



HNB

EUROSUSTAV

## GOVERNOR

Pursuant to Article 101, paragraph (2), item (7) and Article 154, paragraph (9) of the Credit Institutions Act (Official Gazette 159/2013, 19/2015, 102/2015, 15/2018, 70/2019, 47/2020, 146/2020, 151/2022 and 145/2024) 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 recovery plans of credit institutions**

#### **Article 1**

In the Decision on recovery plans of credit institutions (Official Gazette 110/2022), Article 2 is amended to read:

"This Decision partially transposes into the legal system of the Republic of Croatia Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council (OJ L 173, 12.6.2014), as last amended by Directive (EU) 2022/2556 of the European Parliament and of the Council of 14 December 2022 as regards digital operational resilience for the financial sector (OJ L 333, 27.12.2022), hereinafter referred to as 'Directive (EU) 2014/59/EU'.".

#### **Article 2**

In Article 3, paragraph (1), the words "(Official Gazette 146/2020 and 21/2022)" are replaced by the words "(Official Gazette 146/2020, 21/2022 and 27/2024)".

In paragraph (2), item (3) is amended to read:

"3) '*recovery plan*' means the recovery plan referred to in Article 154, paragraph (1) of the Credit Institutions Act (Official Gazette 159/2013, 19/2015, 102/2015, 15/2018, 70/2019, 47/2020, 146/2020, 151/2022 and 145/2024, hereinafter referred to as 'Credit Institutions Act') in which the credit institution sets out measures to be taken to restore its financial position in situations of severe financial distress".

In paragraph (2) the full stop at the end of item (6) is deleted and items (7) to (9) are added:

"7) '*total risk exposure amount*' (hereinafter referred to as 'MREL TREA') as defined in Article 12a, paragraph (2), item (a) of Regulation (EU) No 806/2014

8) '*total exposure measure*' (hereinafter referred to as 'MREL TEM') as defined in Article 12a, paragraph (2), item (b) of Regulation (EU) No 806/2014 and

9) '*total loss-absorbing capacity*' (hereinafter referred to as 'TLAC') as defined in Article 92a of Regulation (EU) No 575/2013.".

#### **Article 3**

In Article 6, paragraph (1), item (11), sub-item (g) is amended to read:

"g) necessary to maintain the continuous functioning of the credit institution's operational processes, including network and information systems that are set up and managed in accordance with Regulation (EU) 2022/2554".

#### **Article 4**

In Article 9, paragraph (1), item (4) is amended to read:

"4) MREL TREA, MREL TEM and TLAC (if applicable).".

In paragraph (5), item (1) is amended to read:

"1) MREL or the binding intermediate target levels of MREL (if applicable) expressed as percentages of TREA".

#### **Article 5**

In Article 15, paragraph (1) is amended to read:

"(1) A credit institution shall, taking into account the nature, scale and complexity of its activities, prepare a range of stress scenarios of severe macroeconomic and financial distress based on a series of hypothetical exceptional events with negative effects, to test the appropriateness of the types and levels of thresholds of indicators and the effectiveness of recovery measures.".

The paragraphs (2) and (3) are deleted and paragraphs (4) and (5) become paragraphs (2) and (3).

In the former paragraph (5), which becomes paragraph (3), number "(4)" is replaced by number "(2)".

#### **Article 6**

In Article 16, paragraph (2) is deleted and new paragraphs (2) to (4) are added which read:

"(2) A credit institution shall prepare at least one scenario that will include the following types of events:

- 1) systemic events on overall system level which might have serious negative consequences for the financial system or the real economy
- 2) events specific to a credit institution or group which might have serious negative consequences for one credit institution, one group or a credit institution within the group and
- 3) a simultaneous and interactive combination of the events referred to in items (1) and (2) of this paragraph.

(3) By way of derogation from paragraph (2) of this Article, a credit institution eligible for simplified obligations may carry out stress tests using one scenario comprising several systemic events referred to in Article 18 of this Decision and several events referred to in Article 19 of this Decision that are specific to the credit institution or the group for which a recovery plan is drawn up.

(4) The stress scenarios of credit institutions should include both slow-moving and fast-moving events.".

The former paragraph (3), which becomes paragraph (5), is amended to read:

"(5) A credit institution shall include in a stress scenario an assessment of the impact of the events on the available capital and liquidity, and, where possible, also on:

- 1) risk profile
- 2) profitability
- 3) operations, including payment and settlement operations and
- 4) reputation.".

The former paragraph (4) becomes paragraph (6).

#### **Article 7**

In Article 17, paragraph (3) is deleted.

### **Article 8**

In Article 18, paragraph (1), the introductory sentence is amended to read:

"(1) When preparing a stress scenario based on systemic events on overall system level, a credit institution shall take into account the impact of at least the following events:".

### **Article 9**

In Article 19, paragraph (1), the introductory sentence is amended to read:

"(1) When preparing a stress scenario based on events specific to a credit institution or group, a credit institution shall take into account the impact of at least the following events:".

### **Article 10**

In Article 22, paragraph (1), the words "31 December" are replaced by the words "30 September".

### **Article 11**

This Decision shall be published in the Official Gazette and shall enter into force on 17 January 2025, with the exception of the provisions of Article 10 of this Decision, which shall enter into force on 1 January 2026.

No.: 454-091/12-24/BV

Zagreb, 16 December 2024

**Boris Vujčić**

Governor