



HNB

**GVERNER**

Pursuant to Article 43, paragraph (2), item (9) of the Act on the Croatian National Bank (Official Gazette 75/2008 and 54/2013) and Article 250, paragraph (13), Article 253, paragraph (4) and Article 262, paragraph (3) of the Credit Institutions Act (Official Gazette 159/2013, 19/2015, 102/2015 and 15/2018), the Governor of the Croatian National Bank hereby issues the

## **Decision on the application of provisions of the Credit Institutions Act to credit institutions undergoing winding-up proceedings**

### **I GENERAL PROVISIONS**

#### **Introductory provision**

##### **Article 1**

This Decision regulates the following for credit institutions undergoing voluntary winding-up proceedings and credit institutions undergoing compulsory winding-up proceedings:

- 1) the content of the winding-up plan;
- 2) the content of and time limits for the delivery of reports on the progress of voluntary winding-up proceedings;
- 3) the manner of application of the provisions of the Credit Institutions Act to credit institutions undergoing winding-up proceedings;
- 4) the obligations of credit institutions undergoing winding-up proceedings; and
- 5) reporting to the Croatian National Bank.

### **II CREDIT INSTITUTION UNDERGOING VOLUNTARY WINDING-UP PROCEEDINGS**

#### **Winding-up plan**

##### **Article 2**

The winding-up plan delivered to the Croatian National Bank by a credit institution which intends to adopt a decision on company dissolution shall include:

- 1) the planned date of convening the general meeting and the planned date of initiating voluntary winding-up proceedings with data on the liquidators;
- 2) explanation of grounds for company dissolution or the intent to initiate voluntary winding-up proceedings;

- 3) other options considered with regard to cessation of operation (contact with potential acquirers, acquisition or merger with another credit institution);
- 4) the assessment of the credit institution's level of solvency according to gone concern criteria with evidence proving that winding-up proceedings can be fully and completely implemented;
- 5) the plan of communication with creditors with special reference to depositors and the payment of insured and uninsured deposits;
- 6) the plan of communication with clients for whom the credit institution keeps transaction accounts and provides payment services, particularly with clients with whom the credit institution concluded agreements on the provision of particular payment transactions (payment of pensions and salaries, standing orders, direct debits, etc.);
- 7) the plan of communication with correspondent credit institutions and credit institutions with which the credit institution maintains correspondent account relationships in the country and abroad, other credit institutions and financial institutions in the country with which it does business and payment system operators, card network operators and the operators of other infrastructures in which the credit institution participates;
- 8) the assessment of realisation of assets under gone concern criteria, collection of claims and realisation of material assets;
- 9) the amount and maturity structure of insured deposits according to remaining maturities and the total amount of insured deposits;
- 10) the report on the maturity structure of assets and liabilities according to remaining maturities;
- 11) the plan for the settlement of off-balance sheet liabilities;
- 12) the plan for the procedure regarding existing promissory notes, bills of exchange and other collateral issued by the credit institution;
- 13) the plan for the settlement of liabilities to creditors;
- 14) the policy of early collection of monetary claims or settlement procedures;
- 15) the plan for the cancellation of contracts and other business arrangements that are not necessary for the operation of a credit institution undergoing winding-up proceedings;
- 16) the assessment of the finalisation of existing and potential future court proceedings, including the potential costs for the credit institution;
- 17) the manner of organisation of the credit institution's operation and the employment status of employees, including the costs of the termination of employment contracts and other business arrangements (outsourced services, advisory services, etc.);
- 18) the time frame for the duration of voluntary winding-up proceedings;
- 19) the plan for the communication with the public; and
- 20) the date and the signature of an authorised representative.

## **Opinion on the winding-up plan**

### **Article 3**

- (1) The Croatian National Bank shall evaluate the winding-up plan, particularly:
- 1) the effect of voluntary winding-up proceedings on the rights of the credit institution's creditors;
  - 2) the effect of voluntary winding-up proceedings on the stability of the financial system of the Republic of Croatia; and
  - 3) the existence of reasons which could jeopardise the implementation of voluntary winding-up proceedings or the realisation of the winding-up plan.
- (2) In evaluating the winding-up plan, the Croatian National Bank may request additional information of the credit institution. The period referred to in article 250, paragraph (2) of the Credit Institutions Act shall begin on the day the additional information referred to in this paragraph are delivered.
- (3) Based on the evaluation of the winding-up plan within a period of no longer than three months from the date of its delivery, the Croatian National Bank shall issue a positive opinion on the winding-up plan or adopt a decision on the rejection of the winding-up plan.

## **Implementation of the winding-up plan**

### **Article 4**

- (1) During voluntary winding-up proceedings, a credit institution shall monitor the implementation of the winding-up plan and inform the Croatian National Bank of the progress for every six-month period.
- (2) If, during the monitoring of the implementation of the winding-up plan, deviations from the planned amounts or the scheduled implementation of particular activities occur, the credit institutions shall inform the Croatian National Bank thereof without delay.
- (3) The Croatian National Bank shall supervise the implementation of the winding-up plan and this Decision in the manner provided for in Article 177 of the Credit Institutions Act.

## **Application of the provisions of the Credit Institutions Act**

### **Article 5**

(1) Only the following provisions of the Credit Institutions Act shall apply *mutatis mutandis* to a credit institution undergoing voluntary winding-up proceedings until the closure of voluntary winding-up proceedings:

- 1) Title I General provisions;
- 2) In Title II Status provisions:
  - a. Chapter II.1 Application of the provisions of the Companies Act,
  - b. Chapter II.2 Initial capital and shares of a credit institution, with the exception of Article 19,
  - c. Articles 38 and 43 of Chapter II.4 Management board and supervisory board;
- 3) Article 153 of Title X Reporting to the Croatian National Bank;
- 4) Title XII Banking secrecy;
- 5) Title XV Relationship between the Croatian National Bank and external auditors;
- 6) Articles 236, 242 and 243 of Chapter XIX.2 Appointment of a special administration;
- 7) Chapter XX.1 Voluntary winding-up of credit institutions;
- 8) Chapter XXI.1 Bankruptcy of credit institutions;
- 9) Articles 300, 303, 305 and 306 through 312 of Title XXIII Consumer protection;
- 10) Title XXIV Savings banks;
- 11) Title XXV Housing savings banks;
- 12) Title XXVII Decision-making methods and procedures of the Croatian National Bank;
- 13) Title XXVIII Reorganisation measures, winding-up and bankruptcy proceedings with international implications;
- 14) Title XXIX Notification of breaches of regulations;
- 15) Title XXX Penalty provisions; and
- 16) Article 154, paragraph (3) of the Transitional and final provisions of the Act on the Amendments to the Credit Institutions Act (Official Gazette 15/2018).

(2) A credit institution undergoing voluntary winding-up proceedings shall not be authorised to take deposits or other repayable funds from the public or to grant credits and in accordance with Regulation (EU) 575/2013, the aforementioned Regulation and delegated or implementing regulations adopted pursuant to the aforementioned Regulation shall not apply to credit institutions undergoing voluntary winding-up proceedings.

(3) The provisions of the Credit Institutions Act concerning supervision shall apply *mutatis mutandis* to the oversight of a credit institution undergoing voluntary winding-up proceedings unless otherwise provided for in another law.

## **Obligations of a credit institution undergoing voluntary winding-up proceedings**

### **Article 6**

A credit institution undergoing voluntary winding-up proceedings shall, immediately after the general meeting adopts the decision on the dissolution of the credit institution:

- 1) put up a conspicuous notice about the opening of voluntary winding-up proceedings and the discontinuance of banking and financial services at the entrance to its head office and other business premises of the credit institution undergoing voluntary winding-up proceedings such as sub-branches, counters, etc., as well as on its website, and notify any persons through which it provides banking and/or financial services to clients;
- 2) notify the Croatian National Bank, its correspondent credit institutions and credit institutions with which it maintains correspondent account relationships in the country and abroad, other credit institutions and financial institutions with which it does business, payment system operators, card network operators and the operators of other financial infrastructures in which it participates; and
- 3) notify its clients by means of written statements of account and any other written forms of communication with clients that, by the entering into force of the decision to initiate voluntary winding-up proceedings and the withdrawal of the credit institution's authorisation, it is no longer authorised to keep transaction accounts for clients, accept payments to such accounts and make payments from such accounts or to provide any other payment services.

## **Obligations of liquidators of a credit institution undergoing voluntary winding-up proceedings**

### **Article 7**

(1) Liquidators of a credit institution undergoing voluntary winding-up proceedings shall deliver the following documents compiled pursuant to regulations governing the operation of companies to the Croatian National Bank:

- 1) the decision of the general meeting on the dissolution of the company with the data on the appointed liquidators;
- 2) the notification of the invitation to creditors;
- 3) report on company status;
- 4) decision of the general meeting on the adoption of the audited initial liquidation report;
- 5) report on performed voluntary winding-up proceedings; and
- 6) the decision of the general meeting on the adoption of the final liquidation financial report.

(2) Liquidators of a credit institution undergoing voluntary winding-up proceedings shall compile six-month reports on the progress of winding-up proceedings and deliver them to the Croatian National Bank within thirty days after the expiry of the reporting period.

(3) The first reporting period referred to in paragraph (2) of this Article shall commence on the first day following the day the winding-up proceedings are initiated and shall last until 30 June or 31 December.

(4) Liquidators of a credit institution undergoing voluntary winding-up proceedings shall, at the request of the Croatian National Bank, compile the report referred to in paragraph (2) of this Article for other periods as well, in accordance with the request of the Croatian National Bank, and deliver it to the Croatian National Bank within the time limit specified in the request.

(5) The report on the progress of the winding-up proceedings shall contain the following attachments:

- 1) statement of financial position (balance sheet) and income statement from the financial statements governed by the regulation on the structure and content of annual financial statements adopted by the Croatian National Bank based on regulations governing accounting;
- 2) report on credit risk exposure by risk categories;
- 3) report on exposures to 50 largest debtors;
- 4) maturity structure of assets and liabilities according to remaining maturities; and
- 5) balance of money deposits and other liabilities.

(6) Reports referred to in items (2) to (5) of paragraph (5) of this Article shall be submitted in forms provided in Annex I to this Decision.

## **Annual financial statements**

### **Article 8**

(1) Liquidators of a credit institution undergoing voluntary winding-up proceedings shall deliver the report on the audit of annual financial statements along with the annual financial statements to the Croatian National Bank within 15 days of the receipt of the audit report and at the latest within four months following the end of the business year to which the annual financial statements relate.

(2) A credit institution undergoing voluntary winding-up proceedings shall publish its audited annual financial statements together with its annual report on its website and

make them available at the latest within five months following the end of the business year to which the statements relate.

(3) A credit institution undergoing voluntary winding-up proceedings shall value assets and determine losses in accordance with subordinate legislation adopted by the Croatian National Bank under Article 101, paragraph (2), item (2) of the Credit Institutions Act.

### **III CREDIT INSTITUTIONS UNDERGOING COMPULSORY WINDING-UP PROCEEDINGS**

#### **Application of the provisions of the Credit Institutions Act Article 9**

The provisions of this Decision shall apply *mutatis mutandis* to a credit institution undergoing compulsory winding-up proceedings.

### **IV TRANSITIONAL AND FINAL PROVISIONS Article 10**

(1) Credit institutions undergoing voluntary winding-up proceedings shall compile the first reports referred to in Article 7, paragraph (2) of this Decision with balance as at 30 June 2018.

(2) The Decision on the application of the provisions of laws and regulations coming within the competence of the Croatian National Bank to credit institutions undergoing winding-up proceedings (Official Gazette 75/2009) shall cease to have effect on the date of the entry into force of this Decision.

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

No.: 69-020/03-18/BV  
Zagreb, 2 March 2018

Croatian National Bank  
Governor  
**Boris Vujčić**

Annex I

## Report on the progress of winding-up proceedings

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Name of the credit institution undergoing voluntary/compulsory winding-up proceedings

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Reporting date

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Name and surname of authorised person    Signature of authorised person    Date

Please send the completed and signed report to:  
Hrvatska narodna banka, Trg hrvatskih velikana 3, 10002 Zagreb

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Address of credit institution undergoing voluntary/compulsory winding-up proceedings





Table 1 Report on credit risk exposure by risk categories	Name of credit institution: OIB of credit institution: Reporting date:						Page
	A-1	A-2	B-1	B-2	B-3	C	Total
TOTAL EXPOSURE (1+2+3)							
TOTAL VALUE IMPAIRMENTS AND PROVISIONS							
TOTAL BALANCE SHEET EXPOSURE (1+2)							
TOTAL VALUE IMPAIRMENTS							
1) FINANCIAL ASSETS AT AMORTISED COST							
TOTAL VALUE IMPAIRMENTS IN THE PORTFOLIO							
2) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME							
TOTAL VALUE IMPAIRMENTS IN THE PORTFOLIO							
3) OFF-BALANCE SHEET LIABILITIES							
TOTAL PROVISIONS FOR OFF-BALANCE SHEET LIABILITIES							



Table 2 Report on exposures to debtors (50)											Name of credit institution: OIB of credit institution: Reporting date:	Page A
No.	MB/JMBG/ OIB	Debtor	Undue loans	Due loans	Paid off- balance sheet liabilities	Deposits	Debt securities	Interest receivables	Fee receivables	Other receivables	Off-balance sheet potential liabilities	
1		2	3	4	5	6	7	8	9	10	11	
1		Debtor A										
2		Debtor B										
3		Debtor C										
4												
5		...										
6		...										
7		...										
8		...										
...		...										
		TOTAL										

Table 2 Report on exposures to debtors (50)											Name of credit institution: OIB of credit institution: Reporting date:	Page B
No.	Debtor	Total exposure (classification)	Risk category A exposures		Risk category B exposures			Risk category C exposures	Balance of value impairments and provisions			
			A-1	A-2	B-1	B-2	B-3					
12		13	14	15	16	17	18	19	20			
1	Debtor A											
2	Debtor B											
3	Debtor C											
4												
5	...											
6	...											
7	...											
8	...											
...	...											



	Name of credit institution:							Page	
	OIB:							A	
Table 3 Maturity of assets and liabilities	Reporting date:								
	Remaining maturity								
	up to 15 days	longer than 15 days and up to 1 month	longer than 1 month and up to 2	longer than 2 months and up to 3	longer than 3 months and up to 6	longer than 6 months and up to 12	longer than 12 months and up to 18	longer than 18 months and up to 24	longer than 24 months
<b>Assets</b>									
Cash, cash balances at central banks and other demand deposits									
Cash on hand									
Cash balances at central banks									
Other demand deposits									
Financial assets held for trading									
Derivatives									
Equity instruments									
Debt instruments									
Non-trading financial assets mandatorily at fair value through profit or loss									
Equity instruments									
Debt instruments									
Financial assets at fair value through profit or loss									
Financial assets at fair value through other comprehensive income									
Equity instruments									
Debt instruments									
Financial assets at amortised cost									
Derivatives - hedge accounting									
Fair value changes of the hedged items in portfolio hedge of interest rate risk									
Investments in subsidiaries, joint ventures and associates									
Tangible assets									
Property, plant and equipment									
Investment property									
Intangible assets									
Goodwill									
Other intangible assets									
Tax assets									
Current tax assets									
Deferred tax assets									
Other assets									
<b>TOTAL ASSETS</b>									
<b>Liabilities</b>									
Financial liabilities									
Derivatives									
Deposits									
Issued debt securities									
Other financial liabilities									
Provisions									
Pensions and other post employment defined benefit obligations									
Other liabilities									
<b>TOTAL LIABILITIES</b>									
<b>MISMATCH OF ASSETS AND LIABILITIES</b>									
<b>CUMULATIVE MISMATCH OF ASSETS AND LIABILITIES</b>									
<b>CAPITAL</b>									
Guarantees									
Uncovered letters of credit									
Guaranteed bills of exchange									
Accepted bills of exchange									
Revolving loans									
Margin credit lines									
Other credit lines and commitments									
Other standard risky off-balance sheet items									
<b>TOTAL OFF-BALANCE SHEET ITEMS</b>									



	Name of credit institution:			Page
	OIB:			
Table 4 Money deposits and liabilities	Reporting date:			A
	Due up to 21 days	Due longer than days and up to 60 da	Due longer than 60 days	Total
<b>INSURED DEPOSITS</b>				
Transaction account deposits				
Natural persons				
Other domestic sectors				
Non-residents				
Savings deposits				
Natural persons				
Other domestic sectors				
Non-residents				
Time deposits				
Natural persons				
Other domestic sectors				
Non-residents				
<b>TOTAL INSURED DEPOSITS</b>				
<b>OTHER DEPOSITS AND LIABILITIES</b>				
Other received deposits				
Received loans				
Financial instruments included in tier 2 capital				
Financial instruments included in additional tier 1 capital				
<b>TOTAL OTHER DEPOSITS AND LIABILITIES</b>				
<b>ADDITIONAL DATA</b>				
Total amount of deposits insured with the State Agency for Deposit Insurance and Bank Resolution				
Amount of paid and closed received deposits in the reporting period:				
Total amount of deposits paid by offsetting in the reporting period:				
Number of paid/closed sub-accounts of received deposits in the reporting period:				
Number of active (unclosed) loan sub-accounts				
Total amount of claims of shareholders holding more than 5% of shares in the initial capital of the credit institution and persons connected with them, former management board members and persons connected with them and supervisory board members and persons connected				