

Reg. No: 79/093/23-2  
Zagreb, 11 December 2023

**TO ALL CREDIT INSTITUTIONS**

Attention of: Management Board

**Subject: Application of the Guidelines on overall recovery capacity (ORC) in recovery planning**

Dear Sir/Madam,

The European Banking Authority (hereinafter referred to as 'EBA') issued on 19 July 2023 the Guidelines on overall recovery capacity in recovery planning (hereinafter referred to as 'Guidelines on the ORC').

These Guidelines specify how credit institutions should include in the recovery and group recovery plans a summary of their overall recovery capacity, in accordance with Directive 2014/59/EU and Commission Delegated Regulation (EU) 2016/1075.

Pursuant to the list of credible and feasible recovery options and a range of scenarios of severe macroeconomic and financial stress, credit institutions should determine the ORC as a range of the 'scenario-specific recovery capacities' for all the relevant scenarios of severe macroeconomic and financial stress considered in the recovery plan, where the 'scenario-specific recovery capacity' is defined as the sum of the quantitative impacts of each recovery option that would be available and appropriate under each specific scenario, quantified in terms of relevant recovery plan indicators referring to capital (including leverage) and liquidity.

These Guidelines shall be applied as of 11 January 2024.

In accordance with the provisions of these Guidelines, the Croatian National Bank shall update the documents the Standardised report on recovery plans of credit institutions and the Instructions for completion of the Standardised report on recovery plans of credit institutions in order to enable the application of these Guidelines.

In accordance with Article 4, paragraph (1), item (3) of the Credit Institutions Act<sup>1</sup>, the Croatian National Bank shall make every effort to comply with the guidelines and recommendations issued by the EBA in accordance with Article 16 of Regulation (EU) No. 1093/2010 (SL L 24.11.2010). Credit institutions are expected to apply these Guidelines as a good practice.

In case of failure to apply the provisions of these Guidelines, the Croatian National Bank shall consider the need to impose supervisory measures.

The Guidelines are available on the EBA's website at the following links:

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<sup>1</sup> [Official Gazette 159/2013, 19/2015, 102/2015, 15/2018, 70/2019, 47/2020, 146/2020 and 151/2022.](#)

1. The Guidelines in the Croatian language: *Smjernice o ukupnoj mogućnosti oporavka u planiranju oporavka.*

[https://www.eba.europa.eu/sites/default/files/document\\_library/Publications/Guidelines/2023/EBA-GL-2023-06/Translations/1062590/GLs%20overall%20recovery%20capacity%20in%20recovery%20planning%20%28EBA%20GL%202023%2006%29\\_HR\\_COR.pdf](https://www.eba.europa.eu/sites/default/files/document_library/Publications/Guidelines/2023/EBA-GL-2023-06/Translations/1062590/GLs%20overall%20recovery%20capacity%20in%20recovery%20planning%20%28EBA%20GL%202023%2006%29_HR_COR.pdf)

2. The Guidelines in the English language: *Guidelines on overall recovery capacity in recovery planning.*

[https://www.eba.europa.eu/sites/default/files/document\\_library/Publications/Guidelines/2023/EBA-GL-2023-06/1061158/Final%20Report%20on%20GLs%20on%20overall%20recovery%20capacity%20in%20recovery%20planning.pdf](https://www.eba.europa.eu/sites/default/files/document_library/Publications/Guidelines/2023/EBA-GL-2023-06/1061158/Final%20Report%20on%20GLs%20on%20overall%20recovery%20capacity%20in%20recovery%20planning.pdf)

Kind regards,

Tomislav Ćorić

Vicegovernor