

Pursuant to Article 307, items (1) and (3) of the Credit Institutions Act (Official Gazette 117/2008), Article 13, paragraph (3) of the Credit Union Act (Official Gazette 141/2006) and Article 43, paragraph (2), item (9) and paragraph (3) of the Act on the Croatian National Bank (Official Gazette 75/2008), the Governor of the Croatian National Bank hereby issues the

Decision on amendments to the Decision on the effective interest rate of credit institutions and credit unions and on service contracts with consumers

Article 1

In the Decision on the effective interest rate of credit institutions and credit unions and on service contracts with consumers (Official Gazette 1/2009), in the entire text, the words "repayment table" in various grammatical cases are replaced by the words "repayment plan" in the appropriate grammatical case and the Croatian words translated as "loan instalment" are replaced by other Croatian words, with no relevance to the English translation.

Article 2

In Article 4, paragraph (3) is added and reads:

"(3) A credit union shall in all business premises where it provides services to members, in a visible place and in an understandable manner, disclose that deposits deposited with the credit union are not insured pursuant to the act governing deposit insurance."

Article 3

In Article 5, after paragraph (2), a new paragraph (3) is added and reads:

"(3) A credit union shall before the conclusion of deposit contracts inform members that deposits deposited with the credit union are not insured pursuant to the act governing deposit insurance."

The former paragraphs (3), (4), (5) and (6) become paragraphs (4), (5), (6) and (7).

In paragraph (7), the numbers "1, 3 and 4" are replaced by the numbers "1 to 5".

Article 4

In Title IV TRANSITIONAL AND FINAL PROVISIONS the words "Article 8" are replaced by the words "Article 7".

Article 5

In the Instructions for the implementation of the Decision on the effective interest rate of credit institutions and credit unions and on service contracts with consumers, which are an integral part of the Decision, in item 4.2, subitem 15. *Discounted Security Deposit Flow*, the second paragraph is amended to read:

"where $DSDF_k$ denotes discounted security deposit flow at a particular period, SDF_k security deposit flow at a particular period, while other symbols have the same meanings as in item 13. The sum of discounted security deposit flows, $TDSDF = \sum_k DSDF_k$, which is used to calculate the effective interest rate, described in item 13., is shown at the intersection of the line item *Total* and column *Discounted Security Deposit Flows*".

Article 6

In item 4.3, subitem 13. *Discounted Net Cash Flow*, in the first paragraph, the words "while EIR in the discount factor denotes the effective interest rate" are deleted.

Article 7

This Decision shall enter into force on the eighth day after the day of its publication in the Official Gazette.

No.: 246-020/03-09/ŽR
Zagreb, 11 March 2009

Croatian National Bank
Governor
Željko Rohatinski, m.p.