

# ANNUAL REPORT 2023



HRVATSKA AGENCIJA ZA OSIGURANJE DEPOZITA  
CROATIAN DEPOSIT INSURANCE AGENCY



**2023 ANNUAL REPORT**  
ON THE DEPOSIT  
INSURANCE SYSTEM  
AND THE ACTIVITIES OF  
THE CROATIAN DEPOSIT  
INSURANCE AGENCY



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# Croatian Deposit Insurance Agency



## Vision

**promoting confidence  
in the stability of the  
financial system**



## Mission

**to protect depositors  
against the loss of their  
deposits in case of a failure  
of a credit institution**

**to enable prompt payment  
of compensation for covered  
deposits in case of a failure  
of a credit institution**

**to contribute to the stability  
and confidence in the  
Croatian financial system**

**to provide support to credit  
institutions in maintaining  
their long-term operational  
stability**



## Core values

**Accountability - we respect  
the highest ethical and  
professional standards**

**Professionalism and teamwork  
- with our knowledge and  
experience, we achieve  
outstanding results**

**Communication and  
cooperation - we successfully  
communicate and cooperate  
with regulatory authorities**

# FOREWORD



**O**n January 1, 2023 Croatia became the 20th member of the Eurozone, and this very fact will be recorded as an important new chapter in its history, as well as a turning point in personal and professional lives of its citizens and business entities.

2023 was marked by numerous challenges in the region and beyond, inflation, changes in consumer behaviour, which, as expected, also affected monetary policy.

We successfully overcame all the challenges we were facing, and we can proudly say that, in 2023, the stability of both the banking sector and the financial system in the Republic of Croatia was maintained. This stimulated further increase in deposits.

The Croatian Deposit Insurance Agency (hereinafter: CDIA) kept on improving the Deposit Insurance System by promoting the best practices in the field of deposit protection and preservation of financial stability in the Republic of Croatia and outside its borders, while its experts kept on improving their knowledge and expertise in order to achieve further excellence in the field in which they are already recognized.

With such an approach, we managed to maintain our values and achieve our goals.

In 2023, the representatives of the CDIA were actively participating in the improvement of the legislative framework, as members of the Working Groups of the Ministry of Finance for drafting the Act on the Amendments to the Act on the Resolution of Credit Institutions and Investment Firms and the Act on the Amendments to the Act on Compulsory Winding-up of Credit Institutions, as well as the amendments to the Ordinance on the obligations of credit institutions in relation to the Deposit Insurance System, the Ordinance on the obligations of the Croatian Deposit Insurance Agency, and the Ordinance on the payment of a part of the premium in the form of an irrevocable payment commitment and on taking measures to reduce the risk of the occurrence of an insured event.

With our knowledge and expertise, we also contributed to the activities related to the European Commission's proposal on the review of the bank crisis management and deposit insurance framework (CMDI framework), which contains a package of amendments to the current EU legislation, as a continuation of reforms in the Banking Union related to the bank crisis management and deposit insurance. Thus, the amendments were proposed to the legislative acts such as: BRRD - Bank Recovery and Resolution Directive, SRMR - Single Resolution Mechanism Regulation, and DGSD - Deposit Guarantee Schemes Directive.

Equally important, in 2023, together with the representatives of the Ministry of Finance, the CNB and the HANFA, we invested special effort and time in the OECD accession negotiations and the OECD Code of Liberalisation, by completing accession questionnaires and participating in fact-finding missions in Zagreb and at the session in Paris, under the competence of the OECD Committee on Financial Markets.

Our previous positive experience in working with international institutions was an incentive to further strengthen activities at the international level in 2023. In this context and with the clear aim of promoting cooperation and opening new areas in the improvement of the Deposit Insurance System, we signed two Memorandums of Understanding on Bilateral Cooperation - with IDF-Indelium investiciju draudimus from

Lithuania and with the National Deposit Insurance Fund of Hungary. Our wish is to ensure better quality of work of all national deposit insurance institutions, while also improving the European Deposit Insurance System through a mutual exchange of knowledge and experience.

The CDIA, as one of the representatives of the Republic of Croatia, regularly participates in the work of the Single Resolution Board, a body the role of which is to ensure the orderly resolution of failing banks, with minimum impact on the real economy and the public finances of the participating EU countries and other countries.

In 2023, the Republic of Croatia completed the process of key European integrations. The CDIA had the honour to organise the first Meeting of the Single Resolution Fund in 2023 and to host the representatives of the Single Resolution Board and representatives of European countries.

Being aware of our role, as much as of the need to continuously invest in education and financial literacy of our citizens, especially in the part related to the Deposit Insurance System, in 2023, we organised workshops for credit institutions and the academic community.

With the aim of enhancing depositors' trust in the financial system, the CDIA issued its first Guide to the World of Deposit Insurance on the occasion of the World Savings Day.

In the year ahead of us,, we will, as always, be ready to respond to new challenges. We will adapt our knowledge and skills to specific situations, but also to the required level of digitization and, as part of our activities, offer solutions, always taking into account the effectiveness of the Deposit Insurance System, and striving to improve cooperation with all our key stakeholders.

I would like to take this opportunity to thank all our partners and participants in the Croatian, European and international financial markets, for their successful cooperation during the past period, as well as the employees of the CDIA for their dedication, effort and expertise, with which we, all together, maintain trust in the financial system, protect citizens and the economy, and provide support to credit institutions in ensuring their long-term operational stability.

Marija Hrebac, CDIA CEO



# ABBREVIATIONS

**ACWCI**

Act on Compulsory Winding-Up of Credit Institutions

**ARAI**

Act on the Right of Access to Information

**CDIA**

Croatian Deposit Insurance Agency

**CI(s)**

Credit institution(s)

**CMDI**

Crisis Management and Deposit Insurance

**CNB**

Croatian National Bank

**DIF**

Deposit Insurance Fund

**DIS**

Deposit Insurance System

**DISA**

Deposit Insurance System Act

**ECB**

European Central Bank

**EFDI**

European Forum of Deposit Insurers

**EU**

European Union

**GDPR**

General Data Protection Regulation

**HANFA**

Croatian Financial Services Supervisory Agency

**IADI**

International Association of Deposit Insurers

**MPPCSA**

Ministry of Physical Planning, Construction and State Assets

**OECD**

Organisation for Economic Co-operation and Development

**OHSA**

Occupational Health and Safety Act

**POLICY**

Privacy policy

**SPV ZA SANACIJU Ltd.**

for business services in liquidation

**SRB**

Single Resolution Board

**SRF**

Single Resolution Fund

**SRM**

Single Resolution Mechanism

**THB**

Temporary High Balance

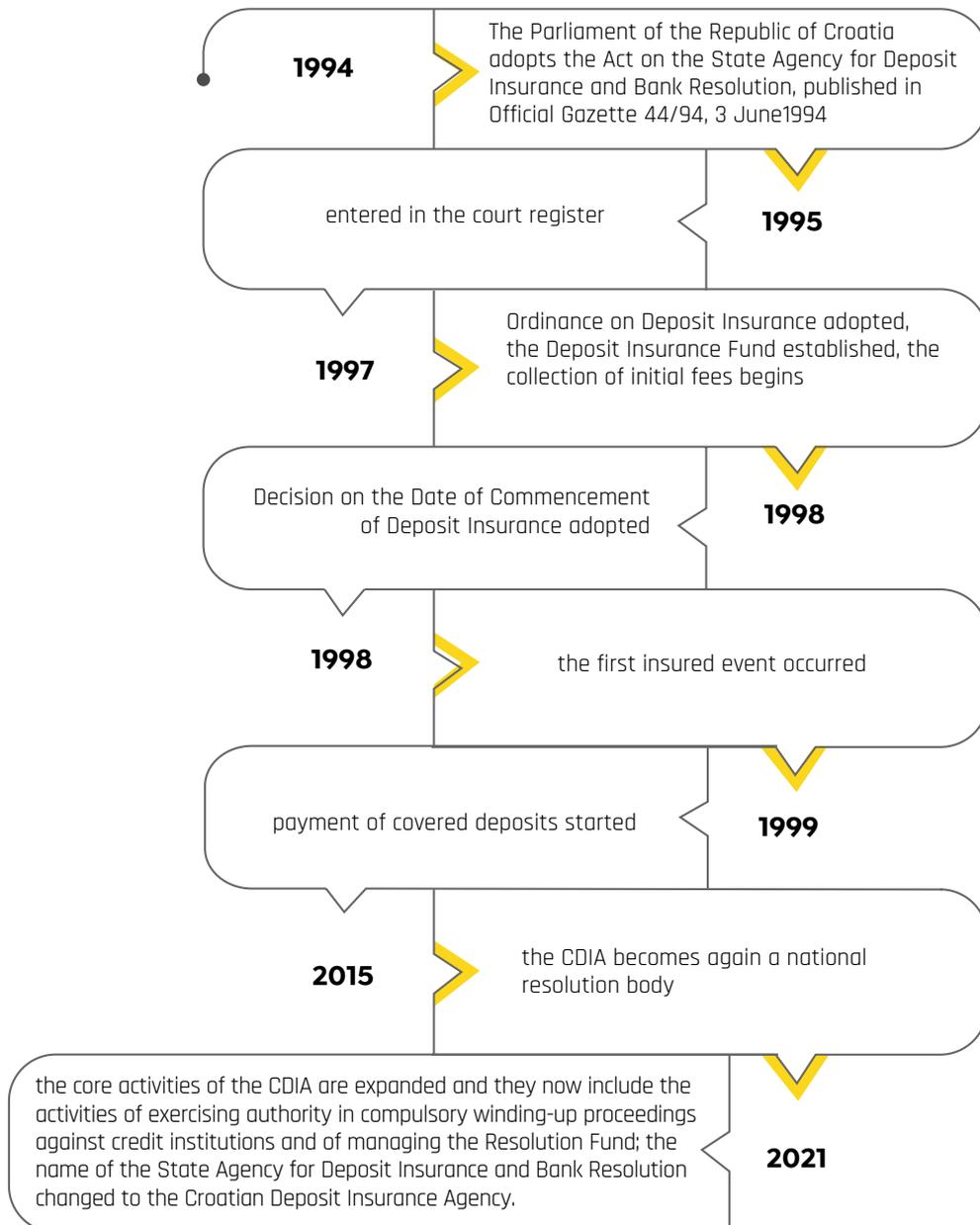
# CDIA – ESTABLISHMENT AND ORGANISATIONAL DEVELOPMENT

The Croatian Deposit Insurance Agency (formerly the State Agency for Deposit Insurance and Bank Resolution) was established in 1994 as a specialized financial institution that insures deposits in banks and savings banks and manages bank resolution proceedings.

The enhancement of legal powers of the Croatian Deposit Insurance Agency (hereinafter: CDIA) from its establishment until today have strengthened its role in protecting depositors' savings as well as in contributing to financial stability.

The crisis period of the Croatian banking sector started at the beginning of the 90s of the 20th century, caused primarily by the legacy of the former system, necessity of conversion and privatization, influence of economic policy in the conditions of monetary dependence (until the end of 1991), the war, and impossibility of raising adequate funds for the achievement of the state's goals through fiscal policy.

Following the independence of the Republic of Croatia in 1991 and the establishment of the Croatian National Bank, the banking system underwent reform, as a result of which the Croatian Deposit Insurance Agency was established and then further developed.



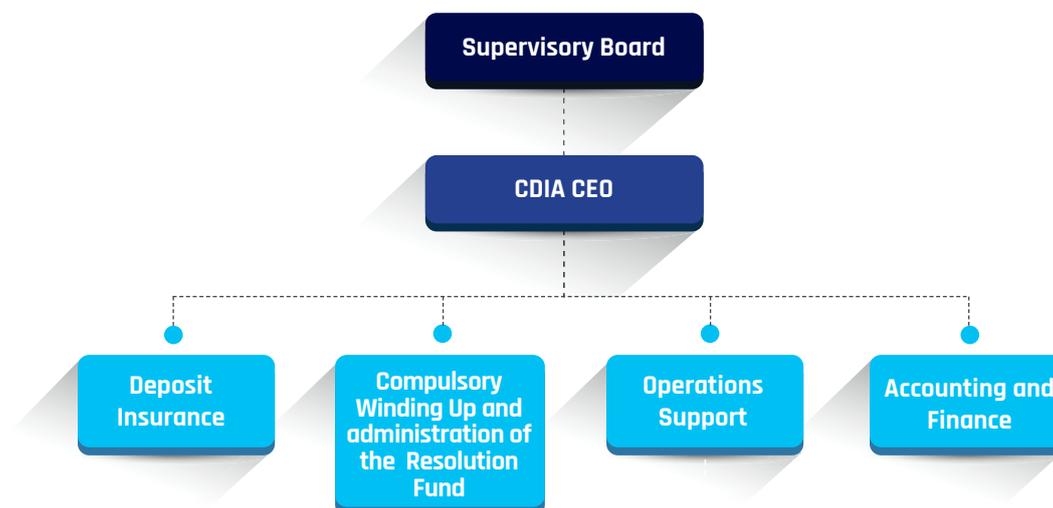
# ORGANISATIONAL STRUCTURE

The organisational structure of the CDIA consists of the Supervisory Board and the CEO.

The composition of the CDIA Supervisory Board in 2023 was the same as in 2022; its members were Stipe Župan, Jadranka Grokša Kardum and Dražen Karakašić.

The CDIA CEO, Marija Hrebac, acts as the head of the CDIA, performing all duties and powers entrusted to her in this mandate by the Supervisory Board, according to the legislative framework.

**Figure 1 - Organisational structure**



In 2023, the CDIA Supervisory Board held four sessions at which it unanimously made decisions within its scope of competence, specifically on the adoption of the audited annual financial statements for the previous year, the selection of an independent external auditor to perform the audit of the financial statements for the previous year, the adoption of the CDIA financial plan, the annual and the three-year CDIA work plan for 2023, the adoption of the annual report on the work of the Supervisory Board, and on the adoption of internal acts: the amendments to the Ordinance on Internal Organisation and Job Classification and the aligned Occupational Health and Safety Ordinance.

# LEGAL FRAMEWORK

In 2023, the legal framework for the performance of tasks within the scope of competence of the CDIA includes the relevant legal acts listed in Table 1.

**Table 1 - Overview of the legal framework of the EU and the Republic of Croatia**

EU legislation	Official Journal of the EU	Legislation of the Republic of Croatia	OG
Directive 2014/49/EU of the European Parliament and of the Council of 16 April 2014 on deposit guarantee schemes	2014/49/ EU of 6 April 2014	Deposit Insurance System Act	146/20, 119/22
Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010	806/2014/EU of 15 July 2014	Act on the Resolution of Credit Institutions and Investment Firms	146/20, 21/22
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	2014/59/EU of 15 May 2014		
Commission Delegated Regulation (EU) 2015/63 of 21 October 2014 supplementing Directive 2014/59/EU of the European Parliament and of the Council with regard to ex-ante contributions to resolution financing arrangements	2015/63/EU of 21 October 2014		
Directive 2001/24/EC of the European Parliament and of the Council of 4 April 2001 on the reorganisation and winding up of credit institutions	2001/24/EC of 4 April 2001	Act on Compulsory Winding-Up of Credit Institutions	146/20
Directive (EU) 2017/2399 of the European Parliament and of the Council of 12 December 2017 amending Directive 2014/59/EU as regards the ranking of unsecured debt instruments in insolvency hierarchy	2017/2399/ EU of 12 December 2017		

Source: EU legislation and the legislation of the Republic of Croatia

The secondary legal acts adopted on the basis of the Deposit Insurance System Act are:

1. Ordinance on the procedure for joining the Deposit Insurance System,
2. Ordinance on the method of proving the criteria for identifying deposits that represent a temporary high balance,
3. Ordinance on the procedure for exchanging information between the Croatian Deposit Insurance Agency and the Deposit Insurance System of the home Member State,
4. Ordinance on the performance of the control over whether the credit institution fulfils the obligations of the Deposit Insurance System Act,
5. Ordinance on the obligations of credit institutions in relation to the Deposit Insurance System,
6. Ordinance on the obligations of the Croatian Deposit Insurance Agency,
7. Ordinance on the payment of a part of the premium in the form of an irrevocable payment commitment and on taking measures to reduce the risk of the occurrence of an insured event.

The Act on Compulsory Winding-up of Credit Institutions (Official Gazette, No. 146/20) and the related Ordinance on Establishing the List of Liquidators (Official Gazette, No. 75/22) regulate the compulsory winding-up proceedings against credit institutions.

The CDIA legislative framework also includes the Act on the Resolution of Credit Institutions and Investment Firms (Official Gazette, No. 146/20, 21/22) which transposed into the Croatian legislation the following EU legislative acts: the 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 Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010.



# SUMMARY OF ACTIVITIES IN 2023

In 2023, the representatives of the CDIA were actively participating in the Working Groups of the Ministry of Finance for drafting the Act on the Amendments to the Act on the Resolution of Credit Institutions and Investment Firms and the Act on the Amendments to the Act on Compulsory Winding-up of Credit Institutions, as well as the amendments to the Ordinance on the obligations of credit institutions in relation to the Deposit Insurance System, the Ordinance on the obligations of the Croatian Deposit Insurance Agency, and the Ordinance on the payment of a part of the premium in the form of an irrevocable payment commitment and on taking measures to reduce the risk of the occurrence of an insured event.

Furthermore, the representatives of the CDIA also contributed to the activities related to the European Commission's proposal on the review of the bank crisis management and deposit insurance framework (CMDI framework), specifically to the proposal to amend the BRRD - Bank Recovery and Resolution Directive, SRMR - Single Resolution Mechanism Regulation, and DGSD - Deposit Guarantee Schemes Directive.

The CDIA representatives provided expert support in Croatia's accession negotiations for the membership in the OECD, related to the Croatian financial system and crisis management system before the OECD Committee on Financial Markets, together with other key stakeholders, i.e. the representatives of: the Ministry of Finance, the CNB and HANFA.

During 2023, the CDIA actively participated in all activities related to the Single Resolution Fund (SRF).

Pursuant to Regulation (EU) No 806/2014 (SRM Regulation), the initial period for the establishment of the SRF ends on December 31, 2023, and the amount of available financial means of the SRF have to reach at least 1% of the amount of covered deposits of all credit institutions authorized in all participating Member States. Depending on the amount of available financial means of the SRF after the initial period, the SRB will assess the need to raise contributions to the SRF in 2024 in order to reach the target level.

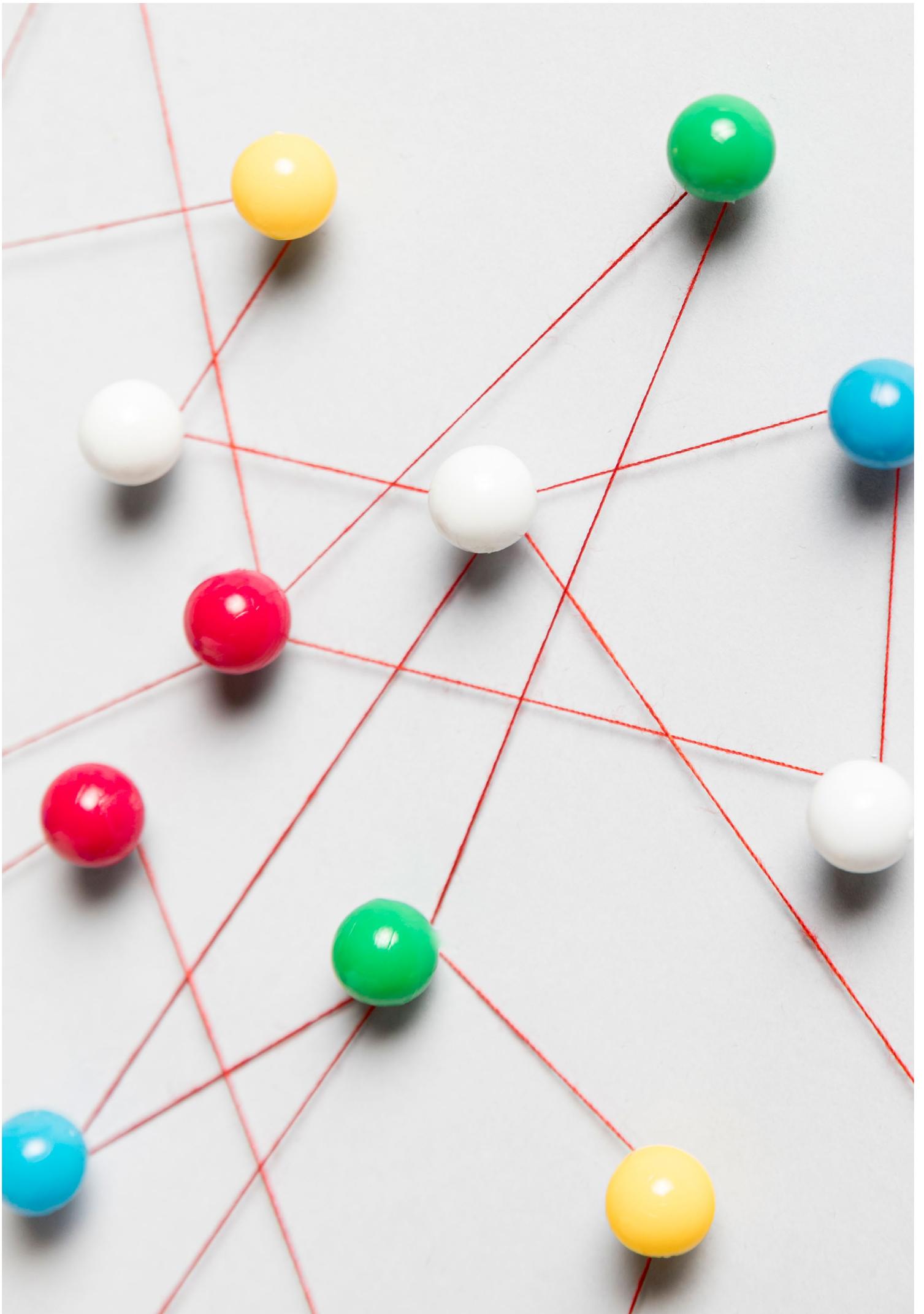
In the second half of 2023, the winding-up proceeding against the company SPV za sanaciju d.o.o., established by the CDIA in 2017, was initiated. The company was established on the basis of the provisions of the Act on the Resolution of Credit Institutions and Investment Firms as an asset separation tool in the resolution process of Jadranska banka d.d. The initiation of the winding-up proceedings is a consequence of the liquidation of all the assets of Jadranska banka d.d., which were transferred to SPV za sanaciju d.o.o.

Considering the fact that the CDIA no longer disposes of state assets, which was transferred to the Ministry of Physical Planning, Construction and State Assets in 2017, and following the amendments to the regulatory framework in relation to the CDIA organisation, management and method of financing (regulated by the DISA), the Government of the Republic of Croatia, at its session held on July 13, 2023, adopted the Decision amending the Decision on legal entities of special interest for the Republic of Croatia, which removes the CDIA from the list of legal entities of special interest for the Republic of Croatia.

The CDIA continuously and systematically aligns and improves business processes with the best European practices. Thus, today, European regulators and deposit insurance systems recognize the practice of the CDIA as “the best practice”.

The CDIA continuously and actively informs the public about its role through publishing and disseminating educational materials, i.e. posts on the CDIA’s website, posts on social networks (LinkedIn) and web portals, as well as through communication with (potential) users of financial services and the general public via questions and answers (Qs & As) on the CDIA website, with informative posts.

**On the occasion of the World Savings Day, the CDIA published the brochure “Guide to the World of Deposit Insurance”. The aim of the Brochure is to inform depositors about the Deposit Insurance System providing detailed and comprehensive information. The Brochure was published on the CDIA website, and it was also downloaded and published by credit institutions in the part related to informing depositors.**



# DEPOSIT INSURANCE SYSTEM

## Importance of the Deposit Insurance System

Figure 2 - Importance of the Deposit Insurance System



The Deposit Insurance is the basis of depositors' trust in the banking system, as well as a contribution to financial stability.

Banking stability depends highly on the trust of all depositors who use the services of credit institutions. Difficulties in banking operations arise when that trust is eroded, i.e. specifically at the moment when depositors "withdraw" their deposits due to the lack of trust in a particular credit institution.

The Deposit Insurance System ensures the trust of depositors in the entire banking system, thereby preventing potential depositor panics, as well as withdrawing deposits from credit institutions. This is a way of protecting the banking system and supporting credit institutions in maintaining their long-term operational stability.

The DIS is an exceptionally important element of the Financial Safety Net and is especially important in times of crisis when it prevents the so-called "bank run", caused by depositors' lack of trust.

The harmonization of deposit insurance coverage at the EU level is based on Directive 2014/49/EU (DGSD), by which European regulators increased the degree of harmonization of deposit insurance systems in EU Member States. The DGSD was transposed into the Croatian legislation by the Deposit Insurance System Act (Official Gazette No. 146/20, 119/22) (hereinafter: the DISA).

The harmonization refers in particular to:

- the amount of compensation (harmonised coverage level in all EU Member States is set at EUR 100,000 per depositor per credit institution),
- scope of insurance (all legal entities are included in the DIS, except for financial institutions, insurance companies, pension funds and state units),
- compensation payment deadlines.

In addition to strengthening public trust in the banking system, European regulators, by adopting uniform provisions at the level of EU Member States, also seek to establish equal conditions for all depositors participating in the common European market in order to prevent the migration of deposits among Member States for the purpose of achieving a higher level of security and preserving financial stability of each system, both individually and as a whole.

For the efficient functioning of the DIS, it is important to ensure a high-quality organisation of the system, appropriate funding methods, alternative funding sources, if necessary, and, most importantly, timely provision of information to the public about the availability of deposits, amounts, and deadlines in case of unavailability of deposits in a credit institution.

The awareness of the operation of the national DIS, which will pay depositors their covered deposits up to a certain limit in a relatively short period of time, significantly contributes to reducing the difficulties that inevitably arise when crises occur.

The CDIA manages the Deposit Insurance System in the Republic of Croatia as a body that has powers, and implements the procedures, prescribed by the Deposit Insurance System Act (Official Gazette, No. 146/20, 119/22).

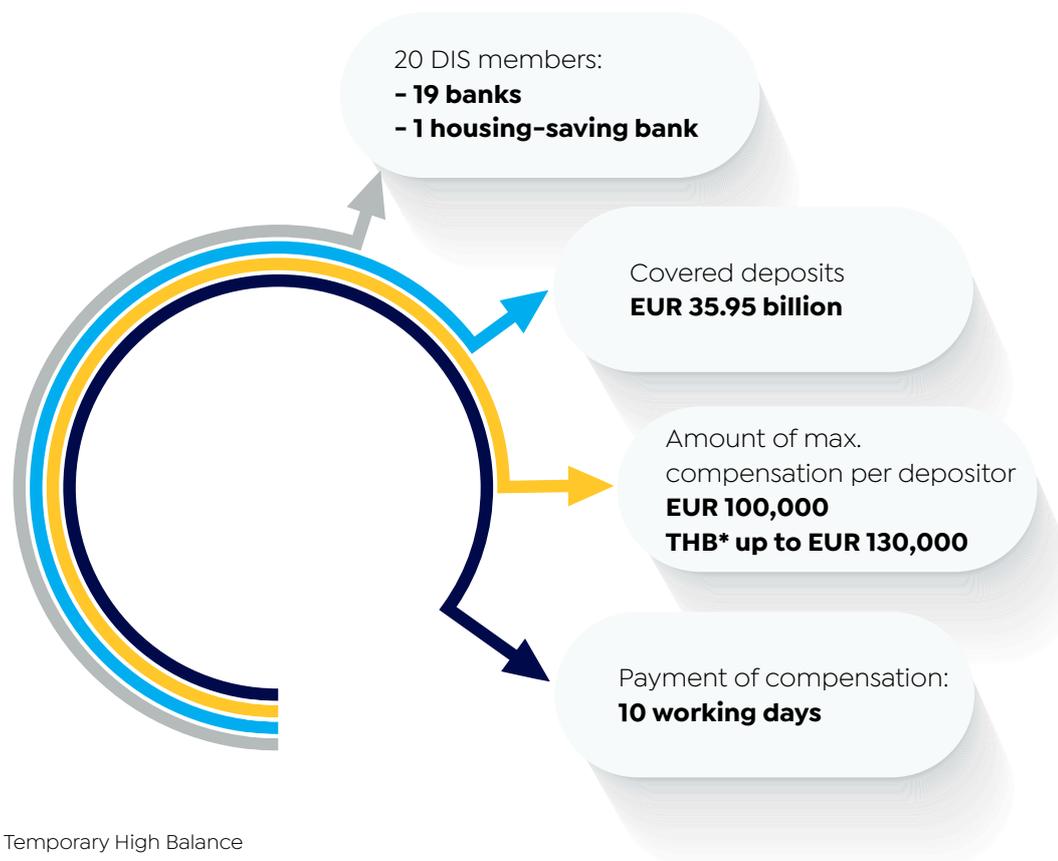
The Deposit Insurance System enables the protection of depositors against the loss of deposits if an insured event occurs in a credit institution and is an extremely important element of the Financial Safety Net, especially in times of crisis.

The Deposit Insurance System is activated on the onset of an insured event, which occurs when the Croatian National Bank (CNB) issues a Decision on the unavailability of deposits or when the Commercial Court in Zagreb adopts a decision on the opening of compulsory winding-up proceedings against a credit institution.

The main characteristics of the DIS in the Republic of Croatia are as follows:

- the independence and autonomy of the CDIA within its overall competence,
- mandatory membership for all credit institutions,
- financing “in advance” (“*ex-ante*”),
- differentiated deposit insurance premium system,
- defined target level of the Deposit Insurance Fund,
- coverage level harmonised in all EU Member States EUR 100,000 per depositor per credit institution

**Figure 3 – Key data on the Deposit Insurance System for 2023**



## Financing of the Deposit Insurance System

The financing of the Deposit Insurance System in the Republic of Croatia is set on an ex-ante basis, whereby the established Deposit Insurance Fund (DIF) is planned, and it receives financial means in advance, primarily from the premiums paid by all credit institutions being members of the system.

Regular and steady inflows enable liquid and solvent operations of the DIF, as well as quick repayment of covered deposits, especially taking into account that the prescribed repayment deadlines are shortened significantly.

This way of collecting financial means “in advance”, i.e. on an ex-ante basis, is based on clearly prescribed rules. It provides significant assurance because the financial means in the DIF are collected when times are good, they are always available, and are, thus, sufficient for prompt and efficient action in case of a failure of a credit institution.

It is important to note that the DISA stipulates that taxpayers bear no costs of a failure of a credit institution, but the total financing burden of the Deposit Insurance System is explicitly transferred to the DIS members.

# Deposit Insurance Fund

The Deposit Insurance System is financed from the available financial means of the DIF.

**In addition to Deposit Insurance Premiums - its main source of financing**, the DIF funds are also secured through:

1. initial fees from members of the Deposit Insurance System,
2. recoveries from the compulsory winding-up proceedings against the credit institution based on the payment of compensation,
3. funds from the collection of assets taken over from credit institutions against which compulsory winding-up proceedings (formerly bankruptcy proceedings) have been initiated,
4. income from the investment of the DIF funds,
5. claims for irrevocable payment commitments,
6. other sources such as: borrowing from credit institutions in the country and abroad, institutional investors, the state budget of the Republic of Croatia as the so-called “lender of last resort,” and other deposit insurance systems within the EU.

The target level of the Deposit Insurance Fund in the Republic of Croatia refers to the estimated amount of financial means that the Deposit Insurance System has to continuously dispose of to be able to settle anticipated future obligations and to cover operational and associated costs of the deposit insurer. The target level in the Republic of Croatia amounts **to 2.5% of covered deposits of all credit institutions being members of the Deposit Insurance System.**

The DISA stipulates that the Deposit Insurance Fund consists of two parts, as follows:

1. Basic Deposit Insurance Fund - in the amount of 1% of covered deposits
2. Additional Deposit Insurance Fund - in the amount of 1.5% of covered deposits

**The Basic DIF** should at all times dispose of financial means at the level of 1% of the total amount of covered deposits of all credit institutions in the Republic of Croatia, and these financial means are used exclusively for the compensation of covered deposits.

**The Additional DIF** has the function of supplementing the Basic DIF, in the form of providing support in collecting ex-post premiums, using financial means for the purpose of taking measures to prevent the risk of the occurrence of an insured event, and in financing the resolution of credit institutions, as well as the compulsory winding-up against credit institutions.

The Additional DIF should at all times dispose of financial means at the level of 1.5% of the total amount of covered deposits of all credit institutions in the Republic of Croatia.

The available financial means of the DIF are invested exclusively in low-risk assets (treasury bills, bonds of the Republic of Croatia) in order to be quickly and easily accessible in the event of a failure of a credit institution.

## Deposit Insurance Premiums

Credit institutions are obliged to pay a one-time initial fee when joining the DIS, as well as Deposit Insurance Premium during their participation in the DIS, in accordance with the provisions of the DISA. Deposit Insurance Premiums represent the most important source of financing for the DIF.

Deposit Insurance Premiums in the national DIS are calculated on the so-called risk-based model, which implies that one of the factors in the calculation of the premium is the risk profile of each individual credit institution. Therefore, the credit institution that assumes a higher risk has the obligation to pay a higher premium in the DIF.

The financial means from paid Deposit Insurance Premiums are held in a separate CDIA account opened with the CNB.

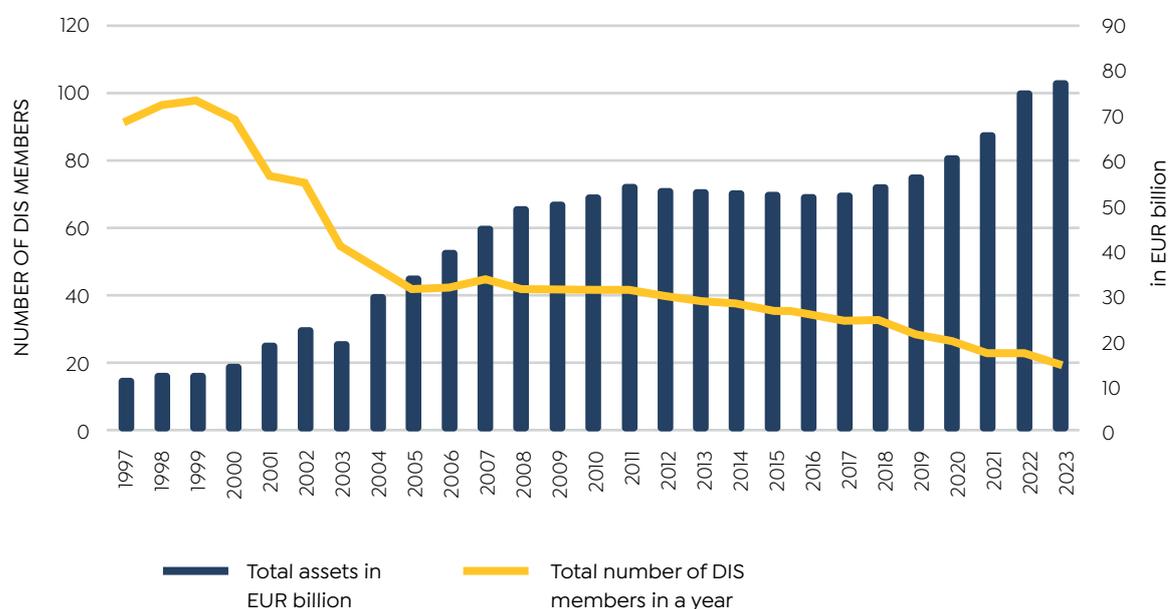
In 2023, the CDIA collected a Deposit Insurance Premium since the DIF financial means for the 3rd quarter were at a level below 2.5%.

## Credit institutions in the Republic of Croatia – DIS Members

As at December 31, 2023, there were 20 credit institutions operating on the banking market – 19 commercial banks and 1 housing savings bank. Compared to the end of December 2022, the number of credit institutions was reduced by one CI. This is the result of changes in Nova hrvatska banka d.d., which was merged with Hrvatska poštanska banka d.d. during the third quarter of 2023.

The membership in the DIS is mandatory for all credit institutions that have been authorized by the CNB and for branches of those credit institutions in another Member State.

**Figure 4- Number of DIS members and total DIS assets 1997 – 2023**



Despite the significant decline in the number of credit institutions in the period from the end of the 90s to the present day, total assets have increased many times over.

The table below gives an overview of the DIS members, as at December 31, 2023.

**Table 2 - List of Deposit Insurance System members, as at 31 December 2023**

Ord. No.	Members	Web address
1	ADDIKO BANK d.d., Zagreb	www.addiko.hr
2	AGRAM BANKA d.d. Zagreb	www.agrambanka.hr
3	BANKA KOVANICA d.d., Varaždin	www.kovanica.hr
4	CROATIA BANKA d.d., Zagreb	www.croatiabanka.hr
5	ERSTE&STEIERMÄRKISCHE BANK d.d., Rijeka	www.erstebank.hr
6	HRVATSKA POŠTANSKA BANKA d.d., Zagreb	www.hpb.hr
7	IMEX BANKA d.d., Split	www.imexbanka.hr
8	ISTARSKA KREDITNA BANKA UMAG d.d., Umag	www.ikb.hr
9	J&T BANKA d.d., Varaždin	www.jtbanka.hr
10	KARLOVAČKA BANKA d.d., Karlovac	www.kaba.hr
11	KENTBANK d.d., Zagreb	www.kentbank.hr
12	OTP BANKA d.d., Split	www.otpbanka.hr
13	PARTNER BANKA d.d., Zagreb	www.paba.hr
14	PODRAVSKA BANKA d.d., Koprivnica	www.poba.hr
15	PRIVREDNA BANKA ZAGREB d.d., Zagreb	www.pbz.hr
16	RAIFFEISENBANK AUSTRIA d.d., Zagreb	www.rba.hr
17	SAMOBORSKA BANKA d.d., Samobor	www.sabank.hr
18	SLATINSKA BANKA d.d., Slatina	www.slatinska-banka.hr
19	ZAGREBAČKA BANKA d.d., Zagreb	www.zaba.hr
20	WÜSTENROT STAMBENA ŠTEDIONICA d.d., Zagreb	www.wuestenrot.hr

Source: CDIA

## Categorisation of credit institutions and share of their assets

Out of a total of 20 credit institutions, the 7 largest CIs, according to market share in total assets, are classified as Other Systemically Important Credit Institutions (O-SIIs), and 13 of them refer to other credit institutions.

According to the latest publicly available data for the end of 2023, the total assets of credit institutions increased by 2.97% compared to the end of 2022 and amounted to EUR 78.19 billion. Assets increased at most credit institutions.

**Table 3 – Share of the CI in total assets**

Ord. No.	Credit institution	Other Systemically Important Credit Institutions ("O-SIIs")	Total assets	Share in total assets %
1	Zagrebačka banka d.d.	YES	20,622,308	26.37%
2	Privredna banka Zagreb d.d.	YES	16,039,881	20.52%
3	Erste&Steiermärkische Bank d.d.	YES	14,041,024	17.96%
4	OTP banka d.d.	YES	7,875,882	10.07%
5	Raiffeisenbank Austria d.d.	YES	6,767,925	8.66%
6	Hrvatska poštanska banka d.d.	YES	5,849,977	7.48%
7	Addiko Bank d.d.	YES	2,269,649	2.90%
8	Istarska kreditna banka Umag d.d.		765,414	0.98%
9	KentBank d.d.		650,768	0.83%
10	Podravska banka d.d.		641,806	0.82%
11	Agram banka d.d.		585,725	0.75%
12	Karlovačka banka d.d.		432,374	0.55%
13	Wüstenrot stambena štedionica d.d.		303,269	0.39%
14	Partner banka d.d.		299,906	0.38%
15	Slatinska banka d.d.		241,712	0.31%
16	Croatia banka d.d.		233,730	0.30%
17	Banka Kovanica d.d.		220,797	0.28%
18	Imex banka d.d.		173,138	0.22%
19	Samoborska banka d.d.		93,875	0.12%
20	J&T banka d.d.		81,682	0.11%
			<b>78,190,842</b>	<b>100.00%</b>

Source: CNB

## Ownership structure and market share of credit institutions

The banking system in the Republic of Croatia is dominated by foreign-owned credit institutions. Furthermore, 11 credit institutions, which accounted for 88.9% of the total assets of credit institutions, were majority owned by foreign shareholders.

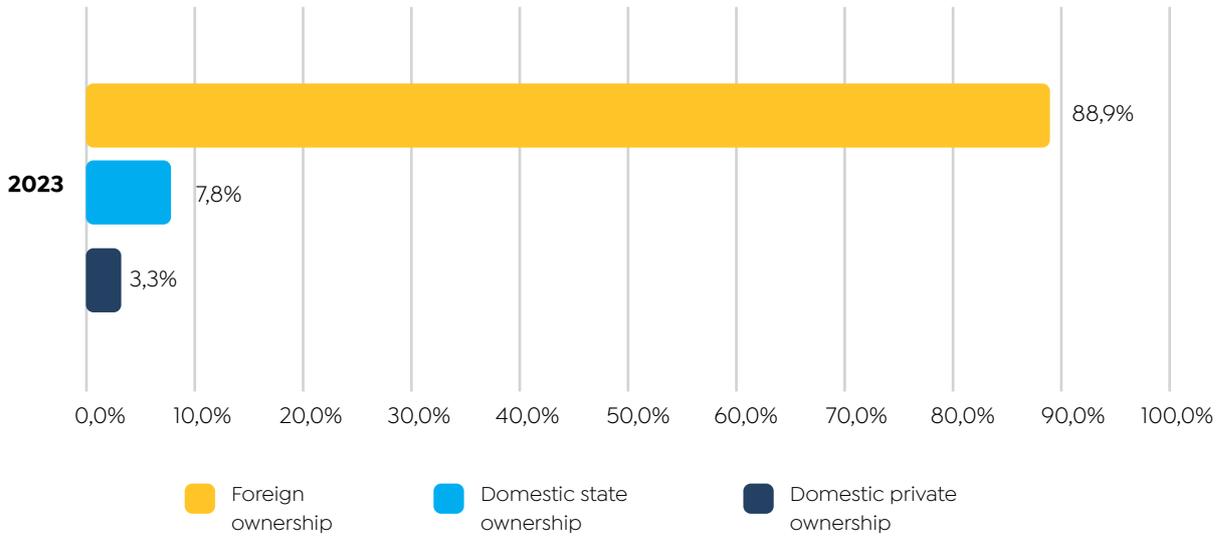
**Table 4 – CI ownership structure and share of their assets in the assets of all CIs at the end of the period**

Ownership structure of CI	31 December 2023	
	Number of CIs	Share,%
Domestic state ownership	2	7.8
Domestic private ownership	7	3.3
Foreign ownership	11	88.9
Total	20	100.0

Source: CNB

There were 9 domestically-owned CIs with a share of 11.1% in total assets. Of these, there were 2 domestic state-owned CIs with a share of 7.8% in total assets, while 7 domestic privately-owned CIs held only 3.3% of the share in the total assets of all credit institutions.

**Figure 5 - CI ownership structure (% share in total assets), as at 31 December 2023**



Source: CNB

## Exposure of the Deposit Insurance Fund to credit institutions

As at December 31, 2023, the DIF financial means amounted to EUR 890.5 million, while the covered deposits of all credit institutions amounted to EUR 35.95 billion.

The coverage of covered deposits by DIF funds amounted to 2.5% as at December 31, 2023. With the available DIF funds at the level of 2.5%, the CDIA could pay the total covered deposits of the **7 smallest credit institutions** (less significant institutions, “LSI”), at the time of the simultaneous occurrence of an insured event.

It should be pointed out that other systemically important credit institutions (“O-SIIs”) fall under the scope of competence of the SRB, which manages the Single Resolution Fund (SRF). The SRF reached almost EUR 78.0 billion at the end of 2023.

The coverage of covered deposits by individual credit institution as at December 31, 2023 is shown in the table below.

**Table 5 - Coverage level of covered deposits by DIF funds, as at 31 December 2023**
**(in EUR 000)**

„LSI“CI*	COVERED DEPOSITS	CD PAYMENT FUNDS (2.5% CD)	COVERAGE LEVEL,%
1	464,758	890,509	191.6%
2	321,961	890,509	276.6%
3	266,203	890,509	334.5%
4	264,530	890,509	336.6%
5	250,489	890,509	355.5%
6	217,744	890,509	409.0%
7	169,587	890,509	525.1%
8	141,180	890,509	630.8%
9	128,132	890,509	695.0%
10	126,183	890,509	705.7%
11	108,123	890,509	823.6%
12	56,876	890,509	1565.7%
13	40,469	890,509	2200.5%

\* LSI credit institutions

O-SI CI**	COVERED DEPOSITS	CD PAYMENT FUNDS (2.5% CD)	COVERAGE LEVEL,%
1	9,091,306	890,509	9.8%
2	8,138,756	890,509	10.9%
3	5,446,857	890,509	16.3%
4	3,919,200	890,509	22.7%
5	2,913,304	890,509	30.6%
6	2,774,845	890,509	32.1%
7	1,107,976	890,509	80.4%

\*\* O-SIs (other systemically important credit institutions) – jurisdiction/scope of competence of the SRB

## Compensation payout

In 2023, not a single credit institution failed.

The Deposit Insurance System is activated when an insured event occurs. As defined by the DISA, the insured event occurs when the CNB issues the Decision on the unavailability of deposits or when the competent court adopts the decision on opening of compulsory winding-up proceedings against a credit institution.

The legally prescribed deadline for preparing the payment of compensation is a maximum of 10 working days from the date of the occurrence of an insured event, i.e. a failure of a credit institution. It is important to note that over the last ten years, the CDIA fulfilled its obligation to pay compensation within a shorter period than legally prescribed.

**Figure 6 - The Compensation Payout Procedure**



**Table 6 – Historical overview of total liabilities for compensation payout on the basis of covered deposits**

Ord. No.	Credit institution	Year of initiating bankruptcy	Compensation in EUR	Total number of depositors
1.	Vukovarska banka d.d. Vukovar	1998	3,534,170	13,101
2.	Građanska štedionica d.o.o. Zagreb	1998	4,011,444	946
3.	Ilirija banka d.d. Zagreb	1999	4,903,329	1,780
4.	Komercijalna banka d.d. Zagreb	1999	9,001,420	8,958
5.	Glumina banka d.d. Zagreb	1999	180,076,834	24,002
6.	Županjska banka d.d. Županja	1999	79,611,540	42,688
7.	Gradska banka d.d. Osijek	1999	127,575,324	35,875
8.	Neretvansko gospodarska banka d.d. Ploče	1999	3,678,013	5,635
9.	Invest štedionica d.o.o. Zagreb	1999	1,834,012	201
10.	Promdei banka d.d. Zagreb	1999	1,121,680	207
11.	Hrvatska gospodarska banka d.d. Zagreb	2000	30,015,114	25,255
12.	Agroobrtnička banka d.d. Zagreb	2000	17,064,256	14,613
13.	Trgovačko-turistička banka d.d. Split	2000	2,885,246	1,419
14.	Adria štedionica d.o.o. Zagreb	2000	247,630	31
15.	Dugi pogled štedionica d.o.o. Zagreb	2001	1,105,267	99
16.	Grošbanak štedionica d.o.o. Zagreb	2001	1,692,559	320
17.	Štedionica za razvoj i obnovu d.o.o. Zagreb	2001	11,653,938	4,624
18.	Razvojna banka Dalmacija d.o.o. Split	2001	438,219	97
19.	Gold štedionica d.o.o. Split	2001	1,629,270	343
20.	Mediteran štedionica d.o.o. Split	2001	2,714,170	421
21.	Alpe Jadran banka d.d. Split	2002	3,747,931	1,846
22.	Kaptol banka d.d. Zagreb	2002	2,000,528	411
23.	Slavonska štedionica d.d. Zagreb	2002	2,526,723	304
24.	Gospodarska štedionica d.d. Vrbovec	2003	1,337,533	166
25.	Međimurska štedionica d.d. Čakovec	2004	21,305,660	4,366
26.	Credo banka d.d. Split	2012	62,556,355	12,958
27.	Centar banka d.d. Zagreb	2013	69,704,742	7,126
28.	Nava banka d.d. Zagreb	2014	20,878,707	1,197
29.	Banka splitsko-dalmatinska d.d. Split	2016	50,367,983	8,212
30.	Tesla štedna banka d.d. Zagreb	2018	1,001	2
	<b>TOTAL</b>		<b>719,220,598</b>	<b>217,203</b>

Source: CDIA

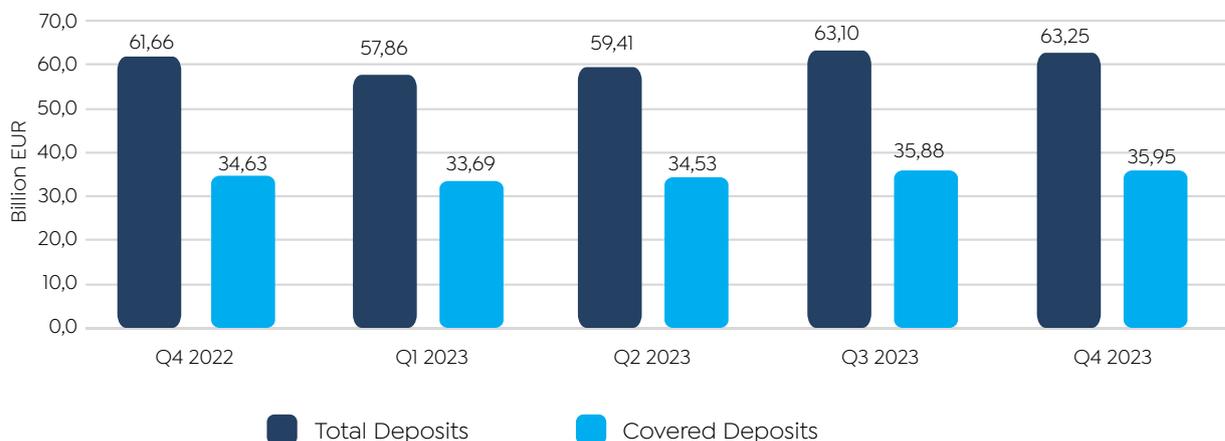


# DEPOSIT TRENDS IN CREDIT INSTITUTIONS

For the purposes of managing the Deposit Insurance System, the CDIA monitors trends in deposits held in credit institutions, based on the Report on the balance of total deposits and covered deposits for calculating Deposit Insurance Premium. The Report is prescribed by the Ordinance on the obligations of credit institutions in relation to the Deposit Insurance System (Official Gazette, No. 75/21), and all credit institutions are required to submit the Report to the CDIA on a monthly basis.

During 2023, deposits recorded a continuous positive trend throughout the observed period due to the stability of the banking sector and the financial system in the Republic of Croatia.

**Figure 7 - Deposit trends for the period 31 December 2022 – 31 December 2023**



Source: CDIA

**Total deposits** in credit institutions increased in 2023, reaching **EUR 63.25 billion** at the end of December 2023, which is an increase of **EUR 1.59 billion**, i.e. **2.6%** compared to the end of the last year.

**Table 7 - Positive trends in total deposits (in EUR billion)**

	2023	2022	2023 vs 2022	
Amount of total deposits in all CIs	Amount in EUR	Amount in EUR	Change	Change in %
	<b>63.25</b>	<b>61.66</b>	<b>1.59</b>	<b>2.6%</b>

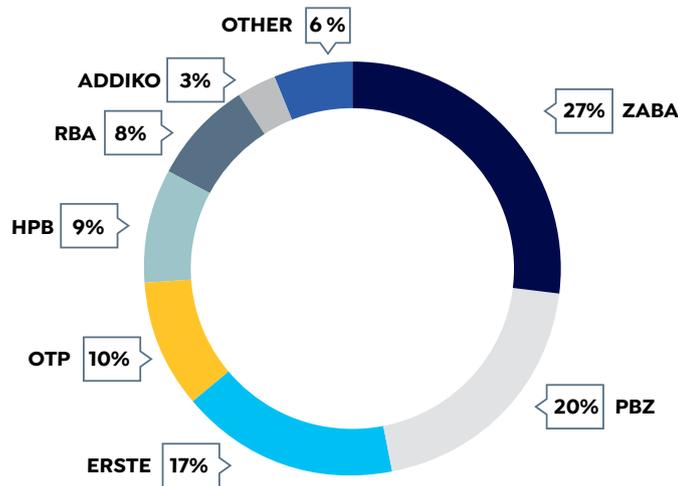
Source: CDIA

Out of a total of 20 credit institutions, the share of **the 7 largest credit institutions** by asset size accounted for **93.7% of total deposits**, i.e. **EUR 59.29 billion**, while the share of deposits in all other credit institutions amounted to only **6.3%**, i.e. **EUR 3.96 billion**.

Compared to the end of 2022, the total deposits of the abovementioned 7 credit institutions recorded an increase of **EUR 2.18 billion**, i.e. **3.8%**.

Of the 7 largest credit institutions, Zagrebačka banka had the largest share in total deposits, 26.8%, i.e. EUR 16.95 billion, followed by Privredna banka Zagreb with 20.5%, i.e. EUR 12.96 billion, Erste&Steiermärkische Bank with 16.9%, i.e. EUR 10.68 billion, OTP banka with 9.5%, i.e. EUR 6.03 billion, Hrvatska poštanska banka with 9.4%, i.e. EUR 5.91 billion, Raiffeisenbank Austria with 8.0%, i.e. EUR 5.09 billion, and Addiko Bank with 2.6%, i.e. EUR 1.66 billion.

**Figure 8 - Share of total deposits by CI, as at 31 December 2023**



Source: CDIA

As at December 31, 2023, **covered deposits** amounted to **EUR 35.95 billion**, which is an increase of **EUR 1.32 billion**, i.e. **3.8%** compared to the end of 2022.

**Table 8 - Increase of covered deposits (in EUR billion)**

	2023	2022	2023 vs 2022	
	Amount in EUR	Amount in EUR	Change	Change in %
Amount of covered deposits in all CIs	35.95	34.63	1.32	3.8%

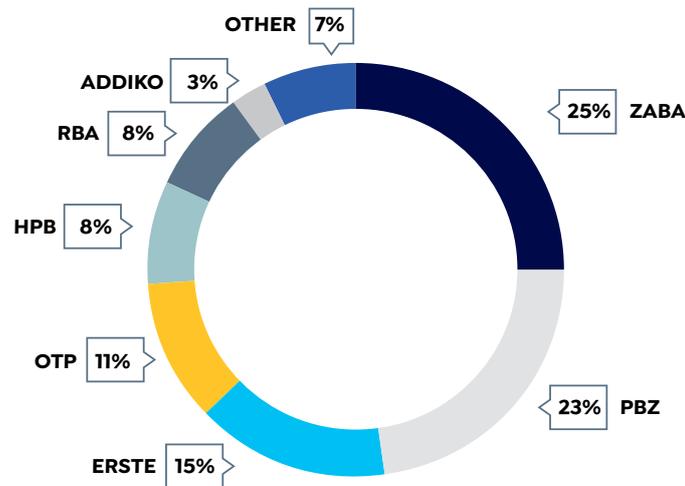
Source: CDIA

In terms of the total amount of covered deposits, the share of **deposits of 7 large banks** accounted for **92.9%**, i.e. **EUR 33.39 billion**, while the share of deposits in all other credit institutions amounted to only **7.1%**, i.e. **EUR 2.56 billion**.

Compared to the end of 2022, the covered deposits of the aforementioned 7 credit institutions recorded an increase of **5.3%**, i.e. **EUR 1.68 billion**.

Of the 7 large credit institutions, Zagrebačka banka had the largest share in covered deposits with 25.3%, i.e. EUR 9.09 billion, followed by Privredna banka Zagreb with 22.6%, i.e. EUR 8.14 billion, Erste&Steiermärkische Bank with 15.2%, i.e. EUR 5.45 billion, OTP banka with 10.9%, i.e. EUR 3.92 billion, Hrvatska poštanska banka with 8.1%, i.e. EUR 2.91 billion, Raiffeisenbank Austria with 7.7%, i.e. EUR 2.77 billion, and Addiko Bank with 3.1%, i.e. EUR 1.1 billion.

**Figure 9 – Share of covered deposits by CI, as at 31 December 2023**



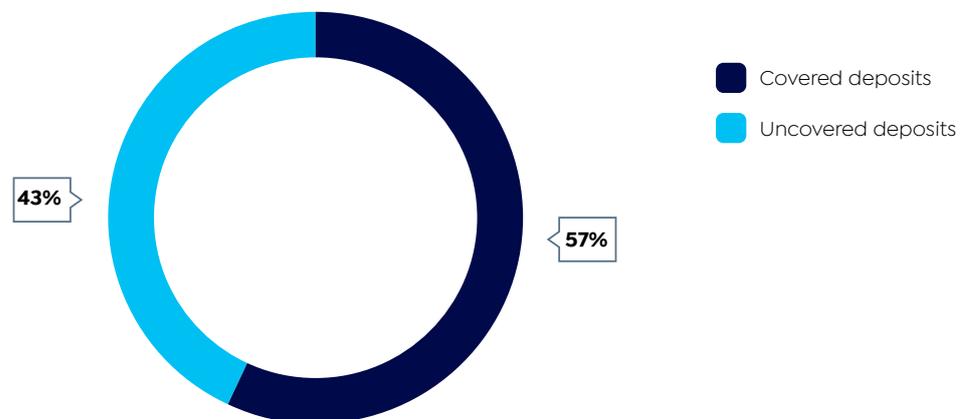
Source: CDIA

As at December 31, 2023, uncovered deposits amounted to EUR 27.30 billion.

The largest share in the structure of uncovered deposits relates to the deposits of legal persons that are subject to deposit insurance, the total amount of which exceeds the amount of EUR 100,000, with EUR 13.29 billion, i.e. 48.7%, followed by deposits held by natural persons in the amount of EUR 6.41 billion, i.e. 23.5%, deposits of state units in the amount of EUR 4.23 billion, i.e. 15.5%, deposits of financial institutions in the amount of EUR 2.79 billion, i.e. 10.2%, and deposits of non-profit organisations in the amount of EUR 572.07 million, i.e. 2.1%.

Figure 10 shows the ratio of covered and uncovered deposits in credit institutions. At the end of 2023, 56.8% of total deposits were covered deposits, i.e. deposits that do not exceed EUR 100,000 per depositor, while uncovered deposits accounted for 43.2% of total deposits.

**Figure 10 – Ratio of covered and uncovered deposits in CIs, as at 31 December 2023**



Source: CDIA

# Deposit classification by sectors

## Total deposits by sector structure

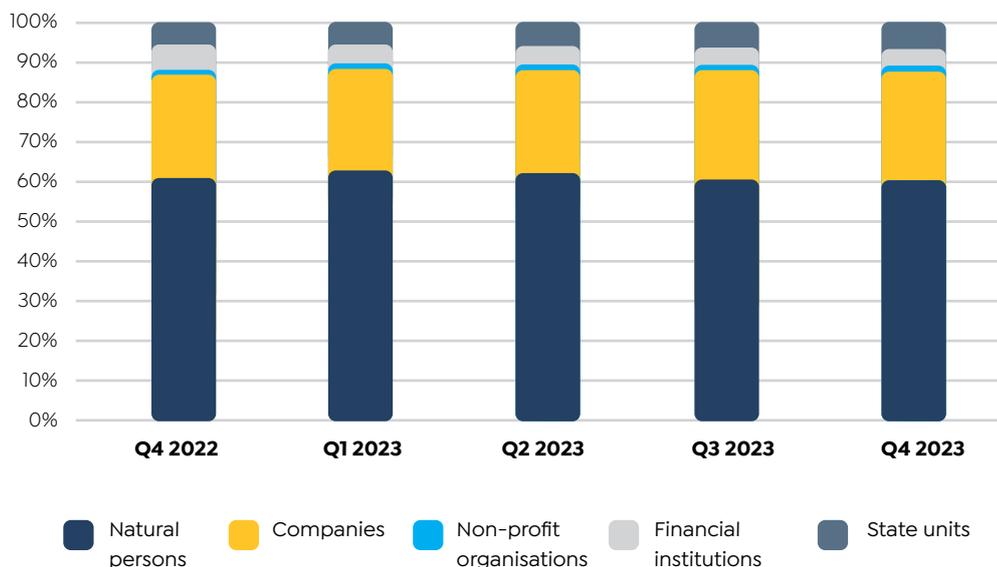
**Table 9 - Total deposits by sector structure (in EUR billion)**

All CIs	Natural persons	Companies	Non-profit organisations	Financial institutions	State units
31.12.22.	37,8	15,7	0,8	3,8	3,6
31.3.23.	36,5	14,6	0,9	2,7	3,2
30.6.23.	37,0	15,3	0,9	2,7	3,6
30.9.23.	38,3	17,3	0,9	2,6	4,1
31.12.23.	38,2	17,2	0,9	2,8	4,2

Source: CDIA

Figure 11 shows that deposits held by natural persons are dominant in the structure of total deposits. The natural person sector is the most significant sector of depositors in the Croatian banking system. As at December 31, 2023, the share of deposits of the natural person sector in the total deposits of credit institutions amounted to 60.4%, i.e. EUR 38.2 billion. The sector of legal entities had a total of EUR 17.2 billion, i.e. 27.1% of total deposits. The sector of non-profit organisations accounted for 1.4% of total deposits, i.e. EUR 897.7 million. Financial institutions held 4.4% of total deposits, i.e. EUR 2.8 billion, while the sector of state units held 6.7%, i.e. EUR 4.2 billion.

**Figure 11 - Share of total deposits by sector structure, 31 December 2022 – 31 December 2023**



Source: CDIA

## Eligible deposits by sector structure

**Table 10 – Eligible deposits by sector structure (in EUR billion)**

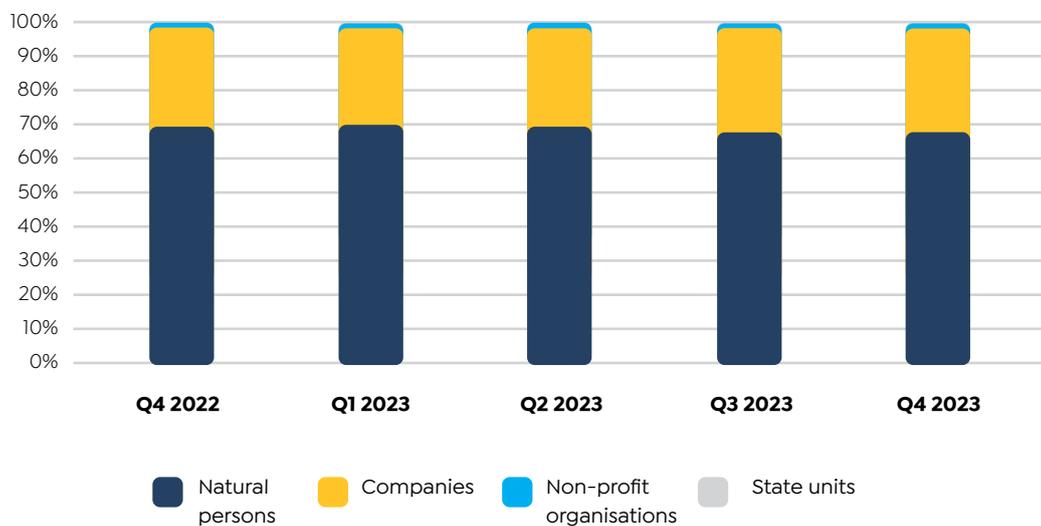
	Natural persons	Companies	Non-profit organisations
31 Dec 22	37.7	15.6	0.8
31 Mar 23	36.4	14.5	0.9
30 June 23	36.9	15.1	0.9
30 Sep 23	38.2	17.1	0.9
31 Dec 23	38.1	17.0	0.9

Source: CDIA

As at December 31, 2023, the share of total eligible deposits in total deposits amounted to 88.6% of total deposits.

At the end of the observed period, of the total amount of eligible deposits, deposits held by natural persons accounted for EUR 38.1 billion, i.e. 68.0%, deposits of companies amounted to EUR 17.0 billion, i.e. 30.4%, deposits of non-profit organisations accounted for EUR 0.9 billion, i.e. 1.6%, while the state units' deposits amounted to EUR 0.008 billion, i.e. 0.01%.

**Figure 12 – Share of eligible deposits by sector structure, 31 December 2022 – 31 December 2023.**



Source: CDIA

## Covered deposits by sector structure

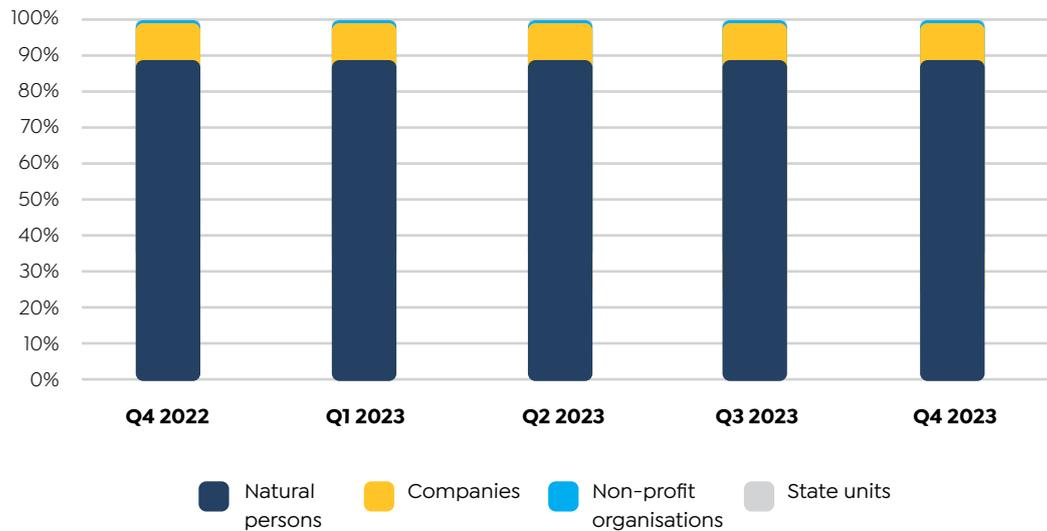
**Table 11 - Covered deposits by sector structure (in EUR billion), as at December 31, 2023**

	Natural persons	Companies	Non-profit organisations
31 Dec 22	30.8	3.6	0.3
31 Mar 23	29.9	3.4	0.3
30 June 23	30.6	3.6	0.3
30 Sep 23	31.7	3.8	0.3
31 Dec 23	31.8	3.9	0.3

Source: CDIA

At the end of 2023, the sector structure of covered deposits was dominated by the deposits held by natural persons with a share of 88.4%, i.e. EUR 31.8 billion, followed by deposits of companies with a share of 10.7%, i.e. EUR 3.9 billion, and deposits of non-profit organisations with a share of only 0.9%, i.e. EUR 0.3 billion, while the share of state units' deposits was merely 0.01% i.e. EUR 0.002 billion.

**Figure 13 - Share of covered deposits by sector structure, 31 December 2022 – 31 December 2023**



Source: CDIA



# COMPULSORY WINDING-UP OF CREDIT INSTITUTIONS

The Act on Compulsory Winding-Up of Credit Institutions (Official Gazette, No. 146/20, hereinafter: the ACWCI) as *lex specialis*, the provisions of which rely on the provisions of the Bankruptcy Act as *lex generalis*, prescribes the conduct of insolvency proceedings against credit institutions that are members of the Deposit Insurance System in Republic of Croatia. The CDIA was granted the powers of the supervisory winding-up authority in the compulsory winding-up proceedings against credit institutions.

In 2023, the CDIA, as a supervisory winding-up authority in the compulsory winding-up proceedings against the Internet mobile bank d.d., received the final winding-up financial report and the report on the compulsory winding-up, the final balance sheet, the liquidator's final report as well as the distribution list. As part of its powers prescribed by the ACWCI, the CDIA issued a decision on the acceptance of the aforementioned reports, which is attached by the liquidator to the request for the termination of the compulsory winding-up proceedings. The conditions for the completion of the procedure that had started in 2022, after the previous voluntary winding-up proceedings which lasted for 17 years, were thus fulfilled.

The dynamics of the compulsory winding-up proceedings was also influenced by the fact that the work of the courts in 2023 was hampered due to a strike in the judiciary, so the compulsory winding-up proceedings were not concluded in that year. Considering the actions taken in the procedure and the state of the files, it is expected that, in 2024, the court will convene the assembly of creditors in order to formally complete the procedure.

The case of Internet mobile bank d.d. confirmed the importance of supervision, timely undertaking of necessary steps by the voluntary liquidator, i.e. timely initiation of the compulsory winding-up proceedings.

It is worth pointing out that the uncertainty within the compulsory winding-up proceedings arising by applying the ACWCI to cases in which the subjects were neither the "addressees" of that Act, nor was the legislator's intention to apply the provisions of the ACWCI in those cases.

During the initiated activities of the amendments to the ACWCI, and in order to clarify the provisions and avoid disputed situations, the CDIA proposed the amendments aimed at an unambiguous legal interpretation and application of that Act.

**Figure 14 - Duties and powers of the CDIA as a supervisory winding-up authority in the compulsory winding-up proceedings against a credit institution**



# SINGLE RESOLUTION MECHANISM

The Single Resolution Mechanism (hereinafter: SRM) is one of the three pillars of the Banking Union, and consists of the Single Resolution Board (SRB), as the central resolution authority in the Banking Union, and national resolution authorities of the participating Member States.

## Single Resolution Fund

The Single Resolution Fund (SRF) was established in accordance with Regulation (EU) No 806/2014 (hereinafter: Regulation), and it consists of contributions from credit institutions and certain investment firms (hereinafter: subjects) from participating Member States. It is managed by the SRB in accordance with the purpose and conditions prescribed by the Regulation. Participating Member States retain their competence to collect and transfer annual ex-ante contributions to the SRF from entities located in their territory in accordance with Directive 2014/59/EU and the Regulation. During the initial period (2016 – 2023), the contributions are allocated to the national compartments corresponding to each participating Member State, which are subject to a progressive merger so that all compartments merge and cease to exist at the end of the initial period. By then, the SRF should reach the target level of at least 1% of covered deposits of all the above-mentioned entities authorized in the territory of all participating Member States. The calculation methodology is prescribed by Commission Delegated Regulation (EU) 2015/63. The Council Implementing Regulation (EU) 2015/81 additionally took into account the principle of proportionality and the avoidance of distortions between banking sector structures of the Member States in such a way that the methodology was adjusted in a manner that it correlates to the dynamics of mutualisation of the SRF (Table 12).

**Table 12 - Overview of special adjustment during the initial period**

	BRRD	SRMR
2016	60%	40%
2017	40%	60%
2018	33.33%	66.67%
2019	26.67%	73.33%
2020	20%	80%
2021	13.33%	86.67%
2022	6.67%	93.33%
2023	0%	100%

Source: Council Implementing Regulation (EU) 2015/81 of 19 December 2014 specifying uniform conditions of application of Regulation (EU) No 806/2014 of the European Parliament and of the Council with regard to ex ante contributions to the Single Resolution Fund

The national level (BRRD) is calculated in accordance with Article 103 of Directive 2014/59/EU and Article 4 of Commission Delegated Regulation (EU) 2015/63, and the Banking Union level (SRMR) is calculated in accordance with Articles 69 and 70 Regulation (EU) no. 806/2014 and Article 4 of Council Implementing Regulation (EU) 2015/81.

In the eighth year of the initial period (2023), the calculation of the *ex-ante* contribution was calculated only at the level of the Banking Union (SRMR), where the data of all institutions authorized in all participating Member States were taken into account. In 2023, there were 2,777 institutions within the

scope of the SRM. Of these, 20 credit institutions and 1 housing savings bank in Croatia are within the scope of SRM. Therefore, the annual target level was determined on the basis of covered deposits of all credit institutions established in the participating Member States, while the relative riskiness and size of the institutions was assessed in comparison with the same or similar institutions in the Banking Union.

The CDIA is responsible for managing the national resolution fund and cooperating with the SRB on topics related to the SRF, in accordance with the Act on the Resolution of Credit Institutions and Investment Firms (Official Gazette, No. 146/20, 21/22). The CDIA's activities are aimed at carrying out the steps necessary for the effective collection of contributions, which includes, *inter alia*, the identification of subjects that are within the scope of SRM, the collection of data necessary for the calculation of contributions for each subject, an initial verification of the quality of the data by comparison with the data of the institutions submitted to the Croatian National Bank, collection of contributions and transferring them to the SRF. Furthermore, the CDIA is the first point of contact for all inquiries and requests from the subjects within the scope of SRM.

In accordance with the Act on the Resolution of Credit Institutions and Investment Firms (Official Gazette, No. 146/20, 21/22), the SRB calculates contributions for the institutions with the aim of achieving the target level of SRF. The CDIA manages the national resolution fund and is authorized to collect ex-ante and ex-post contributions to be paid to the SRF.

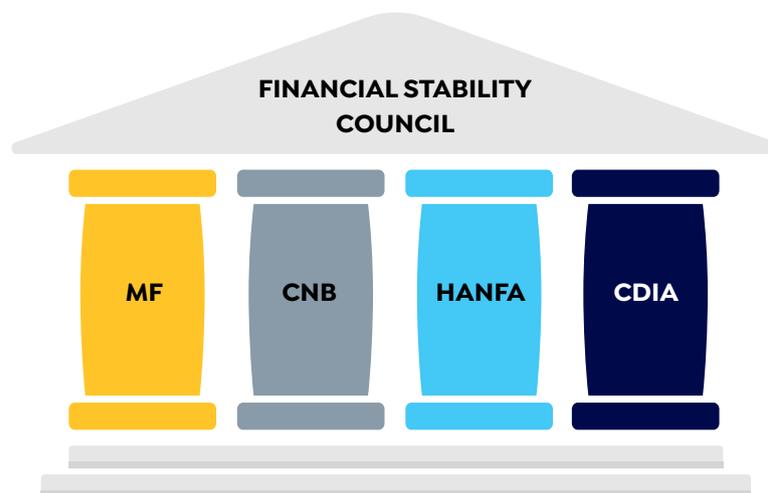
When determining the target level for 2023, the SRB took into account the expected target level to be reached at the end of the initial period (based on the predicted growth rate of covered deposits in the Banking Union of 4.5% in 2023) and other factors (available financial means in the SRF as at December 31, 2022, the expected economic return of financial means in 2023, the settlement of differences arising as a result of data correction and the return of the remaining *ex-ante* contribution for 2015) in order to ensure, to the greatest extent, that the target level is reached at the end of the initial period. Regardless of all the above-mentioned, at the beginning of 2024 the SRB will verify whether the available financial means in the SRF are equal to at least 1% of covered deposits held in the Banking Union. If the available financial means in the SRF are below that target level, the SRB will assess and decide whether ex-ante contributions to the SRF will be calculated and collected in the contribution period for 2024.

Since it is not known whether the target level has been reached, the SRB took the same preparatory steps in the third quarter of 2023 as in previous contribution periods, to ensure that, if necessary, it will be able to calculate and collect contributions to the SRF in the 2024 contribution period. These steps include collecting data from institutions that are within the scope of the SRM, verifying that data, and establishing a procedure whereby institutions correct data that is subject to correction or updates. Institutions are also allowed to update, correct or revise the data they submitted in the previous contribution periods. In this regard, the CDIA is the first point of contact for institutions, and it administratively carries out all steps in the process of collecting data from institutions and submitting them to the SRB.



# INTER-INSTITUTIONAL COOPERATION

**Figure 15 – Four pillars of the Financial Safety Net**



## Cooperation with the bodies of the Republic of Croatia

The Financial Stability Council was established in 2014 on the basis of the Financial Stability Council Act (Official Gazette 159/13), with an aim of preserving and strengthening financial stability, as well as achieving better coordination of the responsibilities of different institutions and cooperation in potential crisis situations among institutions in the Republic Croatia. The Croatian Deposit Insurance Agency is a permanent member of the Financial Stability Council and it continuously cooperates with other members in order to achieve the goals and fulfil the tasks of the Council. Through its active work and involvement, it contributes to the work of the Financial Stability Council, fulfilling one of its main tasks, which is the design of the Deposit Insurance System.

The main tasks of the Council are defined by the Act and they include the following: shaping the macro-prudential policy of the Republic of Croatia; identification, evaluation and consideration of systemic risks; ensuring cooperation and exchange of information between competent authorities for the purposes of implementing the Financial Stability Council Act, especially if crisis situations arise; undertaking activities related to fulfilling the requirements from the warnings and recommendations of the European Systemic Risk Board and preparing appropriate explanations in case of non-fulfilment of these requirements; harmonizing the methodology for the identification of systemically important financial institutions or structures; issuing warnings and recommendations related to systemic risks and financial stability; participation in the design and implementation of activities related to the recovery and resolution of credit institutions and non-bank financial institutions; participation in the design of the Deposit Insurance System, as well as participation in the design of the investor protection system.

The most important power of the Council relates to issuing warnings and recommendations to competent authorities, other state administration bodies and legal entities with public powers operating in the Republic of Croatia. Warnings refer mainly to drawing attention to systemic risks that may threaten financial stability, while recommendations refer to the need to introduce or change measures and instruments that are taken to preserve financial stability.

In the ten years of the Council's work, the most important set tasks have been realized, which include: participation in the shaping of macro-prudential policy, identification, evaluation and consideration of systemic risks, activities related to fulfilling the requirements from the warnings and recommendations of the European Systemic Risk Board, ensuring cooperation and exchange of information between competent authorities, work on harmonizing the methodology for the identification of systemically important financial institutions or structures, participation in activities related to the recovery and resolution of credit institutions and non-banking financial institutions, and participation in the design of the Deposit Insurance System.

## **International collaboration**

The Croatian Deposit Insurance Agency continuously improves the Deposit Insurance System and promotes the best practices in the field of deposit protection and preservation of financial stability in the Republic of Croatia, but also outside its borders, acting in accordance with its goals and values, and using its best knowledge.

By participating in the work of international organisations of deposit insurers, primarily the International Association of Deposit Insurers (IADI) and the European Forum of Deposit Insurers (EFDI), the CDIA employees exchange experiences, while also acquiring and improving key knowledge in the field of deposit insurance.

The IADI is a global forum where deposit insurers, as well as other participants in the Financial Safety Net and international financial institutions, cooperate to promote best practice in the areas of deposit protection, bank resolution and financial stability. The IADI's Core Principles for Effective Deposit Insurance Systems is an internationally recognized standard that the Financial Stability Board has included in the global Compendium of Standards for sound, stable and well-functioning financial systems. These core principles are used by the International Monetary Fund, the World Bank and the FSB (Financial Stability Board) to assess the stability framework of jurisdictions around the world.

The IADI members conduct research and prepare guides for countries that intend either to establish or to improve their deposit insurance systems. Accordingly, the IADI prepared a document - International Deposit Insurance Standards (IADI Core Principles), which was adopted by the Basel Committee on Banking Supervision and the FSB. The document is also included in the "Summary of Key International Standards for Financial Stability". Marija Hrebac, CEO of the CDIA, contributed significantly to the work of the IADI and the achievement of its goals, with her suggestions and many years of participation in the work of the Executive Council management board of IADI.

The EFDI is a non-profit association that gathers institutions which manage deposit insurance in European countries. Through its activities, it provides support to its members in fulfilling the demanding task of protecting depositors in case of a banking crisis, by improving their deposit insurance systems through shared knowledge and competencies. The EFDI enhances interaction with EU bodies and institutions responsible for maintaining a safe and sound financial system throughout Europe.

The work of Marija Hrebac, the CDIA's CEO, in the executive bodies of the EFDI brought additional advantages and key knowledge to the Croatian Deposit Insurance System in overcoming everyday challenges and finding the best solutions for specific situations that the Croatian Deposit Insurance System encountered during the past period.

In 2015, Marija Hrebac was elected to the management board of EFDI as the vice-president, and she held this function in 2023 as well. During the last year, she was also the head of the EFDI Public Relations and Communications Committee. In addition, she was elected as a member of the IADI Executive Council.

Through membership in the abovementioned international organisations of deposit insurers, the International Association of Deposit Insurers (IADI) and the European Forum of Deposit Insurers (EFDI), additional

areas were opened and the set goals achieved: contribution to the stability of the financial system by strengthening the role and by promoting European and international cooperation in deposit insurance and the exchange of positive experiences in the field of deposit insurance, which is fully in accordance with the activities of the CDIA.

The Republic of Croatia and the representatives of the CDIA regularly participate in the work of the Single Resolution Board, the role of which is to ensure the proper resolution of failed banks, with minimal impact on the real economy and public finances of the involved EU countries and other countries, together with the European Parliament, the European Commission, the European Central Bank (ECB), national resolution authorities (NRAs) and the European Banking Authority (EBA).

The importance of the abovementioned is even greater due to the direct or indirect interconnection of financial systems of all countries of the world, because disturbances of the financial system of one country can potentially have significant negative impact on other countries. The ways in which an individual country solves challenges arising in this area can therefore be a good example for another country and, thus, help solve it faster and more efficiently. Being a member of such organisations is imperative for the quality of the deposit insurance system of each Member State. Therefore, the CDIA, proud of its active participation, continuously contributes to the work of international organisations and cooperates with representatives of institutions from other countries that have a similar or the same role.

## The most important activities in the field of international collaboration in 2023:

### Memorandum of Understanding on Bilateral Cooperation between Croatia and Lithuania

With the clear goal of promoting cooperation and opening new areas in the improvement of the Deposit Insurance System, in March 2023, Marija Hrebac, CEO of the Croatian Deposit Insurance Agency, and Aurelija Mažintienė, director of IDF- Indeliu ir investiciju draudimas, Lithuania signed a Memorandum of Understanding on Bilateral Cooperation which, on the basis of the best knowledge and professional experience, will ensure even better work of both institutions in the coming period, while improving the European Deposit Insurance System. The abovementioned is particularly significant because this cooperation was also initiated to protect Revolut clients from Croatia, who are not covered by the Croatian Deposit Insurance System, but by the Lithuanian one, which is under the supervision of the Central Bank of Lithuania that is part of the ECB.



### Memorandum of Understanding on Bilateral Cooperation between Croatia and Hungary

The numerous similarities between the Hungarian and the Croatian Deposit Insurance Systems were more than enough reason for signing the Memorandum of Understanding on Bilateral Cooperation by Marija Hrebac, CEO of the Croatian Deposit Insurance Agency, and András Kómár, director of the National Deposit Insurance Fund of Hungary, in April 2023. This Memorandum provided further strengthening of cooperation between Croatia and Hungary and the improvement of the Deposit Insurance System of both countries, to the benefit of all depositors.



After signing the Memorandum of Understanding on Bilateral Cooperation, and for the purpose of strengthening the cooperation with the National Deposit Insurance Fund of Hungary, there was also an operational meeting held in Zagreb where both Deposit Insurance Systems were presented and further activities agreed.

## **First Meeting of the Single Resolution Fund in Zagreb**

Almost a year after the positive outcome of the moratorium and the successful entry of Sberbank d.d. in the resolution procedure, which was the first procedure that took place in the Republic of Croatia in cooperation with the Single Resolution Board (SRB), in February, 2023 (the year when the process of key European integrations ended), the CDIA had the honour of organising the first Meeting of the Single Resolution Fund.



The CDIA hosted representatives of the Single Resolution Board and representatives of European countries who had a constructive dialogue discussing the latest events and experiences of individual countries, creating together an atmosphere for even better solutions to challenges in the field of bank resolution. The last experience that representatives of the CDIA had had with *Sberbank* was also shared and discussed at the Meeting.

# FINANCIAL INDICATORS

The CDIA, as a non-profit organisation, manages its accounting in accordance with the regulations adopted on the basis of the Act on Financial Operations and Accounting of Non-Profit Organisations (Official Gazette, No. 121/14, 114/22) and prepares key financial statements: Income and Expenditure Statement, Balance Sheet, and Notes to financial statements.

In accordance with the Deposit Insurance System Act, the Act on the Resolution of Credit Institutions and Investment Firms and the Act on Compulsory Winding-up of Credit Institutions, the core activities of the CDIA are as follows:

- management of the Deposit Insurance System in the Republic of Croatia,
- management of the Deposit Insurance Fund and Resolution Fund,
- exercising powers in compulsory winding-up proceedings against credit institutions in accordance with the regulations governing the compulsory winding-up against credit institutions.

**Table 13 - Overview of Statement of Income and Expenditure, comparison 2022/2023**

EUR '000

DESCRIPTION		2022	2023	INDEX
1		2	3	4=3/2*100
1	TOTAL INCOME	72,511	48,854	67.4
2	TOTAL EXPENDITURES	1,084	2,708	249.9
	SURPLUS INCOME	71,427	46,146	64.6

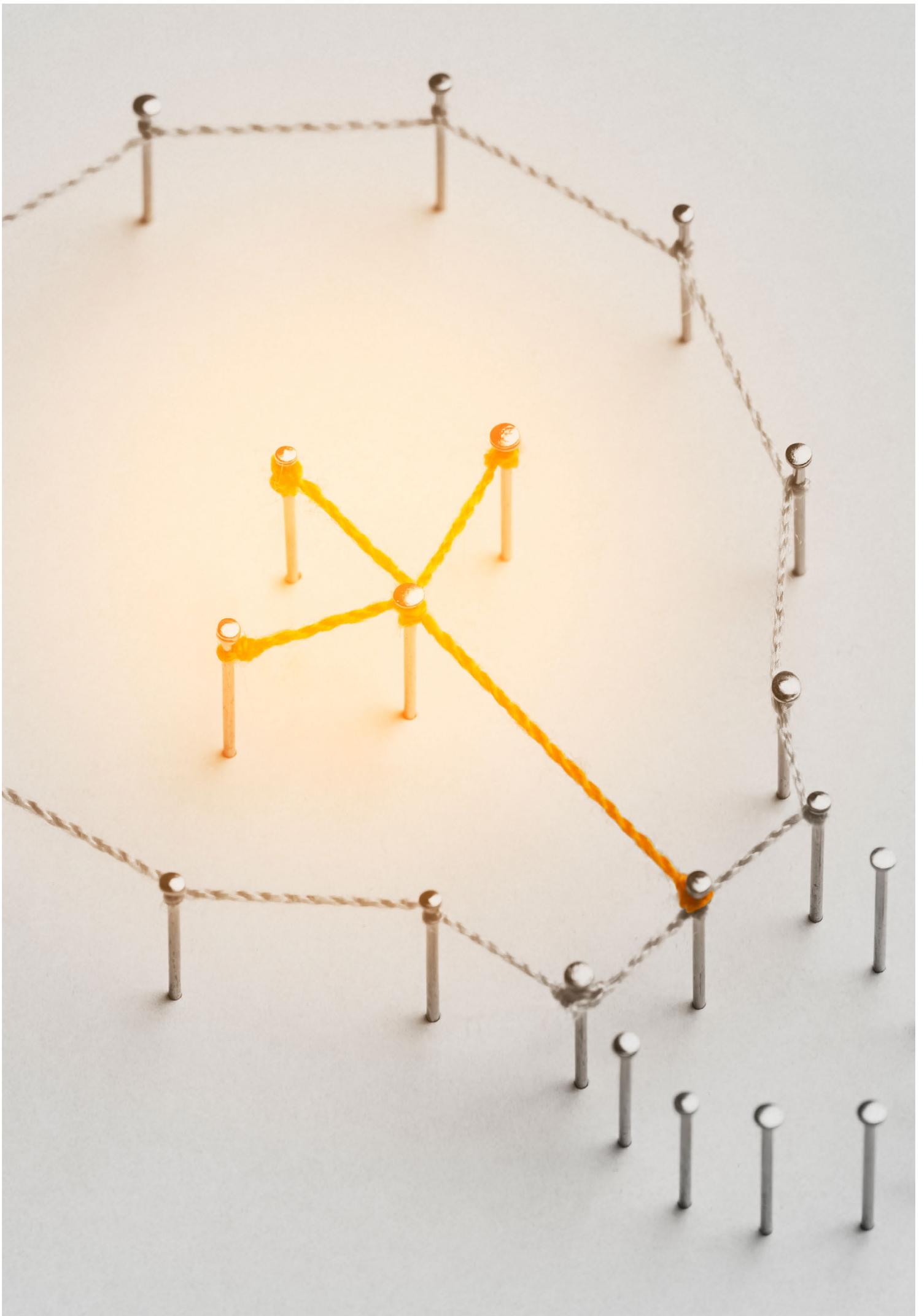
Source: CDIA

**Table 14 - Overview of the Balance Sheets, comparison 2022/2023**

EUR '000

DESCRIPTION		2022	2023	INDEX
1		2	3	4=3/2*100
1	NONFINANCIAL ASSETS	511	1,169	228.7
2	FINANCIAL ASSETS	1,075,280	1,119,445	104.1
	TOTAL ASSETS	1,075,791	1,120,614	104.2
3	LIABILITIES	1,905	2,376	124.8
4	OWN SOURCES	1,073,886	1,118,238	104.1
	TOTAL LIABILITIES	1,075,791	1,120,614	104.2

Source: CDIA



# CDIA ACTIVITY REPORT

Figure 16 - Activities according to the organisational structure in 2023



## Activity Report – Deposit Insurance System

In 2023, the Deposit Insurance Department performed regular tasks that include the following activities: collection and analysis of received monthly reports from credit institutions, premium calculation for covered deposits, preparation of regular reports for the needs of the CDIA management, as well as for credit institutions. The activities of creating an application solution for processing the received monthly reports from CIs were completed this year. In addition, in the part related to improving business processes, the further development of the application support for the calculation and payment of compensation in case of the occurrence of an insured event continued.

In the part that refers to the reporting obligations to the EBA, the employees of the Deposit Insurance Department report to the EBA within the legally prescribed deadline on the state of the DIF's available financial means as well as the amount of covered deposits. For the purpose of verifying the complete compliance of the data on the balance of covered deposits, the data submitted by CIs to the CDIA are harmonized, on a monthly basis, with those submitted to the CNB. If necessary, other data are also prepared for the delivery to the EBA.

Furthermore, the employees of the Department prepare data for the purpose of reporting to the SRB on covered deposits, and for the purpose of determining the annual target level of the SRF.

The Department actively participates in activities with other international financial institutions and organisations. The largest part of this cooperation related to the cooperation with the European Forum of Deposit Insurers (EFDI), as well as the International Association of Deposit Insurers (IADI).

In 2023, the activities of adopting the CMDI regulatory framework were intensified at the EU level. The Department proactively participated in them.

Communication and responses to questions made by the public and other interested parties in the area of the Deposit Insurance System are also one of the regular activities of the employees of the Deposit Insurance Department.

In the third quarter of 2023, the Deposit Insurance Fund did not reach the legally prescribed target level, which is why the process for calculating and collecting the Deposit Insurance Premium was launched for the 3rd quarter.

During 2023, the Department carried out the activities of harmonizing the methodology for calculating the degree of riskiness for the purposes of calculating Deposit Insurance Premiums, in cooperation with the CNB. The activities were prompted by the need to comply with the revised Guideline on methods for calculating contributions to deposit insurance systems EBA/GL/2023/02 based on Directive 2014/49/EU.

In the part related to regulatory harmonization, the activities of harmonizing the Ordinance on the obligations of credit institutions in relation to the Deposit Insurance System were initiated and they introduced innovations in the scope of reporting for credit institutions.

The Deposit Insurance Department is obliged to conduct regular stress tests of the deposit insurance system and to inform the European Banking Authority of the results of the tests conducted during 2 cycles by June 16, 2024, according to Article 26 of the DISA (146/ 20, 119/22) and the Guidelines on stress tests of the deposit guarantee schemes EBA/GL/2021/10.

According to the Stress Test Cycle Programme for the three-year period 2022-2024, and in the 2nd cycle, during 2023, the stress test of the Deposit Insurance System was successfully completed according to the intervention scenario: payment of compensation to depositors. The stress test implementation activities will continue in the coming years.

In addition, the control of credit institutions was carried out based on the content and method of informing depositors.

With the aim of proper communication with the members of the Croatian Deposit Insurance System, in 2023 there were workshops organised with credit institutions on the following topics: the importance of adequately informing depositors about the Deposit Insurance System and the Methodology for calculating the degree of riskiness for the purposes of calculating Deposit Insurance Premiums. Regular workshops and meetings will be held in the coming period as well.

Furthermore, in 2023, the brochure Guide to the World of Deposit Insurance was prepared and published on the website of the CDIA on the occasion of the World Savings Day. The Brochure aims to increase the public awareness of the importance of savings, as well as to raise the knowledge of the financial literacy of each individual. The publication of the Brochure was just the beginning of more active work in the field of financial literacy and strengthening of awareness and knowledge of the general public.

## **Activity Report – Compulsory Winding-Up and Resolution Fund**

### **Compulsory Winding-Up**

The employees of the CDIA carry out activities related to the execution of legal powers of the CDIA in compulsory winding-up proceedings against credit institutions in accordance with the ACWCI.

In 2023, the CDIA employees actively participated in the compulsory winding-up proceedings against Internet mobile bank d.d., in the capacity of a supervisory winding-up authority, by participating in the creditors assembly and accepting financial statements and the final account. In the following year, the proceedings are expected to be finalized, which would remove that credit institution from the market within the legally prescribed period of three years.

At the same time, the CDIA participated in the working group related to the drafting of the amendments to the ACWCI, which is expected to be adopted in 2024. The amendments to the ACWCI are proposed in order to harmonize the Croatian legislative framework due to the introduction of the euro as the official currency in the Republic of Croatia and the Republic of Croatia's entry into euro area, as well as for the purpose of adjusting and clarifying the existing provisions in order to avoid different interpretations thereof. The experience gained in applying the ACWCI is an incentive for improving the current framework. Through active participation in the working group, the CDIA strives to contribute to the creation of good legislation.

### **Resolution Fund**

Since joining the Single Resolution Mechanism, the CDIA cooperates with the SRB by performing administrative tasks related to the Single Resolution Fund, following the instructions of the SRB.

Given the complexity of the report and its delivery deadline (January 31 at the latest), preparations for the resolution contribution period begins in September, leaving enough time to all stakeholders to prepare all necessary data, controls, documentation, reporting system adjustments, and similar related activities. Preparatory actions include the preparation of an initial package of documentation with all relevant information for the upcoming contribution period. In this regard, the employees of the Department actively participated in the work and operational meetings of the SRB, with an emphasis on the work in the "Fund Committee" related to all activities undertaken during the period of contribution to the SRF, preparation and support in translating relevant documentation, collection of

data from institutions and calculation of contributions for resolution, testing of test forms, submission of required reports during the contribution period, consultations with banking associations and institutions organised by the SRB, and exchange and submission of collected data to the SRB for the purposes of the calculation of risk of each individual credit institution and investment firm, and the basis for calculating individual resolution contributions.

In carrying out activities related to SRF, the employees of the Department intensively communicate and cooperate with institutions throughout the year (updating the contact list and enabling access to the CDIA web portals for authorized persons, delivery of relevant documentation, initial online meeting at the beginning of the contribution period, receiving, processing and analysing necessary data for the calculation of the resolution contribution to be received from credit institutions and investment firms, comparison and control of data received from credit institutions with data provided by the CNB, continuous support during the contribution period, and collection and support during the delivery of an additional data guarantee).

In accordance with all of the above, during 2023, the CDIA collected the data necessary for the calculation of contributions for 2023 from the institutions subject to the application of the Regulation, on the basis of which the SRB calculated individual ex-ante resolution contributions for institutions in the territory of the Republic of Croatia for the specified period. The CDIA transferred these contributions to the SRF, in accordance with the Act on Confirmation of the Agreement on the transfer and mutualisation of contributions to a Single Resolution Fund.

During the third quarter of 2023, the CDIA identified subjects within the scope of the SRM for the 2024 contribution period and, at the request of the SRB, provided them with relevant documentation, held an initial meeting with these institutions, and undertook activities to update the application solution for the conversion of data received from credit institutions from the previous Excel format to XBRL format, in accordance with changes in taxonomy and validation rules for the 2024 contribution period.

In 2023, the CDIA also participated in the capacity of DGS in the resolution courses of the SRB for individual credit institutions, where their annual resolution plans are adopted and updated.

## **Activity Report – Operations Support (including mandated activities)**

The competence of the Operations Support Department includes legal affairs, public procurement, and the provision of operations support in the area of compliance, as well as all other key functions (such as occupational health and safety affairs, right of access to information, protection of the dignity of workers, GDPR and reporting of irregularities) legally prescribed to the CDIA.

In terms of legal affairs carried out by the Operations Support Department, the CDIA employees are engaged in various activities, such as the active management of court proceedings, land registry proceedings and undertaking actions for the collection of claims, participation in bankruptcy proceedings through the work of the creditors' committee and the creditors' assembly, participation in the compulsory winding-up proceedings and support in the exercise of the CDIA's powers as a supervisory winding-up authority, etc.

The CDIA has a specific role in court cases in a way that it participates in both procedural positions, i.e. both as a plaintiff and as a defendant, within various legal areas. The representation mainly refers to bankruptcy, litigation and enforcement cases. The CDIA is mostly an active party in the proceedings. The number of court proceedings has been significantly reduced, and activities aimed at ending the remaining disputes are continuing. The largest number of court proceedings relate to claims that the CDIA acquired as a result of the so-called old resolutions that were carried out at the expense of the

state budget. Although by a mutual agreement in 2017, the CDIA transferred to the Republic of Croatia - then the Ministry of State Assets, now the Ministry of Physical Planning, Construction and State Assets - all assets and all claims acquired by the CDIA through resolution proceedings at the expense of the state budget, the CDIA carries out the collection of claims and associated court proceedings, and forwards to the MPPCSA all funds received on the basis of transferred claims, reduced by the costs of associated court proceedings.

At the beginning of 2023, there were 8 bankruptcy proceedings against credit institutions in which the CDIA recognized claims for the payment of covered deposits. However, it should be noted that in 2023, the number of proceedings was reduced because the long-term bankruptcy proceedings against Glumina banka d.d. in bankruptcy came to an end, after the replacement of the liquidator at the proposal of the CDIA. In addition, in 2023, in the bankruptcy proceedings against Banka Split-sko-dalmatinska d.d. in bankruptcy, the CDIA was settled in 100% of the amount of the recognized claim in the III higher payment priority rank in respect of the payment of compensation to depositors of the bank for covered deposits.

Legal affairs also include the drafting of regulations under the scope of work of the CDIA, adopted by the Ministry of Finance, i.e. the CDIA Supervisory Board, external and internal ordinances, as well as conducting consultations with the public, harmonizing secondary legal acts, general and internal acts with positive regulations, and giving opinions on draft regulations and secondary legal acts under the scope of competence of the Ministry of Finance. In 2023, the CDIA issued an opinion on the draft Act on the Amendments to the Act on the Resolution of Credit Institutions and Investment Firms, and on the draft Act on the Amendments to the Act on Compulsory Winding-up of Credit Institutions (in the adoption of which we participated as part of the working group for drafting these acts). Furthermore, the CDIA participated in the preparation of the proposal for the amendments to the Ordinance which will be adopted by the Minister of Finance in accordance with the Deposit Insurance System Act.

Regarding the internal regulation, the CDIA also drafted the amendments to the Ordinance on Internal Organisation and Job Classification.

In the part of the compliance activities, which include, inter alia, the preparation of internal ordinances and procedures in order to ensure the harmonization of the CDIA operations with the legislation and all positive regulations of the Republic of Croatia, the employees of the Department participated in drafting the amended CDIA Occupational Health and Safety Ordinance. The employees also instructed the organisational departments of the CDIA on how to apply relevant acts, standards and rules, and informed them about the current regulatory framework under the scope of the CDIA's work. In addition, they performed tasks in cooperation with competent authorities related to the CDIA's obligations as a public sector body according to special regulations (e.g. access to information, data protection, web accessibility, etc.).

After the rulings of the European Court of Human Rights on the lawsuits of the former shareholders of Croatia banka d.d. regarding the withdrawal of shares in the resolution procedure against that Bank, the CDIA cooperated with the competent state attorneys' offices representing the Republic of Croatia in numerous court proceedings initiated by former shareholders as a result of these rulings.

In 2023, the CDIA was involved in the OECD accession negotiations and the OECD Code of Liberalisation, together with the Ministry of Finance, the CNB and the HANFA, by completing accession questionnaires, participating in fact-finding missions in Zagreb and at the session in Paris, under the competence of the OECD Committee on Financial Markets.

The employees of the Department engaged in legal affairs also provide, on a daily basis, legal support to other CDIA departments regarding the issues within their scope of work. Apart from daily activities, in 2023, more significant support activities included the support to the Deposit Insurance Department during the stress test of the credit institution, in accordance with legal obligations and EBA guidelines.

During 2023, the employees of the Operations Support Department participated in the regular expert supervision over the management of documentary and archival materials in the CDIA conducted by the Croatian State Archives, where all legal obligations related to the preservation of documentary material were found to be fulfilled.

## **Activity Report – Public Procurement**

The Operations Support Department also performs the tasks in accordance with the regulations governing public procurement; e.g. preparation of documents such as reports on the control of public procurement execution, participation and supervision of simple procurement and public procurement procedures, preparation of plans, activities related to the publication of the procurement plan, register of contracts and statistical report.

The CDIA is obliged to adhere to the Public Procurement Act (Official Gazette 120/16 and 114/22) and conducts all procurement activities in accordance with that Act and secondary legal acts, the Ordinance on Implementing Simple Procurement Procedures by the CDIA and other related procedures.

During the reporting year, there were simple public procurement procedures carried out, in accordance with the general internal act, taking into account the principles of public procurement and the possibility of electronic means of communication, as well as public procurement procedures.

Public procurement procedures that are not categorized as simple procurement are published in the Electronic Public Procurement Classifieds of the Republic of Croatia.

The CDIA carried out the prescribed control, in accordance with Article 313, paragraph 2 of the Public Procurement Act, which stipulates that the public contracting authority is obliged to control whether the execution of the contract on public procurement is in accordance with the conditions specified in the procurement documentation and the selected offer.

The procurement and execution plan is published on the CDIA's website.

In 2023, the suppliers duly performed the respective procurements, and of the total realized value of the procurement plan in 2023, 100% refers to the suppliers having their head office in the Republic of Croatia.

By cooperating with domestic suppliers from Croatian counties, the CDIA indirectly influences the economic development of these local communities.

The CDIA, in accordance with Article 80 of the Public Procurement Act, publishes on its website, and attaches to the procurement documentation, a list of economic entities which it has a conflict of interest with, i.e. which it may not enter into public procurement contracts with.

## **Activity report by the Information Officer**

The Act on the Right of Access to Information (Official Gazette, No. 25/13, 85/15, 69/22) regulates the right of access to information and reuse of information held by public authorities, and prescribes the principles, restrictions, procedure and method of gaining and facilitating access to and reuse of information. The Act on the Right of Access to Information (hereinafter: ARAI) stipulates that “public authorities” are obliged to enable users to exercise the right of access to and reuse of information, and to fulfil other prescribed obligations. The CDIA, as a public authority in the context of fulfilling legally prescribed obligations to ensure the right of access to information, is obliged to appoint a special official responsible for addressing the exercise of the right of access to information – an information officer.

The contact details of the information officer and deputy information officer are published on the CDIA website <https://www.haod.hr/o-nama/pravo-na-pristup-informacijama>, where reports and other documents are also published in the ‘Documents’ tab, in accordance with the obligation regu-

lated by Article 10 paragraph 1 of the ARAI (Annex 1). The regular duties of the information officer and the deputy information officer also include updating the published data based on the occurrence of changes or at the end of the business year. Furthermore, as part of their regular activities, they process all received requests for access to information, submitted orally or in writing. The written requests are submitted by filling out the request form for the access to information published on the website, while oral requests are received by telephone.

The access to information is free of charge. The CDIA has the right to claim compensation for the actual material costs incurred as a result of providing information, as well as compensation for the costs of delivering the requested information.

In 2023, the CDIA received a total of 3 requests for access to information, of which for 3 requests there were notices issued in accordance with Article 23, paragraph 2 of the ARAI.

## **Activity report by the Occupational Health and Safety Officer**

The Occupational Safety and Health Act (Official Gazette, No. 71/14, 118/14, 154/14, 94/18, 96/18) regulates the occupational health and safety system in the Republic of Croatia, and especially the national policy and activities, general principles of the prevention and occupational health and safety rules, employer's obligations, rights and obligations of employees and the occupational health and safety officer, activities related to occupational health and safety, as well as supervision and misdemeanour liability. In accordance with Article 71 of the Occupational Health and Safety Act, and with the aim of ensuring systematic improvement of safety and health protection of employees and persons at work, preventing injuries at work, occupational diseases and work-related diseases, the CDIA appointed an occupational health and safety officer at the proposal of the majority of employees.

The occupational health and safety officer is obliged to protect the interests of workers in the field of occupational health and safety, and to monitor the application of respective rules, measures, procedures and activities of occupational health and safety.

With the aim of fulfilling legal obligations in the area of performing occupational health and safety professional tasks in accordance with Articles 20 and 21 of the OHS Act and fire protection in accordance with Article 20 of the Fire Protection Act (Official Gazette, No. 92/10, 114/22), the Agreement on the Provision of Occupational Health and Safety and Fire Protection Services, no. 888-12-2022, to be applied as of January 1, 2023, was signed with the company Alfa sigurnost d.o.o., Zagreb, as an authorized legal person for the performance of occupational health and safety at work.

In 2023, the occupational health and safety officer, together with the representatives of Alfa sigurnost d.o.o., carried out activities to ensure adequate working conditions. In 2023, the occupational health and safety officer received no complaints.

## **Activity report by the Data Protection Officer**

The Act on the Implementation of the General Regulation on Data Protection (Official Gazette, No. 42/18) ensures the implementation of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).

The General Data Protection Regulation (hereinafter: GDPR) entered into force on May 25, 2018, replacing the former Data Protection Directive from 1995 (hereinafter: the Directive). It was adopted as a response to the massive expansion of personal data processing since the introduction of the mentioned Directive from 1995, as well as a response to the development of increasingly invasive technologies. The GDPR is based on this Directive, as well as the jurisprudence of the Court of Justice

of the European Union developed on the basis of the Directive, but it has a much broader scope than the Directive itself, and therefore significantly strengthens the main European data protection regime. The GDPR brought many changes such as improved harmonisation, stronger rights for data subjects, closer cross-border enforcement cooperation between national data protection authorities (DPAs), etc. The most important changes include the introduction of a new principle of “accountability and the institution of data protection officers (DPOs)”, appointed by the data controller of the CDIA.

Pursuant to the aforementioned Regulation, the CDIA adopted the Personal Data Protection Policy (hereinafter: Policy) on May 25, 2018. The Policy regulates the basic principles and rules of personal data protection in accordance with the operational and safety requirements of the CDIA, relevant acts, best practices and internationally accepted standards.

Pursuant to the aforementioned Regulation, the CDIA appointed a personal data protection officer on May 8, 2018. In 2023, the personal data protection officer of the CDIA performed the following regular activities:

- informing and advising the data controller/processor on the obligations in accordance with the Regulation as well as other provisions related to the personal data protection in the EU or a Member State,
- supervising compliance of personal data processing with the applicable CDIA legislation,
- raising awareness of the importance of personal data protection by providing proper training to the employees involved in personal data processing,
- providing advice, where necessary, regarding the assessment of the risk impact on personal data protection,
- supervising the implementation of the Policy and managing personal data collections.

In 2023, there were no supervisions initiated in the field of personal data protection (by the Personal Data Protection Agency).

## **Activity report by the Dignity Protection Officer**

The Anti-Discrimination Act (Official Gazette, No. 85/08, 112/12) regulates, inter alia, protection against all forms of discrimination and unfavourable or unfair treatment, as well as against placing of a person in a less favourable position based on misconception of the existence of the grounds for discrimination.

In accordance with the Anti-Discrimination Act, the procedure for protecting the dignity of workers and the prohibition of discrimination, as well as other issues related to labour matters, are regulated by the Work Regulations (hereinafter: the Regulations) and the CDIA’s Code of Ethics. Chapter VII of the Work Regulations - Protecting the Dignity of Workers and Protection against Discrimination, regulates the Employer’s obligations in protecting workers against direct or indirect discrimination in all areas of work and working conditions.

In accordance with the Work Regulations, the CDIA appointed a dignity protection officer who is authorized to receive and resolve workers’ complaints relating to the protection of worker dignity and protection against general and sexual harassment. The prescribed period within which the CDIA dignity protection officer is obliged to resolve complaints is 8 days from the day of receiving the complaint. During that period, a dignity protection officer investigates allegations and takes all appropriate measures to prevent the continuation of general or sexual harassment, if it is determined that it does indeed exist. The sanction for identified discriminatory behaviour, in accordance with the Work Regulations, as a particularly serious violation of the employment relationship, may result in the termination of the employee’s employment contract.

In 2023, the dignity protection officer received no complaints.

# APPENDIX

**Table 15 - Appendix according to Article 10 of the Act on the Right of Access to Information**

Article 10 of the Act on the Right of Access to Information	Website containing the published information
General acts and decisions that are adopted and that have an impact on the interests of users	<a href="https://www.haad.hr/o-nama/zakonska-regulativa">https://www.haad.hr/o-nama/zakonska-regulativa</a>
Drafts acts, other regulations and general acts that are adopted, in accordance with Article 11 of this Act	<a href="https://mfin.gov.hr/pristup-informacijama/e-savjetovanja-ministarstva-financija/3347">https://mfin.gov.hr/pristup-informacijama/e-savjetovanja-ministarstva-financija/3347</a>
Annual plans, programmes, strategies, instructions, activity reports, financial statements and relevant documents referring to the scope of work of public authorities	<a href="https://mfin.gov.hr/istaknute-teme/koncesije-i-drzavne-potpore/financijska-transparentnost/452">https://mfin.gov.hr/istaknute-teme/koncesije-i-drzavne-potpore/financijska-transparentnost/452</a> <a href="https://mfin.gov.hr/istaknute-teme/neprofitne-organizacije/registar-neprofitnih-organizacija/118">https://mfin.gov.hr/istaknute-teme/neprofitne-organizacije/registar-neprofitnih-organizacija/118</a>
Data on the source of financing, budgets and budget execution	<a href="https://mfin.gov.hr/proracun-86/86">https://mfin.gov.hr/proracun-86/86</a>
Information on subsidies, grants and donations, including the list of beneficiaries and relevant amounts	<a href="https://www.haad.hr/novosti/donacija-udruzi-savao-matije-gupca-6-velika-gorica">https://www.haad.hr/novosti/donacija-udruzi-savao-matije-gupca-6-velika-gorica</a>
Information on the internal organisation, along with the names of the heads of bodies and structural units, and their contact information	<a href="https://www.haad.hr/o-nama/organizacijska-struktura">https://www.haad.hr/o-nama/organizacijska-struktura</a>
Minutes and conclusions of public authority meetings and official documents adopted at the sessions, as well as information on the work of formal operating bodies covering their area of competence	<a href="https://www.haad.hr/o-nama">https://www.haad.hr/o-nama</a>
Information on public procurement procedures, documentation required for bidding and information on the execution	<a href="https://eojn.nn.hr/Oglasnik/">https://eojn.nn.hr/Oglasnik/</a> <a href="https://www.haad.hr/o-nama/javna-nabava/izvršenja">https://www.haad.hr/o-nama/javna-nabava/izvršenja</a>
Information on public procurement procedures, documentation required for bidding and information on the execution	<a href="https://eojn.nn.hr/Oglasnik/">https://eojn.nn.hr/Oglasnik/</a>
Registers and databases or information on registers and databases in the area under their competence as well as on the method of access thereto	In accordance with Article 25, para. 3 of the Deposit Insurance System Act, the CDIA is obliged to keep information on the balance of individual deposits covered by insurance pursuant to the Deposit Insurance Act, as well as any other data, facts and circumstances brought to its attention during the course of the performance of its duties and obligations pursuant to the mentioned Act. In accordance with the provisions of Article 115 of the Act on the Resolution of Credit Institutions and Investment Firms, as well as Article 77 of the Act on Compulsory Winding-Up of Credit Institutions, the CDIA is obliged to maintain the confidentiality of all information brought to its attention during the course of the performance of its duties within the scope of the Act.
Notifications regarding the method of exercising the right of access to information and reuse of the information, along with contact data on the information officer	<a href="http://www.haad.hr/o-nama/pravo-na-pristup-informacijama">http://www.haad.hr/o-nama/pravo-na-pristup-informacijama</a>
Fee for accessing information and reuse of the information in line with criteria referred to in Article 19, para. 3 of the Act	<a href="http://www.haad.hr/o-nama/pravo-na-pristup-informacijama">http://www.haad.hr/o-nama/pravo-na-pristup-informacijama</a>
The most frequently sought information	<a href="https://www.haad.hr/sustav-osiguranja-depozita/najcesce-postavljena-pitanja-i-odgovori">https://www.haad.hr/sustav-osiguranja-depozita/najcesce-postavljena-pitanja-i-odgovori</a>
Other information (news, press releases, information on other activities)	<a href="http://www.haad.hr/novosti">http://www.haad.hr/novosti</a> <a href="https://www.haad.hr/en/news">https://www.haad.hr/en/news</a>

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