have an impact on the fulfilment of the prescribed conditions, such instrument shall, for the purpose of this Decision, be a new capital instrument and the less significant supervised entity shall, for such instrument, obtain a new permission of the Croatian National Bank to classify capital instruments as own funds instruments.

Article 9

(1) Where, after the issuance of the permission to classify capital instruments as own funds instruments, the European Banking Authority, in connection with Article 80 of Regulation (EU) No 575/2013, issues an opinion with regard to the prescribed conditions, the Croatian National Bank may review the compliance of the instrument with that opinion in the course of supervision.

(2) Where the Croatian National Bank assesses that the instrument does not comply with the opinion referred to in paragraph (1) of this Article, it shall order the less significant supervised entity to reconcile the instrument with the opinion of the European Banking Authority, make an assessment of the compliance of the instrument with the prescribed conditions in accordance with Article 6 of this Decision and submit the reconciled documentation and assessment to the Croatian National Bank.

3 DOCUMENTATION TO BE SUBMITTED FOR SUBSEQUENT ISSUANCES OF FORMS OF COMMON EQUITY TIER 1 INSTRUMENTS AND DEADLINES FOR SUBMISSION OF NOTIFICATIONS

Article 10

(1) For the purpose of the assessment prescribed by the provisions set out in the second sub-paragraph of Article 26, paragraph (3), item (a) of Regulation (EU) No 575/2013 of whether the provisions governing the subsequent issuances of forms of common equity tier 1 instruments are substantially the same as the provisions governing those issuances for which institutions have already obtained permission, the less significant supervised entity shall, along with the notification on the subsequent issuance of a form of capital instrument for which it has already been granted permission in accordance with the provisions of the first sub-paragraph of Article 26, paragraph (3) of Regulation (EU) No 575/2013, submit the following documentation and information to the Croatian National Bank:
1. a signed statement by the management board of the less significant supervised entity that in relation to the compliance with the prescribed conditions there were no changes in the content of provisions governing the subsequent issuance of a form of common equity tier 1 instrument relative to the provisions governing the issuance of a common equity tier 1 instrument for which the less significant supervised entity has already been granted permission to classify capital instruments as common equity tier 1 instruments in accordance with Article 26, paragraph (3) of Regulation (EU) No 575/2013;
2. a signed statement by the management board of the less significant supervised entity that the information submitted is correct and complete and that there are no contracts, agreements or other arrangements that may lead to non-compliance of the subsequent issuance of a form of common equity tier 1 instrument with the prescribed conditions for that capital instrument or influence the overall economic impact of the capital instrument in accordance with Article 79a of Regulation (EU) No 575/2013;
3. evidence that the subsequent issuance of a form of common equity tier 1 instrument has been fully paid up;

4. evidence on funding sources for the purchase of subsequent issuance of a form of common equity tier 1 instrument (in connection with Article 28, paragraph (1), item (b) of Regulation (EU) No 575/2013) and a signed statement by the management board of the less significant supervised entity that the less significant supervised entity has not and shall not, either directly or indirectly, finance the acquisition of the subsequent issuance of a form of common equity tier 1 instrument;
5. where applicable, evidence that, pursuant to the regulations governing the capital market, the less significant supervised entity has obtained all necessary additional authorisations and approvals related to the subsequent issuance of a form of common equity tier 1 instrument;
6. a description of changes in the provisions governing the subsequent issuance of a form of common equity tier 1 instrument relative to the provisions governing the issuance of common equity tier 1 instrument for which the less significant supervised entity has already been granted permission to classify capital instruments as common equity tier 1 instruments, as well as a detailed assessment and explanation of changes related to the compliance with the prescribed conditions for that instrument;
7. a comparison between the provisions governing the subsequent issuance of a form of common equity tier 1 instruments and the provisions governing the issuance of common equity tier 1 instruments for which the less significant supervised entity has already been granted permission to classify a capital instruments as common equity tier 1 instruments, with tracked changes.

(2) For the purpose of complying with the conditions set out in the second sub-paragraph of Article 26, paragraph (3), item (a) of Regulation (EU) No 575/2013, the provisions governing the subsequent issuances of a form of common equity tier 1 instruments are considered substantially the same as the provisions governing those issuances for which the less significant supervised entity has already obtained permission, if the provisions governing the subsequent issuances contain no changes relative to the provisions governing the issuances of common equity tier 1 instruments for which the less significant supervised entity has already obtained permission to classify capital instruments as common equity tier 1 instruments that would affect the compliance with the prescribed conditions for that instrument.

(3) In addition to the documents and information referred to in paragraph (1) of this Article, in the event of subsequent issuances of a form of common equity tier 1 instruments, the less significant supervised entity shall provide the Croatian National Bank with information about the amount to be classified and the planned date for the classification of subsequent issuances of a form of common equity tier 1 instruments as own funds instruments, description of the purpose of the capital increase and compliance with the capital plan, as well as name and surname or the firm name of twenty largest holders of/investors in the capital instruments and the type of holders of/ investors in capital instruments.

(4) In addition to the documents and information referred to in paragraphs (1) and (3) of this Article, the Croatian National Bank may request other documentation, data or information evidencing the fulfilment of the prescribed conditions.

Article 11

(1) For the purpose of timely notification to the Croatian National Bank about subsequent issuances of a form of common equity tier 1 instruments, in connection with the second sub-paragraph of Article 26, paragraph (3), item (b) of Regulation (EU) No 575/2013, the less significant supervised entity shall submit complete documentation and information referred to in Article 10 of this Decision to the Croatian National Bank at least 20 working days before the date of the planned classification of the subsequent issuance of a capital instrument as a common equity tier 1 instrument.

(2) The less significant supervised entity can classify the subsequent issuance of a form of capital instrument as common equity tier 1 instrument after it has received from the Croatian National Bank, within the deadline referred to in paragraph (1) of this Article, that is, before the date of the planned classification of a subsequent issuance of a form of capital instrument as a common equity tier 1 instrument, a notification that the submitted documentation contains required data as laid down in Article 10 of this Decision, evidencing that the conditions set out in the second sub-paragraph of Article 26, paragraph (3), item (a) of Regulation (EU) No 575/2013 are met.

(3) Where the Croatian National Bank has established that the provisions governing the subsequent issuance of a form of common equity tier 1 instrument are not considered to be substantially the same

as the provisions governing those issuances for which the less significant supervised entity has already received permission, that is, where it finds that the subsequent issuance of a form of common equity tier 1 instrument does not meet the conditions set out in the second sub-paragraph of Article 26, paragraph (3), item (a) of Regulation (EU) No 575/2013, the Croatian National Bank shall notify the less significant supervised entity of this fact within the deadline set out in paragraph (1) of this Article, that is, before the date of the planned classification of a subsequent issuance of a form of instrument as a common equity tier 1 instrument.

(4) In order to classify a subsequent issuance of a form of common equity tier 1 instrument referred to in paragraph (3) of this Article, for which the Croatian National Bank has found that it does not meet the conditions set out in the second sub-paragraph of Article 26, paragraph (3), item (a) of Regulation (EU) No 575/2013, the less significant supervised entity shall, in accordance with the first sub-paragraph of Article 26, paragraph (3) of Regulation (EU) No 575/2013, obtain prior permission from the Croatian National Bank to classify the capital instrument as a common equity tier 1 instrument.

4 INCLUSION OF INTERIM OR YEAR-END PROFITS IN COMMON EQUITY TIER 1 CAPITAL

Article 12

(1) Less significant supervised entities intending to include interim or year-end profits in common equity tier 1 capital shall submit to the Croatian National Bank the notification referred to in paragraph (2) of this Article accompanied by the documentation referred to in Articles 13 and 14 of this Decision by the content of which less significant supervised entities shall prove the meeting of conditions referred to in Article 26, paragraph (2) of Regulation (EU) No 575/2013.

(2) The notification referred to in paragraph (1) of this Article shall be submitted by using the template contained in Annex 4 attached to and forming an integral part of this Decision.

(3) The Croatian National Bank shall notify less significant supervised entities, within 15 working days from the day of receipt of the notification referred to in paragraph (1) of this Article, whether the submitted documentation contains the data required in accordance with the provisions of paragraph (2) of this Article and Articles 13 and 14 of this Decision, proving the meeting of conditions referred to in Article 26, paragraph (2) of Regulation (EU) No 575/2013.

(4) Less significant supervised entities may include interim or year-end profits in common equity tier 1 capital if they have received the notification referred to in paragraph (3) of this Article from the Croatian National Bank that the submitted documentation contains the data required in accordance with the provisions of paragraph (2) of this Article and Articles 13 and 14 of this Decision proving the meeting of conditions referred to in Article 26, paragraph (2) of Regulation (EU) No 575/2013.

Article 13

(1) It shall be considered that the condition referred to in Article 26, paragraph (2), item (a) of Regulation (EU) No 575/2013 has been met if less significant supervised entities, in addition to the notification referred to in Article 12, paragraph (1) of this Decision, provide a document signed by their external auditors that complies with the requirements laid down in paragraphs (3) or (4) of this Article.

(2) Less significant supervised entities notifying their intention to include interim or year-end profits in common equity tier 1 capital, at various levels of consolidation or on an individual basis, may provide the document referred to in paragraph (1) of this Article at the highest level of consolidation.

(3) In order to prove the existence of year-end profits, less significant supervised entities shall submit an audit report or a comfort letter in which external auditors state that they have not completed the audit and nothing has come to the attention of the auditors that causes them to believe that the final report will include their qualified opinion.

(4) In order to prove the existence of interim profits, less significant supervised entities shall submit an audit report or a review report as defined by the International Standard on Review Engagements 2410

issued by the International Auditing and Assurance Standards Board or, provided that the verification carried out by less significant supervised entities consists of an audit report, an external auditors' comfort letter in accordance with paragraph (3) of this Article.

Article 14

(1) It shall be considered that the condition referred to in Article 26, paragraph (2), item (b) of Regulation (EU) No 575/2013 has been met and that less significant supervised entities have demonstrated that any foreseeable charges or dividends have been deducted from the amount of profits and if they have submitted to the Croatian National Bank:
1) a declaration that those profits have been recorded in accordance with the principles set out in the applicable accounting framework and that the scope of prudential consolidation is not materially wider than the scope of verification referred to in the external auditors' document referred to in Article 13 of this Decision; and
2) a document signed by a member of the management board or a qualified person detailing the main components of those interim or year-end profits, including deductions for any foreseeable charges or dividends.

(2) Where interim or year-end profits are to be included on a consolidated or sub-consolidated basis, the requirements referred to in paragraph (1) of this Article shall be satisfied by the consolidating entity.

(3) The dividends to be deducted from interim or year-end profits shall be the amount formally proposed or formally decided by the management board of the less significant supervised entities with the approval of the supervisory board.

(4) If the formal proposal or decision referred to in paragraph (3) of this Article has not yet been taken by the less significant supervised entity, the dividend to be deducted shall be the highest of the following:
1) the maximum dividend calculated in accordance with internal dividend policy, if
applicable;
2) the dividend calculated on the basis of the average pay-out ratio over the last three years;
3) the dividend calculated on the basis of the previous year's pay-out ratio.

(5) For the purposes of paragraph (1), item (2) of this Article, a qualified person means a person who has been duly authorised by the less significant supervised entity's management board to sign on its behalf.

Article 15

(1) The provisions of this Title are without prejudice to the right of less significant supervised entities to apply to the Croatian National Bank to issue prior permission for the inclusion of interim or year-end profits in common equity tier 1 capital, about which the Croatian National Bank shall adopt a decision.

(2) Where the Croatian National Bank assesses that the conditions referred to in Article 26, paragraph (2) of Regulation (EU) No 575/2013 are not met, the notification referred to in Article 12, paragraph (1) of this Decision shall be considered to be an application and the Croatian National Bank will reject such an application by a decision.

5 TRANSITIONAL AND FINAL PROVISIONS

Article 16

(1) This Decision shall be published in the Official Gazette and shall enter into force on the eighth day after the day of its publication in the Official Gazette.

(2) As of the date of entry into force of this Decision, the Decision on the documentation to be enclosed with the application for permission to classify capital instruments as own funds instruments of credit institutions (Official Gazette 25/2018, 145/2020 and 139/2022) shall cease to have effect.

(3) All the procedures for granting permission to classify capital instruments as own funds instruments started before the entry into force of this Decision shall be completed in accordance with the Decision on the documentation to be enclosed with the application for permission to classify capital instruments as own funds instruments of credit institutions (Official Gazette 25/2018, 145/2020 and 139/2022).

(4) All procedures for the inclusion of interim or year-end profits in common equity tier 1 capital started prior to the entry into force of this Decision shall be completed in accordance with the provisions of the Decision on the method of exercising supervision of credit institutions and imposing supervisory measures (Official Gazette 87/2014 and 150/2014).

No.: 210-091/05-26/BV
Zagreb, 18 May 2026

Boris Vujčić

Governor

ANNEX 1

TEMPLATE FOR ASSESSING THE FULFILMENT OF THE CONDITIONS FOR COMMON EQUITY TIER 1 INSTRUMENTS

In the Template for assessing the fulfilment of the conditions for common equity tier 1 instruments, a less significant supervised entity shall assess the compliance of common equity tier 1 instruments with at least the conditions prescribed in the following provisions:

- Article 28 and Article 73, paragraph (1) of Regulation (EU) No 575/2013 (conditions for instruments, conditions for distributions on instruments); and
- Articles 7a to 7d, 8 and 9 of Commission Delegated Regulation (EU) No 241/2014 (conditions for distributions on instruments, indirect funding).

Template for assessing the fulfilment of the conditions for common equity tier 1 instruments		
(name of the instrument)		
(number and indication of the provision prescribing each condition for an individual capital instrument)	*(indication of and reference to the relevant provisions of the contract governing the capital instrument or another relevant document associated with the fulfilment of each prescribed condition for the own funds instrument)*	*(reasoned assessment of the fulfilment of each prescribed condition)*
Article 28, paragraph (1) of Regulation (EU) No 575/2013		
(a) the instruments are issued directly by the institution with the prior approval of the owners of the institution or, where permitted under applicable national law, the management body of the institution;		
(b) the instruments are fully paid up and the acquisition of ownership of those instruments is not funded directly or indirectly by the institution;		
(related provisions of Articles 8 and 9 of Commission Delegated Regulation (EU) No 241/2014);		
(c) the instruments meet all the following conditions as regards their classification:		
(i) they qualify as capital within the meaning of Article 22 of Directive 86/635/EEC;		
(ii) they are classified as equity within the meaning of the applicable accounting framework;		
(iii) they are classified as equity capital for the purposes of determining balance sheet insolvency, where applicable under national insolvency law;		
(d) the instruments are clearly and separately disclosed on the balance sheet in the financial statements of the institution;		
(e) the instruments are perpetual;		
(f) the principal amount of the instruments may not be reduced or repaid, except in either of the following cases:		

(i) the liquidation of the institution;		
(ii) discretionary repurchases of the instruments or other discretionary means of reducing capital, where the institution has received the prior permission of the competent authority in accordance with Article 77 of Regulation (EU) No 575/2013;		
(g) the provisions governing the instruments do not indicate expressly or implicitly that the principal amount of the instruments would or might be reduced or repaid other than in the liquidation of the institution, and the institution does not otherwise provide such an indication prior to or at issuance of the instruments;		
(h) the instruments meet the following conditions as regards distributions:		
(i) there is no preferential distribution treatment regarding the order of distribution payments, including in relation to other Common Equity Tier 1 instruments, and the terms governing the instruments do not provide preferential rights to payment of distributions		
(related provisions of Articles 7a to 7d of Commission Delegated Regulation (EU) No 241/2014);		
(ii) distributions to holders of the instruments may be paid only out of distributable items;		
(iii) the conditions governing the instruments do not include a cap or other restriction on the maximum level of distributions;		
(iv) the level of distributions is not determined on the basis of the amount for which the instruments were purchased at issuance;		
(v) the conditions governing the instruments do not include any obligation for the institution to make distributions to their holders and the institution is not otherwise subject to such an obligation;		
(vi) non-payment of distributions does not constitute an event of default of the institution;		
(vii) the cancellation of distributions imposes no restrictions on the institution;		
(i) compared to all the capital instruments issued by the institution, the instruments absorb the first and proportionately greatest share of losses as they occur, and each instrument absorbs losses to the same degree as all other Common Equity Tier 1 instruments;		
(j) the instruments rank below all other claims in the event of insolvency or liquidation of the institution;		
(k) the instruments entitle their owners to a claim on the residual assets of the institution, which, in the event of its liquidation and after the payment of all senior claims, is proportionate to the amount of such		

instruments issued and is not fixed or subject to a cap;		
(l) the instruments are not secured, or subject to a guarantee that enhances the seniority of the claim by any of the following:		
(i) the institution or its subsidiaries;		
(ii) the parent undertaking of the institution or its subsidiaries;		
(iii) the parent financial holding company or its subsidiaries;		
(iv) the mixed activity holding company or its subsidiaries;		
(v) the mixed financial holding company and its subsidiaries;		
(vi) any undertaking that has close links with the entities referred to in points (i) to (v);		
(m) the instruments are not subject to any arrangement, contractual or otherwise, that enhances the seniority of claims under the instruments in insolvency or liquidation.		
Article 73, paragraph (1) of Regulation (EU) No 575/2013		
Capital instruments for which an institution has the sole discretion to decide to pay distributions in a form other than cash or own funds instruments shall not be eligible to qualify as common equity tier 1 instruments, unless the institution has received the prior permission of the competent authority.		

ANNEX 2

TEMPLATE FOR ASSESSING THE FULFILMENT OF THE CONDITIONS FOR ADDITIONAL TIER 1 INSTRUMENTS

In the Template for assessing the fulfilment of the conditions for additional tier 1 instruments, a less significant supervised entity shall assess the compliance of additional tier 1 instruments with at least the conditions prescribed in the following provisions:

- Articles 52 to 54 and Article 73, paragraph (1) of Regulation (EU) No 575/2013 (conditions for instruments, conditions for distributions on instruments); and
- Articles 8, 9 and 20 to 24a of Commission Delegated Regulation (EU) No 241/2014 (indirect funding, incentives to redeem, conversion or write down of the principal amount, features that could hinder the recapitalisation, indirect issuance, broad market indices).

Template for assessing the fulfilment of the conditions for additional tier 1 instruments		
(name of the instrument)		
(number and indication of the provision prescribing each condition for an individual capital instrument)	*(indication of and reference to the relevant provisions of the contract governing the capital instrument or another relevant document associated with the fulfilment of each prescribed condition for the own funds instrument)*	*(reasoned assessment of the fulfilment of each prescribed condition)*
Article 52, paragraph (1) of Regulation (EU) No 575/2013		
(a) the instruments are directly issued by an institution and fully paid up;		
(b) the instruments are not owned by any of the following:		
(i) the institution or its subsidiaries;		
(ii) an undertaking in which the institution has a participation in the form of ownership, direct or by way of control, of 20% or more of the voting rights or capital of that undertaking;		
(c) the acquisition of ownership of the instruments is not funded directly or indirectly by the institution		
(related provisions of Articles 8 and 9 of Commission Delegated Regulation (EU) No 241/2014);		
(d) the instruments rank below tier 2 instruments in the event of the insolvency of the institution;		
(e) the instruments are neither secured nor subject to a guarantee that enhances the seniority of the claims by any of the following:		
(i) the institution or its subsidiaries;		
(ii) the parent undertaking of the institution or its subsidiaries;		

(iii) the parent financial holding company or its subsidiaries;		
(iv) the mixed activity holding company or its subsidiaries;		
(v) the mixed financial holding company or its subsidiaries;		
(vi) any undertaking that has close links with entities referred to in points (i) to (v);		
(f) the instruments are not subject to any arrangement, contractual or otherwise, that enhances the seniority of the claim under the instruments in insolvency or liquidation;		
(g) the instruments are perpetual and the provisions governing them include no incentive for the institution to redeem them;		
(related provisions of Article 20 of Commission Delegated Regulation (EU) No 241/2014);		
(h) where the instruments include one or more early redemption options including call options, the options are exercisable at the sole discretion of the issuer;		
(i) the instruments may be called, redeemed or repurchased only where the conditions laid down in Article 77 of Regulation (EU) No 575/2013 are met, and not before five years after the date of issuance except where the conditions laid down in Article 78 (4) of Regulation (EU) No 575/2013 are met;		
(related provisions of Articles 77 and 78 of Regulation (EU) No 575/2013);		
(j) the provisions governing the instruments do not indicate explicitly or implicitly that the instruments would be called, redeemed or repurchased, as applicable, by the institution other than in the case of the insolvency or liquidation of the institution and the institution does not otherwise provide such an indication;		
(k) the institution does not indicate explicitly or implicitly that the competent authority would consent to a request to call, redeem or repurchase the instruments;		
(l) distributions under the instruments meet the following conditions:		
(i) they are paid out of distributable items;		
(ii) the level of distributions made on the instruments will not be amended on the basis of the credit standing of the institution or its parent undertaking;		
(iii) the provisions governing the instruments give the institution full discretion at all times to cancel the distributions on the instruments for an unlimited period and on a non-cumulative basis, and the institution may use such cancelled payments without restriction to meet its obligations as they fall due;		
(iv) cancellation of distributions does not constitute an event of default of the institution;		
(v) the cancellation of distributions imposes no restrictions on the institution;		
(related provisions of Articles 53 of Regulation (EU) No 575/2013);		
(m) the instruments do not contribute to a determination that the liabilities of an institution exceed its assets, where		

such a determination constitutes a test of insolvency under applicable national law;		
(n) the provisions governing the instruments require that, upon the occurrence of a trigger event, the principal amount of the instruments be written down on a permanent or temporary basis or the instruments be converted to Common Equity Tier 1 instruments		
(related provisions of Article 54 of Regulation (EU) No 575/2013 and Articles 21 and 22 of Commission Delegated Regulation (EU) No 241/2014);		
(o) the provisions governing the instruments include no feature that could hinder the recapitalisation of the institution;		
(related provisions of Article 53 of Regulation (EU) No 575/2013 and Article 23 of Commission Delegated Regulation (EU) No 241/2014);		
(p) where the issuer is established in a third country and has been designated in accordance with Article 12 of Directive 2014/59/EU as part of a resolution group the resolution entity of which is established in the Union or where the issuer is established in a Member State, the law or contractual provisions governing the instruments require that, upon a decision by the resolution authority to exercise the write-down and conversion powers referred to in Article 59 of that Directive, the principal amount of the instruments is to be written down on a permanent basis or the instruments are to be converted to Common Equity Tier 1 instruments; where the issuer is established in a third country and has not been designated in accordance with Article 12 of Directive 2014/59/EU as part of a resolution group the resolution entity of which is established in the Union, the law or contractual provisions governing the instruments require that, upon a decision by the relevant third-country authority, the principal amount of the instruments is to be written down on a permanent basis or the instruments are to be converted into Common Equity Tier 1 instruments;		
(related provisions of Article 24 of Commission Delegated Regulation (EU) No 241/2014);		
(q) where the issuer is established in a third country and has been designated in accordance with Article 12 of Directive 2014/59/EU as part of a resolution group the resolution entity of which is established in the Union or where the issuer is established in a Member State, the instruments may only be issued under, or be otherwise subject to the laws of a third country where, under those laws, the exercise of the write-down and conversion powers referred to in Article 59 of that Directive is effective and enforceable on the basis of statutory provisions or legally enforceable contractual provisions that recognise resolution or other write-down or conversion actions;		
(r) the instruments are not subject to set-off or netting arrangements that would undermine their capacity to absorb losses.		
Article 53 of Regulation (EU) No 575/2013		
For the purposes of points (l)(v) and (o) of Article 52(1) of Regulation (EU) No 575/2013, the provisions governing		

Additional Tier 1 instruments shall, in particular, not include the following:		
(a) a requirement for distributions on the instruments to be made in the event of a distribution being made on an instrument issued by the institution that ranks to the same degree as, or more junior than, an Additional Tier 1 instrument, including a Common Equity Tier 1 instrument;		
(b) a requirement for the payment of distributions on Common Equity Tier 1, Additional Tier 1 or Tier 2 instruments to be cancelled in the event that distributions are not made on those Additional Tier 1 instruments;		
(c) an obligation to substitute the payment of interest or dividend by a payment in any other form. The institution shall not otherwise be subject to such an obligation.		
Article 54 of Regulation (EU) No 575/2013		
1. For the purposes of point (n) of Article 52(1), the following provisions shall apply to Additional Tier 1 instruments:		
(a) a trigger event occurs when the Common Equity Tier 1 capital ratio of the institution referred to in point (a) of Article 92(1) falls below either of the following:		
(i) 5,125%;		
(ii) a level higher than 5,125 %, where determined by the institution and specified in the provisions governing the instrument;		
(b) institutions may specify in the provisions governing the instrument one or more trigger events in addition to that referred to in point (a);		
(c) where the provisions governing the instruments require them to be converted into Common Equity Tier 1 instruments upon the occurrence of a trigger event, those provisions shall specify either of the following:		
(i) the rate of such conversion and a limit on the permitted amount of conversion;		
(ii) a range within which the instruments will convert into Common Equity Tier 1 instruments;		
(d) where the provisions governing the instruments require their principal amount to be written down upon the occurrence of a trigger event, the write down shall reduce all the following:		
(i) the claim of the holder of the instrument in the insolvency or liquidation of the institution;		
(ii) the amount required to be paid in the event of the call or redemption of the instrument;		
(iii) the distributions made on the instrument;		
(e) where the Additional Tier 1 instruments have been issued by a subsidiary undertaking established in a third country, the 5,125 % or higher trigger referred to in point (a) shall be calculated in accordance with the national law of that third country or contractual provisions governing the instruments, provided that the competent authority, after consulting EBA, is satisfied that those provisions are at least equivalent to the requirements set out in this Article.		
2. Write down or conversion of an Additional Tier 1 instrument shall, under the applicable accounting framework, generate items that qualify as Common Equity Tier 1 items.		

3. The amount of Additional Tier 1 instruments recognised in Additional Tier 1 items is limited to the minimum amount of Common Equity Tier 1 items that would be generated if the principal amount of the Additional Tier 1 instruments were fully written down or converted into Common Equity Tier 1 instruments.		
4. The aggregate amount of Additional Tier 1 instruments that is required to be written down or converted upon the occurrence of a trigger event shall be no less than the lower of the following:		
(a) the amount required to restore fully the Common Equity Tier 1 ratio of the institution to 5,125 %;		
(b) the full principal amount of the instrument.		
5. When a trigger event occurs institutions shall do the following:		
(a) immediately inform the competent authorities;		
(b) inform the holders of the Additional Tier 1 instruments;		
(c) write down the principal amount of the instruments, or convert the instruments into Common Equity Tier 1 instruments without delay, but no later than in one month, in accordance with the requirement laid down in this Article.		
6. An institution issuing Additional Tier 1 instruments that convert to Common Equity Tier 1 on the occurrence of a trigger event shall ensure that its authorised share capital is at all times sufficient, for converting all such convertible Additional Tier 1 instruments into shares if a trigger event occurs. All necessary authorisations shall be obtained at the date of issuance of such convertible Additional Tier 1 instruments. The institution shall maintain at all times the necessary prior authorisation to issue the Common Equity Tier 1 instruments into which such Additional Tier 1 instruments would convert upon occurrence of a trigger event.		
7. An institution issuing Additional Tier 1 instruments that convert to Common Equity Tier 1 on the occurrence of a trigger event shall ensure that there are no procedural impediments to that conversion by virtue of its incorporation or statutes or contractual arrangements.		
(related provisions of Articles 21 and 22 of Commission Delegated Regulation (EU) No 241/2014).		
Article 73, paragraph (1) of Regulation (EU) No 575/2013		
Capital instruments for which an institution has the sole discretion to decide to pay distributions in a form other than cash or own funds instruments shall not be eligible to qualify as Additional Tier 1 instruments, unless the institution has received the prior permission of the competent authority.		

ANNEX 3

TEMPLATE FOR ASSESSING THE FULFILMENT OF THE CONDITIONS FOR TIER 2 INSTRUMENTS

In the Template for assessing the fulfilment of the conditions for tier 2 instruments, a less significant supervised entity shall assess the compliance of tier 2 instruments with at least the conditions prescribed in the following provisions:

- Article 63 and Article 73, paragraph (1) of Regulation (EU) No 575/2013 (conditions for instruments, conditions for distributions on instruments); and
- Articles 8, 9, 20, 24 and 24a of Commission Delegated Regulation (EU) No 241/2014 (indirect funding, incentives to redeem, indirect issuance, broad market indices).

Template for assessing the fulfilment of the conditions for tier 2 instruments		
(name of the instrument)		
(number and indication of the provision prescribing each condition for an individual capital instrument)	*(indication of and reference to the relevant provisions of the contract governing the capital instrument or another relevant document associated with the fulfilment of each prescribed condition for the own funds instrument)*	*(reasoned assessment of the fulfilment of each prescribed condition)*
Article 63 of Regulation (EU) No 575/2013		
(a) the instruments are directly issued by an institution and fully paid up;		
(b) the instruments are not owned by any of the following:		
(i) the institution or its subsidiaries;		
(ii) an undertaking in which the institution has participation in the form of ownership, direct or by way of control, of 20% or more of the voting rights or capital of that undertaking;		
(c) the acquisition of ownership of the instruments is not funded directly or indirectly by the institution;		
(related provisions of Articles 8 and 9 of Commission Delegated Regulation (EU) No 241/2014);		
(d) the claim on the principal amount of the instruments under the provisions governing the instruments ranks below any claim from eligible liabilities instruments;		
(e) the instruments are not secured or are not subject to a guarantee that enhances the seniority of the claim by any of the following:		
(i) the institution or its subsidiaries;		
(ii) the parent undertaking of the institution or its subsidiaries;		

(iii) the parent financial holding company or its subsidiaries;		
(iv) the mixed activity holding company or its subsidiaries;		
(v) the mixed financial holding company or its subsidiaries;		
(vi) any undertaking that has close links with entities referred to in points (i) to (v);		
(f) the instruments are not subject to any arrangement that otherwise enhances the seniority of the claim under the instruments;		
(g) the instruments have an original maturity of at least five years;		
(h) the provisions governing the instruments do not include any incentive for their principal amount to be redeemed or repaid, as applicable by the institution prior to their maturity;		
(related provisions of Article 20 of Commission Delegated Regulation (EU) No 241/2014);		
(i) where the instruments include one or more early repayment options, including call options, the options are exercisable at the sole discretion of the issuer;		
(j) the instruments may be called, redeemed, repaid or repurchased early only where the conditions set out in Article 77 of Regulation (EU) No 575/2013 are met, and not before five years after the date of issuance, except where the conditions laid down in Article 78, paragraph (4) of Regulation (EU) No 575/2013 are met;		
(k) the provisions governing the instruments do not indicate explicitly or implicitly that the instruments would be called, redeemed, repaid or repurchased early, as applicable, by the institution other than in the case of the insolvency or liquidation of the institution and the institution does not otherwise provide such an indication;		
(l) the provisions governing the instruments do not give the holder the right to accelerate the future scheduled payment of interest or principal, other than in the case of the insolvency or liquidation of the institution;		
(m) the level of interest or dividends payments, as applicable, due on the instruments will not be amended on the basis of the credit standing of the institution or its parent undertaking;		
(n) where the issuer is established in a third country and has been designated in accordance with Article 12 of Directive 2014/59/EU as part of a resolution group the resolution entity of which is established in the Union or where the issuer is established in a Member State, the law or contractual provisions governing the instruments require that, upon a decision by the resolution authority to exercise the write-down and conversion powers referred to in Article 59 of that Directive, the principal amount of the instruments is to be written down on a permanent basis or the instruments are to be converted to Common Equity Tier 1 instruments; where the issuer is established in a third country and has not been designated in accordance with Article 12 of		

Directive 2014/59/EU as part of a resolution group the resolution entity of which is established in the Union, the law or contractual provisions governing the instruments require that, upon a decision by the relevant third-country authority, the principal amount of the instruments is to be written down on a permanent basis or the instruments are to be converted into Common Equity Tier 1 instruments;		
(related provisions of Article 24 of Commission Delegated Regulation (EU) No 241/2014);		
(o) where the issuer is established in a third country and has been designated in accordance with Article 12 of Directive 2014/59/EU as part of a resolution group the resolution entity of which is established in the Union or where the issuer is established in a Member State, the instruments may only be issued under, or be otherwise subject to the laws of a third country where, under those laws, the exercise of the write-down and conversion powers referred to in Article 59 of that Directive is effective and enforceable on the basis of statutory provisions or legally enforceable contractual provisions that recognise resolution or other write-down or conversion actions;		
(p) the instruments are not subject to set-off or netting arrangements that would undermine their capacity to absorb losses.		
Article 73, paragraph (1) of Regulation (EU) No 575/2013		
Capital instruments for which an institution has the sole discretion to decide to pay distributions in a form other than cash or own funds instruments shall not be eligible to qualify as Tier 2 instruments, unless the institution has received the prior permission of the competent authority.		

ANNEX 4
TEMPLATE LETTER FOR THE INCLUSION OF PROFITS IN COMMON EQUITY TIER 1 CAPITAL

[Name of the less significant supervised entity]
[Croatian National Bank, Supervision Department responsible for supervision of the credit institution]
[Place, date]
[Institution's reference]

Inclusion of profits in common equity tier 1 capital

Dear Sir/Madam,
For the purposes of supervisory reporting referred to [regulatory reporting reference date], pursuant to Article 26, paragraph (2) of Regulation (EU) No 575/2013, we hereby notify the intention of [name of the less significant supervised entity/group of credit institutions/sub-group of credit institutions] to include in its [individual/sub-consolidated/consolidated] common equity tier 1 capital the net profits resulting from its [interim/annual] financial statements as of [balance sheet date].

The net profits to be included in common equity tier 1 capital have been calculated as follows:

(a) undistributed pre-tax profit	[EUR 0]
(b) taxes	[EUR 0]
(c) other charges imposed by the supervisory authority[1]	[EUR 0]
(d) other foreseeable charges not included in profit and loss statement[2]	[EUR 0]
(e) total charges (b + c + d)	[EUR 0]
(f) decided or proposed dividend[3]	[EUR 0/blank]
(g) maximum dividend under internal dividend policy[4]	[EUR 0]
(h) dividend according to average pay-out ratio (last three years)[5]	[EUR 0]
(i) dividend according to last year's pay-out ratio	[EUR 0]
(j) dividend to be deducted (max (g, h, i) if (f) is blank; otherwise (f))	[EUR 0]
(k) impact of regulatory restrictions[6]	[EUR 0]
(l) profit that can be included in common equity tier 1 capital (a – e – j + k)	[EUR 0]

For the purposes of the above, I hereby declare that:
- the figures above are accurate to the best of my knowledge;
- the profits have been verified by persons who are independent of this institution and who are responsible for the auditing of this institution's accounts, as required by Article 26, paragraph (2) of Regulation (EU) No 575/2013 and this Decision. In this regard, I enclose the [audit report/review report/comfort letter] from [auditor's name];
- the profits have been evaluated/recorded in accordance with the principles set out in the applicable accounting framework and that the scope of prudential consolidation is not materially wider than the scope of verification referred to in the external auditor's document referred to in Article 13 of this Decision;
- any foreseeable charge or dividend has been deducted from the amount of the profits, as shown above;
- the amount of dividends to be deducted has been estimated in accordance with the provisions of Article 26, paragraph (2) of Regulation (EU) No 575/2013, the provisions of Articles 2 and 3 of Commission Delegated Regulation (EU) No 241/2014 and the provisions of Articles 12 to 14 of this Decision. In particular, deductible dividends are based on a formal decision/proposal or, if such formal decision/proposal has not been taken, the dividend to be deducted shall be the highest of the following: (i) maximum dividend in accordance with internal dividend policy; (ii) dividend calculated on the basis of the average pay-out ratio over the last three years; (iii) dividend

[1] Article 3, paragraph (1), item (b) of Commission Delegated Regulation (EU) No 241/2014.
[2] Article 3, paragraph (2) of Commission Delegated Regulation (EU) No 241/2014
[3] Article 2, paragraphs (2) and (10) of Commission Delegated Regulation (EU) No 241/2014. This should only be "0" if there is a formal decision or proposal not to distribute any dividend. If there is no formal proposal or decision the field is left blank.
[4] Article 2, paragraphs (4) to (6) of Commission Delegated Regulation (EU) No 241/2014
[5] Article 2, paragraph (7) of Commission Delegated Regulation (EU) No 241/2014
[6] Article 2, paragraph (9) of Commission Delegated Regulation (EU) No 241/2014

calculated on the basis of the last year's pay-out ratio. If the expected dividend pay-out has been calculated by using a pay-out range instead of a fixed value, the upper end of that range has been used.

– The management board, with the approval of the supervisory board of [name of the less significant supervised entity/group of credit institutions/sub-group of credit institutions] commits to make a proposal for distributing dividends that is fully consistent with the above calculation of the net profits.

Kind regards,

[Name and position of authorised signatory on behalf of the less significant supervised entity]