

CROATIAN DEPOSIT INSURANCE AGENCY **2024**



HRVATSKA AGENCIJA ZA OSIGURANJE DEPOZITA
CROATIAN DEPOSIT INSURANCE AGENCY

2024 ANNUAL REPORT
ON THE DEPOSIT
INSURANCE SYSTEM
AND THE ACTIVITIES OF
THE CROATIAN DEPOSIT
INSURANCE AGENCY

Zagreb, February 2025



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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 and safe payment of compensation for covered deposits in case of a failure of a credit institution**
- **To contribute to the stability and confidence in the financial system**
- **To maintain the confidence in the financial system**
- **To provide support to credit institutions in maintaining their long-term operational stability**

FOREWORD



In 2024, we faced the world changing faster than ever and this fact reflected on the activities of the Croatian Deposit Insurance Agency (hereinafter: the CDIA). Further digitalization of business operations of all business entities, financial institutions included, requires constant adaptation, as it opens up new possibilities and opportunities, as well as the engagement from all of us.

Determined to fulfil our vision, in 2024, we continued to improve our knowledge and skills. As in previous years, we carefully monitored all key changes that emphasize the importance of data management and cybersecurity, but also the specific depositors' behaviour and the ways in which credit institutions provide their services.

Our work in the last year was aimed at further improving the financial stability and security of the deposit insurance system of the Republic of Croatia. In cooperation with key domestic and international partners, we continued to contribute to the development of the regulatory framework, enhancement of financial literacy, and strengthening of trust in the financial system of the Republic of Croatia.

In particular, the representatives of the CDIA, as members of the Working Groups of the Ministry of Finance, were actively participating in the legislative drafting, including the amendments to the Act on the Resolution of Credit Institutions and Investment Firms and to the Act on Compulsory Winding-up of Credit Institutions. In addition, as a member of the Operational Working Group for monitoring the implementation of measures and activities defined in the Action Plan for the Improvement of Consumer Financial Literacy at the level of the Republic of Croatia, we provided expert input into the design and implementation of the draft proposal for the Conclusion on the Approval of the Action Plan for the Improvement of Consumer Financial Literacy for 2025 and 2026.

Furthermore, the CDIA representatives 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), more precisely, to the amendments proposed to the legislative acts such as: BRRD - Bank Recovery and Resolution Directive, SRMR - Single Resolution Mechanism Regulation, and DGSD - Deposit Guarantee Schemes Directive.

At the international level, the CDIA also made a significant step forward by signing two Memorandums of Understanding on Bilateral Cooperation with relevant partners - deposit insurance institutions from Taiwan and Uzbekistan, which further strengthened the position of the Republic of Croatia on the global map of deposit insurance. In addition, by participating in the work of international bodies, such as IADI and EFDI, and by following previous practice, we contributed to the exchange of knowledge and experiences and to the strengthening of capacities for solving challenges at both the international and the national level.

Given that today European regulators and deposit insurance systems often highlight the work of the CDIA as an example of "the best practice", and, therefore, welcoming the requirement to adapt to new circumstances in which we operate, we invested the necessary professional efforts in the development of the CDIA's Sustainability Policy (ESG Policy), by taking new steps that are rightfully expected of us.

Over the last year, we took on intensive activities to start with the modernization of the application support for the calculation of compensation payment in the event of the occurrence of an insured event, and we will continue to strive to ensure high standards of operational efficiency and the necessary transparency in the coming period.

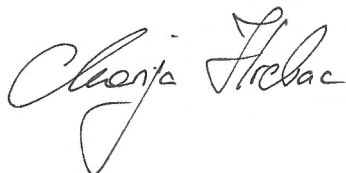
In the period ahead, we remain committed to constantly improving knowledge and skills within the deposit insurance industry, but also to continuously and actively informing and educating our target audiences, using our online platforms as well as direct communication, in order to ensure stability of and confidence in the financial system of the Republic of Croatia.

This year we are celebrating our 30th year of successful business.

We are also particularly pleased to host the 82nd meeting of the IADI Executive Council (International Association of Deposit Insurers) in Dubrovnik.

Throughout our work, we will always acknowledge and respect all our partners and participants in the Croatian, European and international financial markets, as well as provide the necessary support to all our employees, appreciating our effort, dedication and knowledge with which we, each in their part, build trust in the financial system, protect the interests of citizens and the economy, and support credit institutions in ensuring stability and sustainable business.

Marija Hrebac, CDIA CEO



ABBREVIATIONS

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

OHSA

Occupational Health and Safety Act

POLICY

Privacy policy

SRB

Single Resolution Board

SRF

Single Resolution Fund

SRM

Single Resolution Mechanism

THB

Temporary High Balance

ACWCI

Act on Compulsory Winding-Up of Credit Institutions

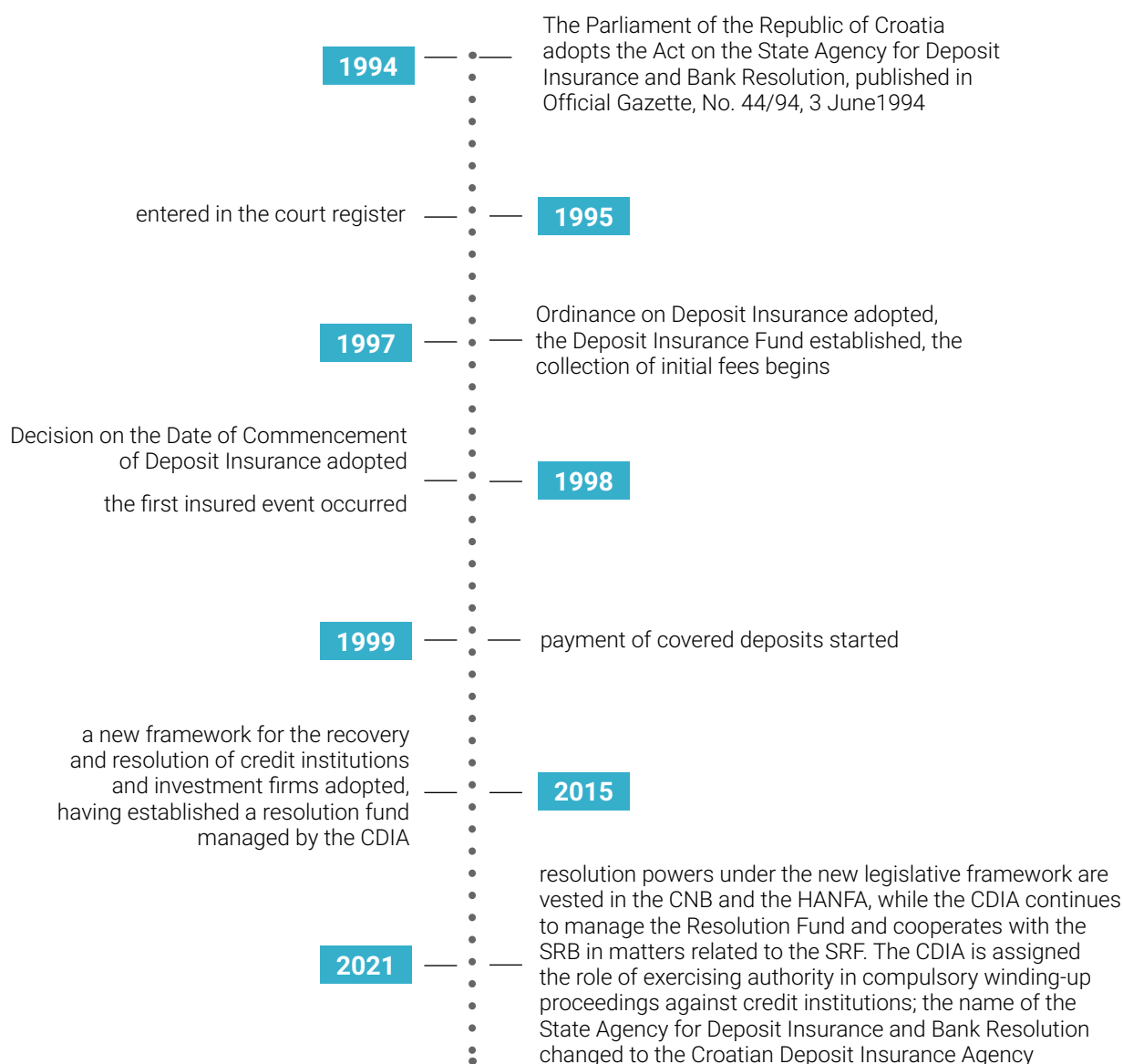
CDIA – ESTABLISHMENT AND ORGANISATIONAL DEVELOPMENT

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 has 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 are the Supervisory Board and the CEO.

In 2024, the composition of the CDIA Supervisory Board was the same as in 2023; 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, the Statute of the CDIA, and other regulations.

Figure 1 - Organisational structure



In 2024, the CDIA Supervisory Board held four sessions at which it unanimously made decisions within its scope of competence, specifically:

- on the adoption of the annual financial statements for 2023
- on the adoption of the audited annual financial statements for 2023
- on the adoption of the annual report on the deposit insurance system and the work of the CDIA for 2023
- on the adoption of the annual report on the work of the Supervisory Board and on the supervision of the work of the CDIA for 2023
- on the consent to the amendments to the financial plan for 2024
- on the consent to the draft financial plan for 2025 with the projections for 2026 and 2027
- on the consent to the selection of an independent external auditor to perform the audit of the financial statements for 2024
- on the consent to the annual CDIA work plan for 2025.

LEGAL FRAMEWORK

In 2024, 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	Official Gazette
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
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	Act on the Resolution of Credit Institutions and Investment Firms	146/20, 21/22, 27/24, 145/24
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		
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 <i>ex-ante</i> 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		
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	Act on Compulsory Winding-Up of Credit Institutions	146/20, 27/24

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, 27/24) 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, 27/24, 145/24) 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 2024

In 2024, following the previous participation in the Working Groups of the Ministry of Finance for the adoption of legal acts, the CDIA representatives undertook further activities by drafting opinions on the final draft acts on the amendments to the Act on the Resolution of Credit Institutions and Investment Firms, the final draft act on the amendments to the Act on the Compulsory Winding-up of Credit Institutions, and the draft proposal for the Conclusion on the Approval of the Action Plan for the Improvement of Consumer Financial Literacy for 2025 and 2026, and the draft proposal for the Action Plan for the Improvement of Consumer Financial Literacy for 2025 and 2026.

At the beginning of 2024, the CDIA became a member of the Operational Working Group for monitoring the implementation of measures and activities defined by the Action Plan for the Improvement of Consumer Financial Literacy at the level of the Republic of Croatia. Over the last year, there were activities launched aimed at strengthening consumer financial literacy in the part related to the deposit insurance system, and the two-year CDIA activity plan was proposed to the competent authorities.

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.

During 2024, the CDIA actively participated in all activities related to the Single Resolution Fund (SRF).

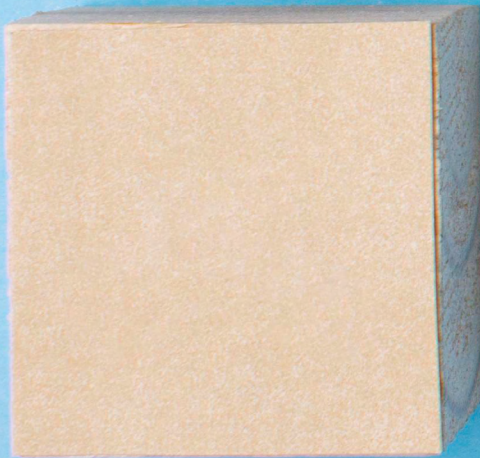
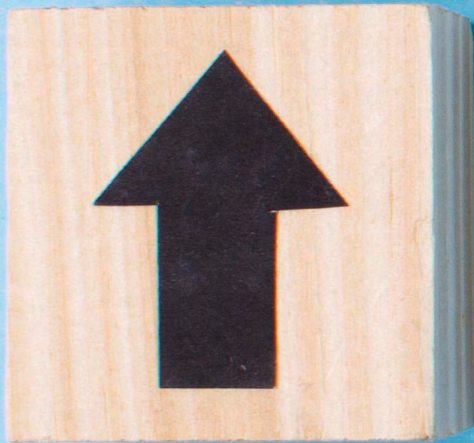
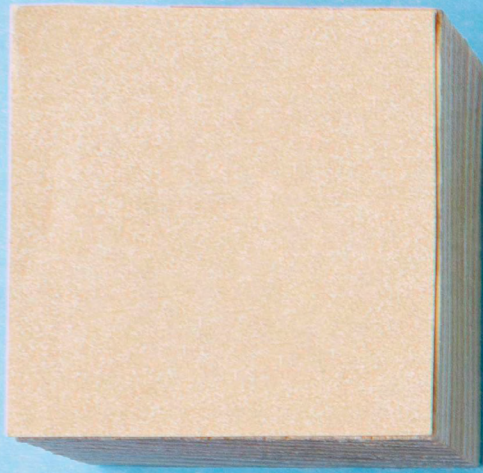
Pursuant to Regulation (EU) No 806/2014 (SRM Regulation), the initial period for the establishment of the SRF ended on December 31, 2023, and the prescribed target level of at least 1% of the amount of covered deposits of all credit institutions authorized in all participating Member States was reached. Given the target level reached, the SRB did not collect any contributions in 2024¹.

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".

In this context, during 2024, the CDIA was also preparing the Sustainability Policy (ESG Policy).

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.

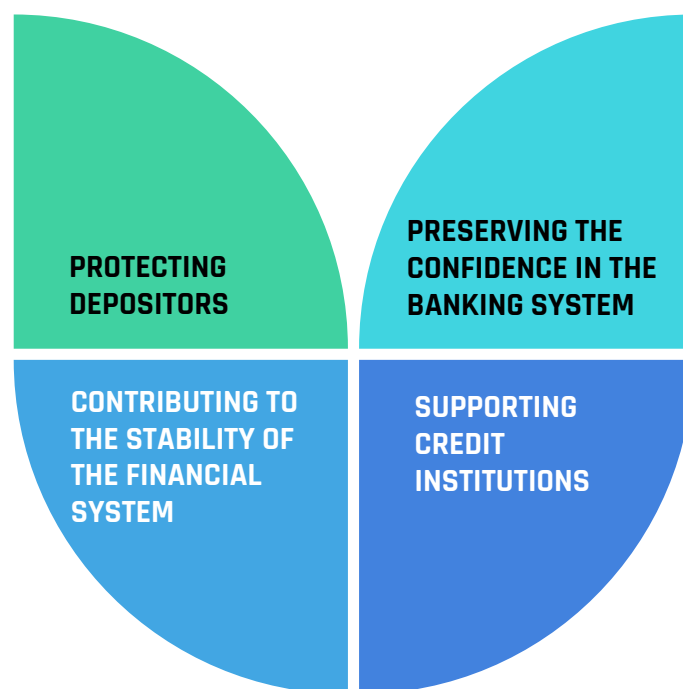
¹ Information available at: <https://www.srb.europa.eu/en/content/single-resolution-fund-no-expected-contribution-2024-target-level-reached>



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 (hereinafter: DIS) 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),
- as of January 1, 2024, the compensation payment deadline is seven working days from the date of the occurrence of an insured event.

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 difficulties that inevitably arise when crises occur.

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

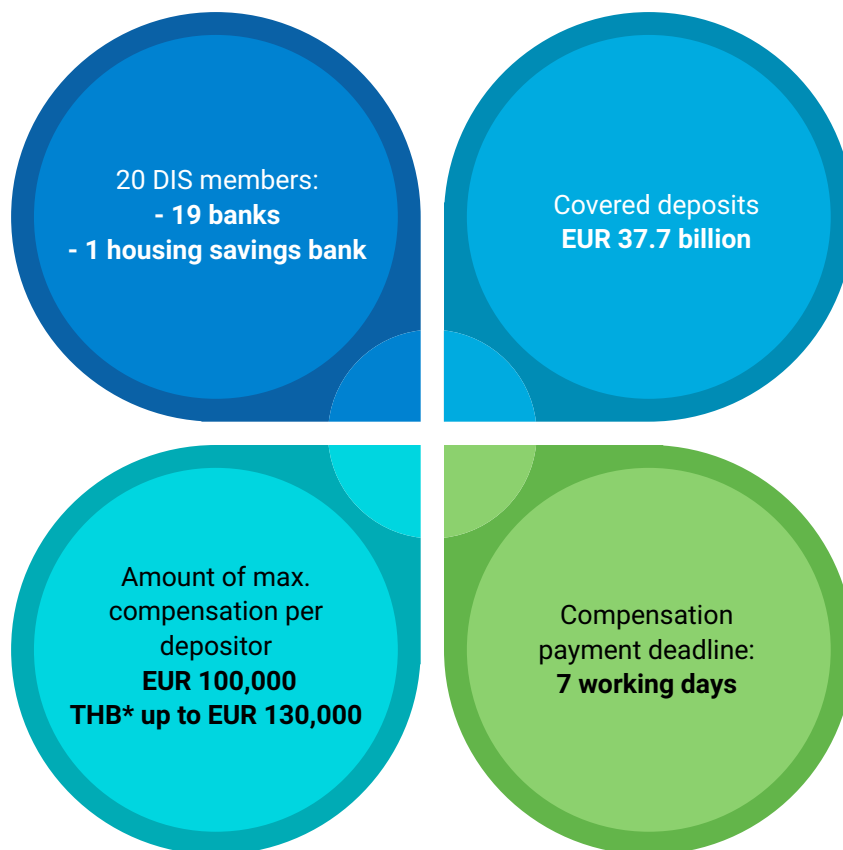
The Deposit Insurance System enables the protection of depositors against the loss of deposits if an insured event occurs in a credit institution, and is an extremely important element of the Financial Safety Net, especially in times of crisis.

The Deposit Insurance System is activated on the onset of an insured event, which occurs when the Croatian National Bank 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, of EUR 100,000 per depositor per credit institution

Figure 3 - Key data on the Deposit Insurance System for 2024



* THB = Temporary High Balance

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 significantly shortened.

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 a credit institution based on the compensation payment,
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 financing of 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 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.

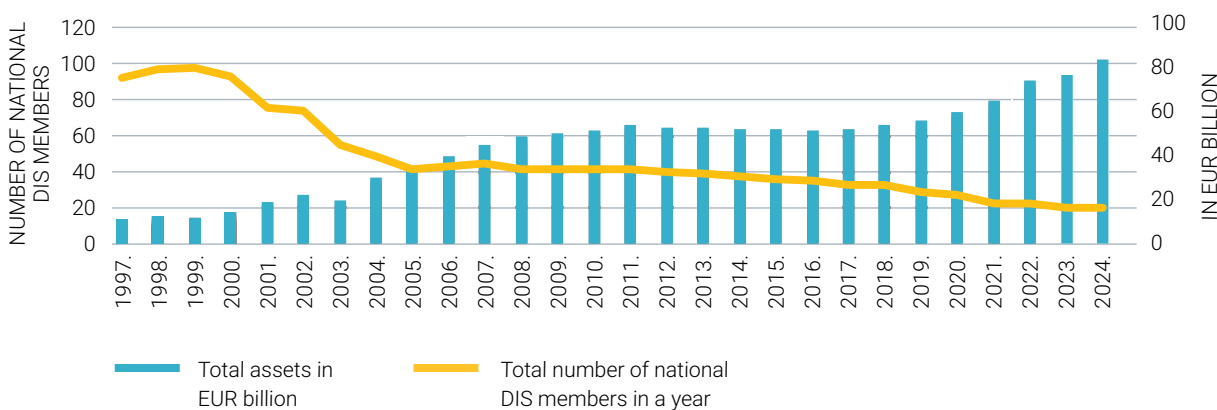
In 2024, the CDIA did not collect a Deposit Insurance Premium since the target level of 2.5% was achieved.

Credit institutions in the Republic of Croatia – DIS Members

As at December 31, 2024, there were 20 credit institutions operating on the banking market -19 commercial banks and 1 housing savings bank. The number of credit institutions remained unchanged compared to the end 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 national DIS members and total national DIS assets 1997 – 2024



Source: CDIA, CNB

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 national DIS members, as at December 31, 2024.

Table 2 - List of DIS members, as at 31 December 2024

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 (hereinafter: O-SIIs), and 13 of them refer to Less Significant Institutions (hereinafter: LSI).

According to the latest publicly available data for the end of 2024, the total assets of credit institutions increased by 4.76% compared to the end of 2023, and amounted to EUR 81.91 billion. Assets increased at most credit institutions

Table 3 - Share of the CI in total assets of CIs
In EUR 000

Ord. No.	Credit institution	Other Systemically Important Credit Institutions ("O-SIIs")	Total assets	Share in total assets
1	Zagrebačka banka d.d.	YES	20,728,147	25.31%
2	Privredna banka Zagreb d.d.	YES	16,482,402	20.12%
3	Erste&Steiermärkische Bank d.d.	YES	14,485,788	17.68%
4	OTP banka d.d.	YES	8,731,286	10.66%
5	Hrvatska poštanska banka d.d.	YES	7,338,533	8.96%
6	Raiffeisenbank Austria d.d.	YES	6,799,722	8.30%
7	Addiko Bank d.d.	YES	2,256,610	2.75%
8	KentBank d.d.		811,497	0.99%
9	Istarska kreditna banka Umag d.d.		794,034	0.97%
10	Podravska banka d.d.		675,784	0.83%
11	Agram banka d.d.		599,666	0.73%
12	Karlovačka banka d.d.		490,897	0.60%
13	Partner banka d.d.		304,572	0.37%
14	Wüstenrot stambena štedionica d.d.		298,069	0.36%
15	Slatinska banka d.d.		273,368	0.33%
16	Croatia banka d.d.		257,526	0.31%
17	Banka Kovanica d.d.		250,379	0.31%
18	Imex banka d.d.		167,123	0.20%
19	Samoborska banka d.d.		97,187	0.12%
20	J&T banka d.d.		68,331	0.08%
			81,910,922	100.00%

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 87.4% 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

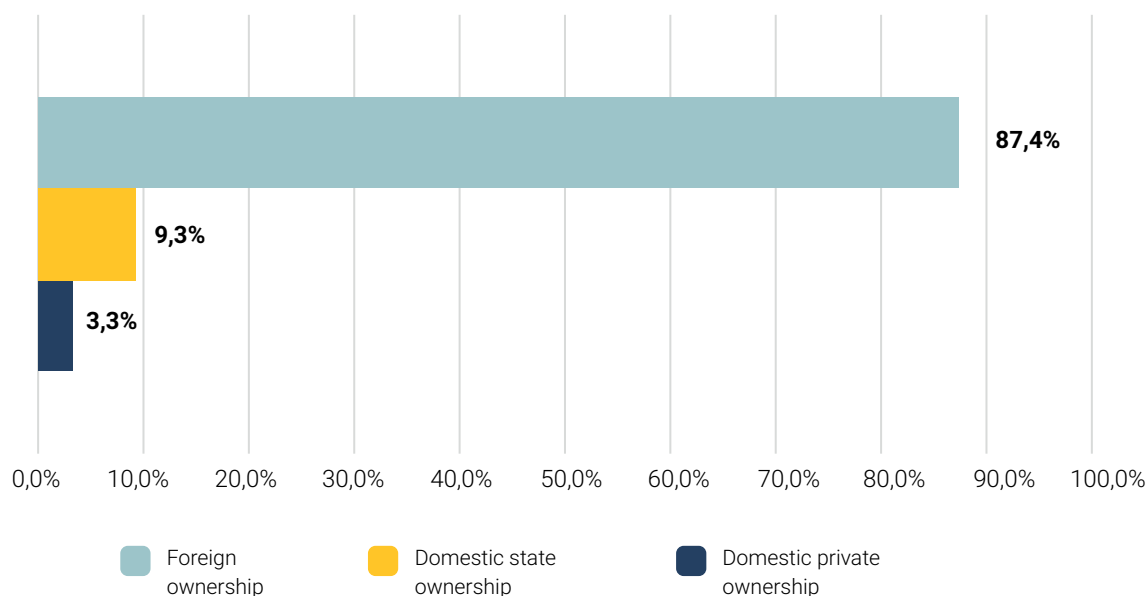
CI ownership structure	31 December 2024	
	Number of CIs	Share %
Domestic state ownership	2	9.3
Domestic private ownership	7	3.3
Foreign ownership	11	87.4
Total	20	100.0

Source: CNB

There were 9 domestically-owned CIs with a share of 12.6 % in total assets. Of these, there were 2 domestic state-owned CIs with a share of 9.3 % 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 2024



Source: CNB

Exposure of the Deposit Insurance Fund to credit institutions

As at December 31, 2024, the DIF financial means amounted to EUR 919.96 million, while the covered deposits of all credit institutions amounted to EUR 37.65 billion.

The coverage of covered deposits by DIF funds amounted to 2.5% as at December 31, 2024. With the available DIF funds at the level of 2.5%, the CDIA could have paid the total covered deposits of the 7 smallest credit institutions, had an insured event occurred.

The coverage of covered deposits per individual credit institution as at December 31, 2024 is shown in the table below.

Table 5 - Coverage level of covered deposits by DIF funds, as at 31 December 2024
(in EUR 000)

LSI CI*	COVERED DEPOSITS	CD PAYMENT FUNDS (2.5% CD)	COVERAGE LEVEL, %
1	483,803	919,960	190.2%
2	341,929	919,960	269.0%
3	279,754	919,960	328.8%
4	261,210	919,960	352.2%
5	250,445	919,960	367.3%
6	215,749	919,960	426.4%
7	183,493	919,960	501.4%
8	149,160	919,960	616.8%
9	132,825	919,960	692.6%
10	119,436	919,960	770.3%
11	108,431	919,960	848.4%
12	58,459	919,960	1573.7%
13	33,486	919,960	2747.3%

* LSI credit institutions

(in EUR 000)

O-SI CI**	COVERED DEPOSITS	CD PAYMENT FUNDS (2.5% CD)	COVERAGE LEVEL, %
1	9,464,450	919,960	9.7%
2	8,395,607	919,960	11.0%
3	5,797,365	919,960	15.9%
4	4,143,682	919,960	22.2%
5	3,139,725	919,960	29.3%
6	2,903,247	919,960	31.7%
7	1,189,632	919,960	77.3%

** O-SIs (other systemically important credit institutions)

Compensation payment

In 2024, 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 the opening of compulsory winding-up proceedings against a credit institution.

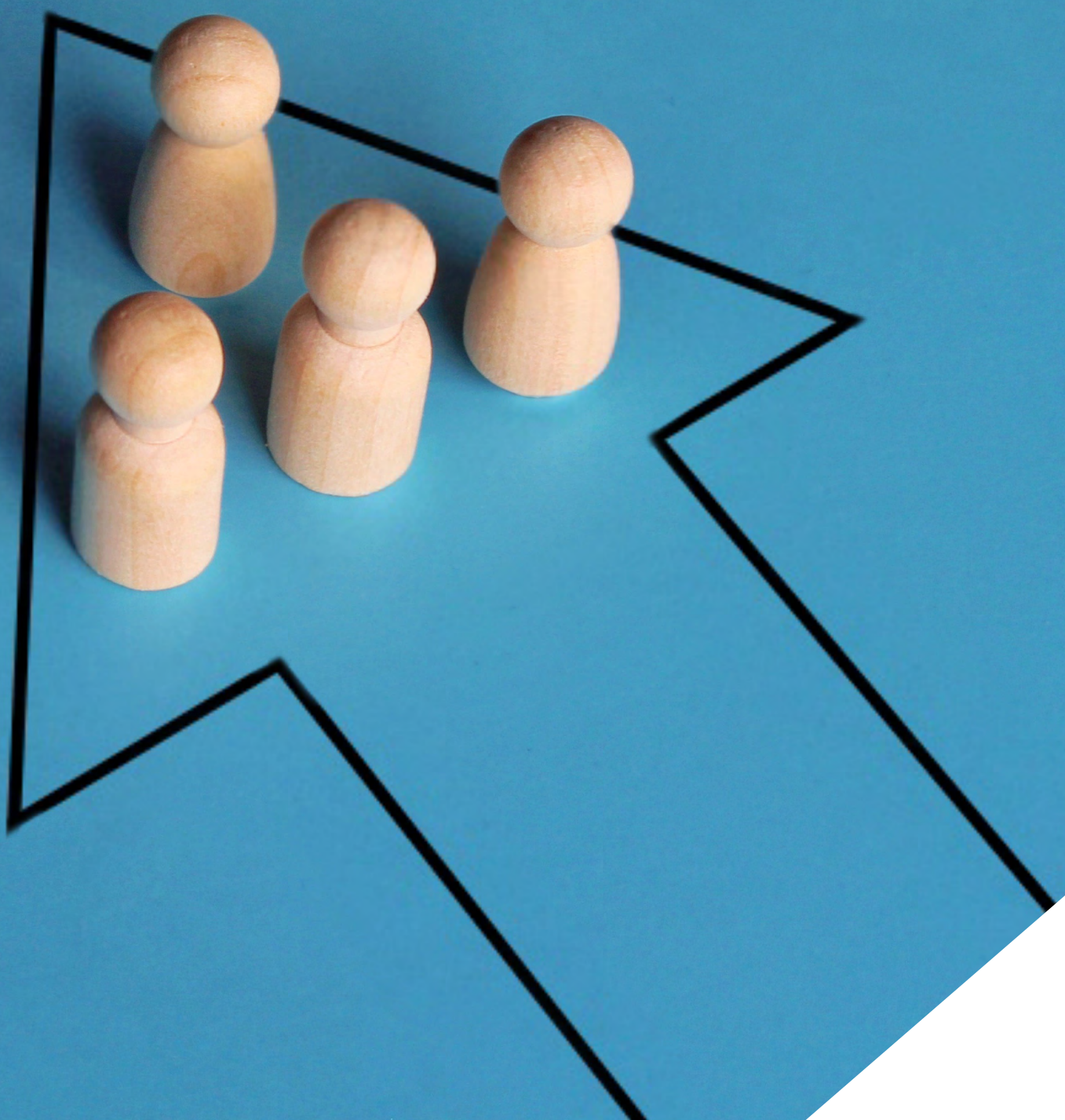
The legally prescribed deadline for preparing the payment of compensation is a maximum of 7 working days from the date of the occurrence of an insured event, i.e. a failure of a credit institution. It is important to note that over the last ten years, the CDIA fulfilled its obligation to pay compensation within a shorter period than legally prescribed.

Figure 6 - The Compensation Payment Procedure

Table 6 – Historical overview of total liabilities for compensation payment 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.	Županijska banka d.d. Županja	1999	79,611,540	42,688
7.	Gradska banka d.d. Osijek	1999	127,575,324	35,875
8.	Neretvanska 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
	TOTAL		719,220,598	217,203

Source: CDIA

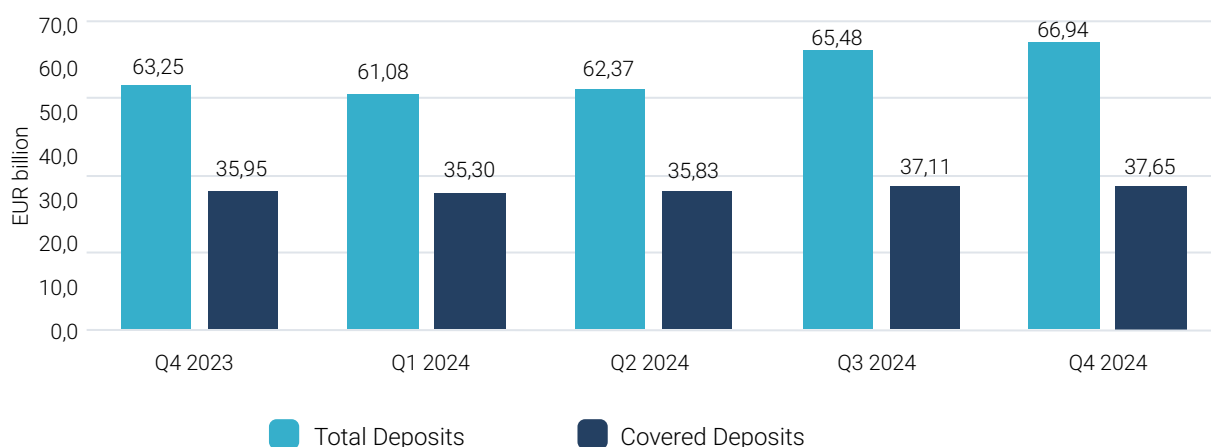


DEPOSIT TRENDS IN CREDIT INSTITUTIONS

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, 8/24), and all credit institutions are required to submit the Report to the CDIA on a monthly basis.

During 2024, 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 2023 – 31 December 2024



Source: CDIA

Total deposits in credit institutions increased in 2024, reaching **EUR 66.94 billion** at the end of December 2024, which is an increase of **EUR 3.69 billion**, i.e. **5.8%** compared to the end of the last year.

Table 7 - Positive trend in total deposits (in EUR billion)

	2023	2024	2024 vs 2023	
Amount of total deposits in all CIs	Amount in EUR	Amount in EUR	Change	Change in %
	63.25	66.94	3.69	5.8

Source: CDIA

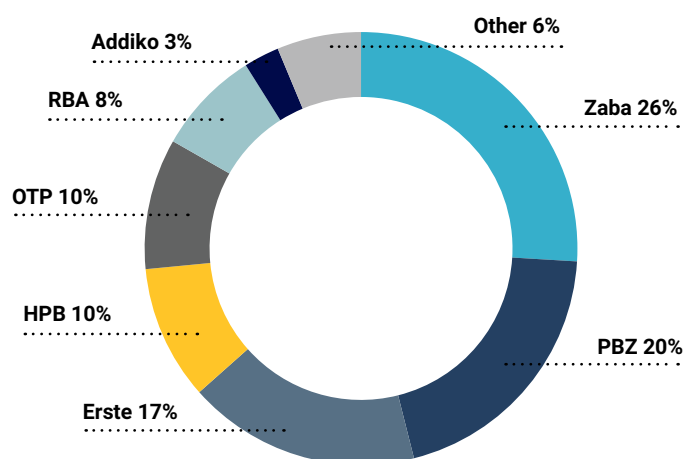
Out of a total of 20 credit institutions, the share of **the 7 largest credit institutions** by asset size accounted for **93.7% of total deposits**, i.e. **EUR 62.73 billion**, while the share of deposits in all other credit institutions amounted to only **6.3%**, i.e. **EUR 4.21 billion**.

Compared to the end of 2023, the total deposits of the abovementioned 7 credit institutions recorded an increase of **EUR 3.44 billion**, i.e. **5.8%**.



Of the seven largest credit institutions, Zagrebačka banka had the largest share in total deposits, 26.0%, i.e. EUR 17.37 billion, followed by Privredna banka Zagreb with 20.1%, i.e. EUR 13.46 billion, Erste&Steiermärkische Bank with 17.4 %, i.e. EUR 11.63 billion, Hrvatska poštanska banka with 10.0 %, i.e. EUR 6.72 billion, OTP banka with 9.8 %, i.e. EUR 6.54 billion, Raiffeisenbank Austria with 7.8 %, i.e. EUR 5.23 billion, and Addiko Bank with 2.7%, i.e. EUR 1.78 billion.

Figure 8 - Share of total deposits by CI, as at 31 December 2024



Source: CDIA

As at December 31, 2024, **covered deposits** amounted to **EUR 37.65 billion**, which is an increase of **EUR 1.7 billion**, i.e. **4.7 %** compared to the end of 2023.

Table 8 - Positive trend in covered deposits (in EUR billion)

	2023	2024	2024 vs 2023	
Amount of covered deposits in all CIs	Amount in EUR	Amount in EUR	Change	Change in %
	35.95	37.65	1.70	4.7

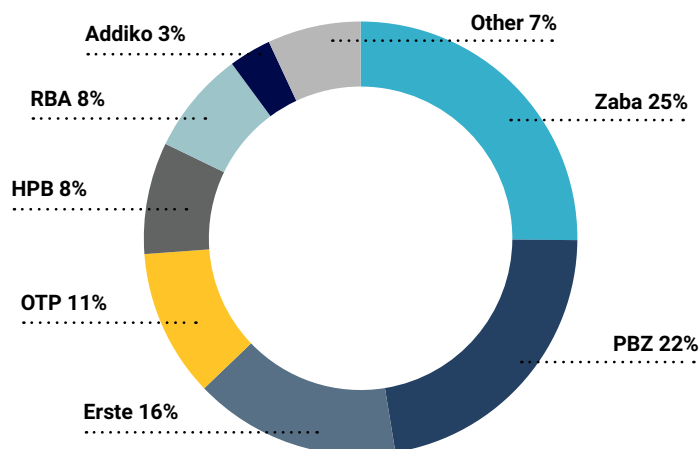
Source: CDIA

In terms of the total amount of covered deposits, the share of **deposits of 7 large banks** accounted for **93.0 %**, i.e. **EUR 35.03 billion**, while the share of deposits in all other credit institutions amounted to only **7.0%**, i.e. **EUR 2.62 billion**.

Compared to the end of 2023, the covered deposits of the aforementioned 7 credit institutions recorded an increase of **4.9%**, i.e. **EUR 1.64 billion**.

Of the 7 large credit institutions, Zagrebačka banka had the largest share in covered deposits with 25.1%, i.e. EUR 9.46 billion, followed by Privredna banka Zagreb with 22.3%, i.e. EUR 8.40 billion, Erste&Steiermärkische Bank with 15.4%, i.e. EUR 5.80 billion, OTP banka with 11.0%, i.e. EUR 4.14 billion, Hrvatska poštanska banka with 8.3%, i.e. EUR 3.14 billion, Raiffeisenbank Austria with 7.7%, i.e. EUR 2.90 billion, and Addiko Bank with 3.2%, i.e. EUR 1.19 billion.

Figure 9 - Share of covered deposits by CI, as at 31 December 2024

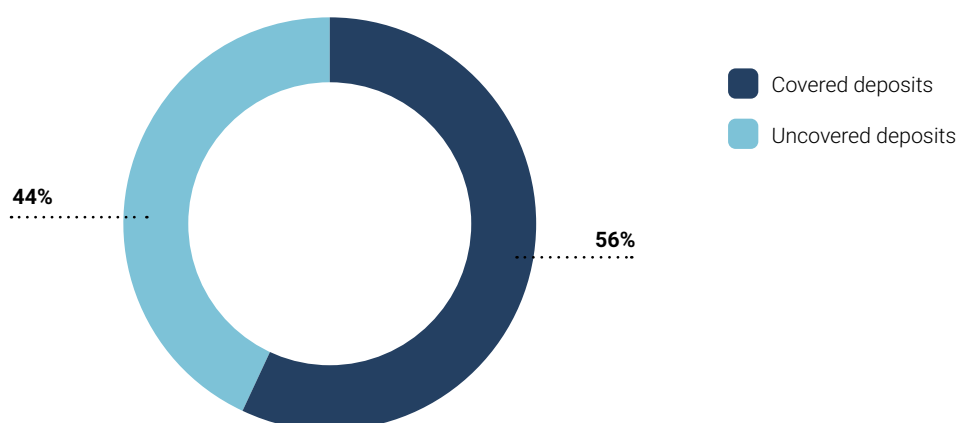


Source: CDIA

As at December 31, 2024, uncovered deposits amounted to EUR 29.3 billion, while covered deposits amounted to EUR 37.7 billion.

Figure 10 shows the ratio of covered and uncovered deposits in credit institutions. At the end of 2024, 56.2% of total deposits were covered deposits, i.e. deposits that do not exceed EUR 100,000 per depositor, while uncovered deposits accounted for 43.8% of total deposits.

Figure 10 - Ratio of covered and uncovered deposits in CIs, as at 31 December 2024



Source: CDIA



Deposit classification by sectors

Total deposits by sector structure

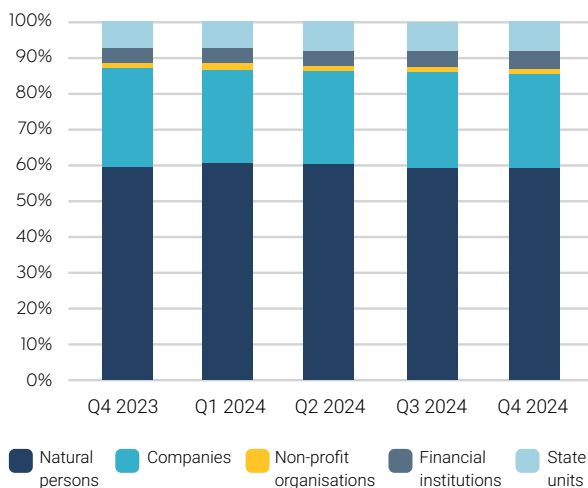
Table 9 - Total deposits by sector structure (in EUR billion), as at 31 December 2024

All CIs	Natural persons	Companies	Non-profit organisations	Financial institutions	State units	TOTAL
31.12.23.	38,2	17,2	0,9	2,8	4,2	63,3
31.3.24.	37,3	16,0	1,0	2,5	4,3	61,1
30.6.24.	37,9	16,2	1,0	2,7	4,6	62,4
30.9.24.	39,1	17,4	1,0	3,0	5,0	65,5
31.12.24.	39,9	17,4	1,0	3,6	5,0	66,9

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, 2024, the share of deposits of the natural person sector in the total deposits of credit institutions amounted to 59.7 %, i.e. EUR 39.9 billion. The sector of companies had a total of EUR 17.4 billion, i.e. 26.0 % of total deposits. The sector of non-profit organisations accounted for 1.5 % of total deposits, i.e. EUR 1.0 billion. Financial institutions held 5.3 % of total deposits, i.e. EUR 3.6 billion, while the sector of state units held 7.5 %, i.e. EUR 5.0 billion.

Figure 11 - Share of total deposits by sector structure, 31 December 2023 – 31 December 2024



Source: CDIA

Uncovered deposits by sector structure

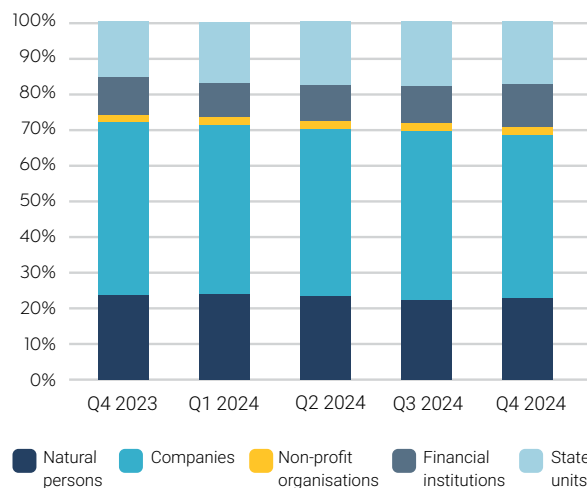
Table 10 – Uncovered deposits by sector structure (in EUR billion), as at 31 December 2024

All CIs	Natural persons	Companies	Non-profit organisations	Financial institutions	State units	TOTAL
31.12.23.	6,4	13,3	0,6	2,8	4,2	27,3
31.3.24.	6,2	12,2	0,6	2,5	4,3	25,8
30.6.24.	6,2	12,4	0,6	2,7	4,6	26,5
30.9.24.	6,4	13,4	0,6	3,0	5,0	28,4
31.12.24.	6,7	13,4	0,6	3,6	5,0	29,3

Source: CDIA

Figure 12 shows that uncovered deposits held by companies are dominant in the structure of total uncovered deposits. As at December 31, 2024, the share of uncovered deposits of the sector of companies in the total uncovered deposits of credit institutions amounted to 45.7 %, i.e. EUR 13.4 billion. The natural person sector had a total of EUR 6.7 billion of total deposits, i.e. 22.9 %. The sector of non-profit institutions accounted for 2.2% of total deposits, i.e. EUR 0.6 billion. Financial institutions held 12.1% of total deposits, i.e. EUR 3.6 billion, while the sector of state units held 17.1 %, i.e. EUR 5.0 billion.

Figure 12 - Share of uncovered deposits by sector structure, 31 December 2023 – 31 December 2024



Source: CDIA

Eligible deposits by sector structure

Table 11 - Eligible deposits by sector structure (in EUR billion), as at December 31, 2024

	Natural persons	Companies	Non-profit organisations	State units	Total
31.12.23.	38,1	17,0	0,9	0,0	56,0
31.03.24.	37,3	15,8	1,0	0,0	54,1
30.06.24.	37,8	16,1	1,0	0,0	54,9
30.09.24.	39,1	17,3	1,0	0,0	57,4
31.12.24.	39,9	17,3	1,0	0,0	58,2

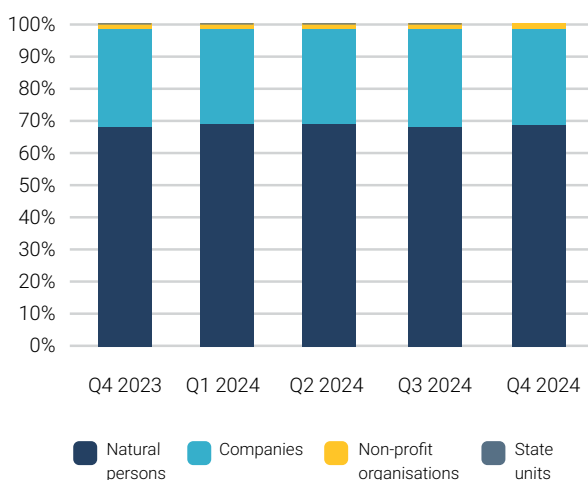
Source: CDIA

Eligible deposit is a deposit eligible for compensation and included in the deposit insurance system.

As at December 31, 2024, the share of total eligible deposits in total deposits amounted to 86.9% 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 39.9 billion, i.e. 68.6%, deposits of companies amounted to EUR 17.3 billion, i.e. 29.7%, while deposits of non-profit organisations accounted for EUR 1.0 billion, i.e. 1.7%.

Figure 13 - Share of eligible deposits by sector structure, 31 December 2023 – 31 December 2024



Source: CDIA

Covered deposits by sector structure

Table 12 - Covered deposits by sector structure (in EUR billion), as at December 31, 2024

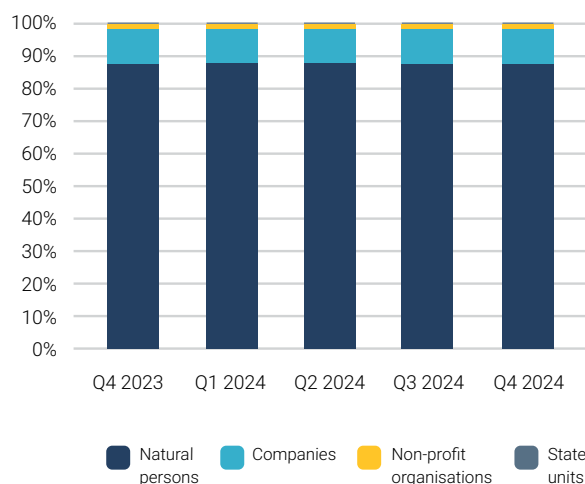
All CIs	Natural persons	Companies	Non-profit organizations	Total
31.12.23.	31,8	3,9	0,3	36,0
31.03.24.	31,2	3,7	0,3	35,2
30.06.24.	31,7	3,8	0,4	35,9
30.09.24.	32,7	4,0	0,4	37,1
31.12.24.	33,3	4,0	0,4	37,7

Source: CDIA

Covered deposit means the part of the eligible deposit that does not exceed the coverage level of EUR 100,000.

At the end of 2024, the sector structure of covered deposits was dominated by the deposits held by natural persons with a share of 88.3%, i.e. EUR 33.3 billion, followed by deposits of companies with a share of 10.7%, i.e. EUR 4.0 billion, and deposits of non-profit organisations with a share of only 1.0%, i.e. EUR 0.4 billion.

Figure 14 - Share of covered deposits by sector structure, 31 December 2023 – 31 December 2024



Source: CDIA



COMPULSORY WINDING-UP OF CREDIT INSTITUTIONS

The Act on Compulsory Winding-Up of Credit Institutions (Official Gazette, No. 146/20, 27/24, hereinafter: the ACWCI) prescribes the conduct of insolvency proceedings against credit institutions that are members of the Deposit Insurance System in Republic of Croatia, and grants the CDIA the powers of the supervisory winding-up authority in these proceedings.

The goal of the compulsory winding-up is the controlled exit of a credit institution from the market while reducing the risk and spill-over of negative effects of the failure of a credit institution on the rest of the financial market, and preserving financial stability. It is carried out for the purpose of quick and efficient collective settlement of creditors of a credit institution undergoing compulsory winding-up, by preserving the value of the financial assets of a failed credit institution, realising the credit institution's assets, and distributing the collected funds to creditors.

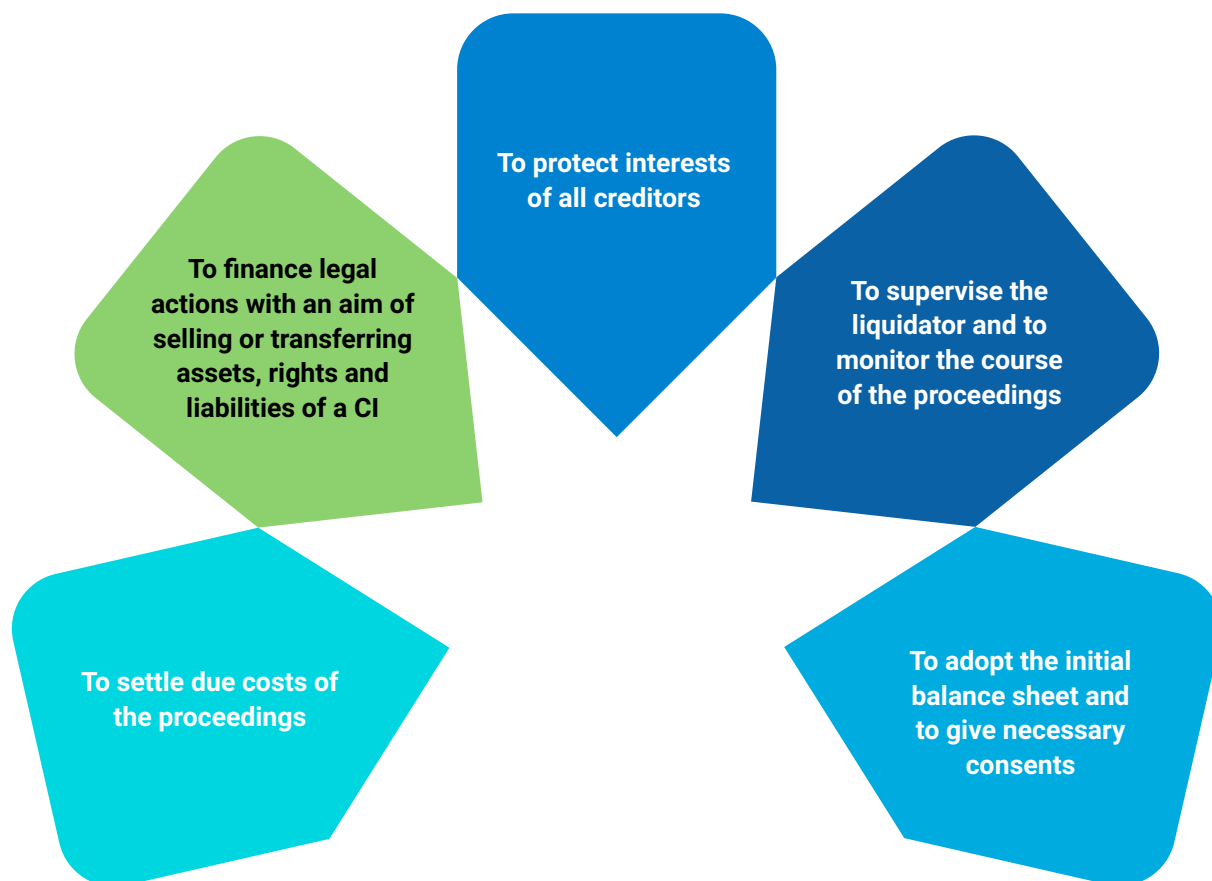
Within this procedure, the CDIA, as a supervisory winding-up authority, supervises the liquidator and assists them in conducting their activities, as well as it monitors the course of the compulsory winding-up proceeding and the settlement of creditors.

The first application of this legislative framework occurred in 2022 with the initiation of the compulsory winding-up proceedings against Internet mobile bank d.d, a credit institution that was previously in the voluntary winding-up proceedings.

The CDIA employees carried out activities related to the exercise of the entrusted legal powers, and, during 2024, all the conditions for the completion of the compulsory winding-up proceedings against Internet mobile bank d.d. were fulfilled.

The Commercial Court in Zagreb, Permanent attendance in Karlovac, gave its consent to the final distribution, and it scheduled the final hearing. This procedure is expected to be completed in the first quarter of 2025, taking into account the prescribed three-year period of the duration of the proceedings, as stipulated in the ACWCI.

Figure 15 - 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 it 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 (hereinafter: 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: institutions) 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 institutions located in their territory in accordance with Directive 2014/59/EU and the Regulation. During the initial period (2016 - 2023), the contributions were allocated to the national compartments corresponding to each participating Member State, which were subject to a progressive merger as a result of which all compartments merged and ceased to exist at the end of the initial period. By the end of 2023, the SRF reached the target level of at least 1% of covered deposits of all the above-mentioned institutions 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 13).

Table 13 - 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, while the Banking Union level (SRMR) is calculated in accordance with Articles 69 and 70 of Regulation (EU) No 806/2014 and Article 4 of Council Implementing Regulation (EU) 2015/81. As of 2023, the calculation is based only on the Banking Union level (SRMR).

The initial period ended on 31 December 2023 and the prescribed target level of at least 1% of the amount of covered deposits of all credit institutions authorised in all participating Member States was reached. Given the target level reached, the SRB did not collect any contributions in 2024².

The SRB will continue to verify the available financial means in the SRF on an annual basis and will assess whether contributions to the SRF should be calculated and collected. In each contribution cycle, if the available financial means in the SRF fall below the target level or are insufficient to cover losses, costs or other expenses incurred by the use of the SRF in resolution measures, the SRB will assess whether contributions to the SRF should be calculated and collected.

In Croatia, there are 19 commercial banks and 1 housing savings bank within the scope of the SRM.

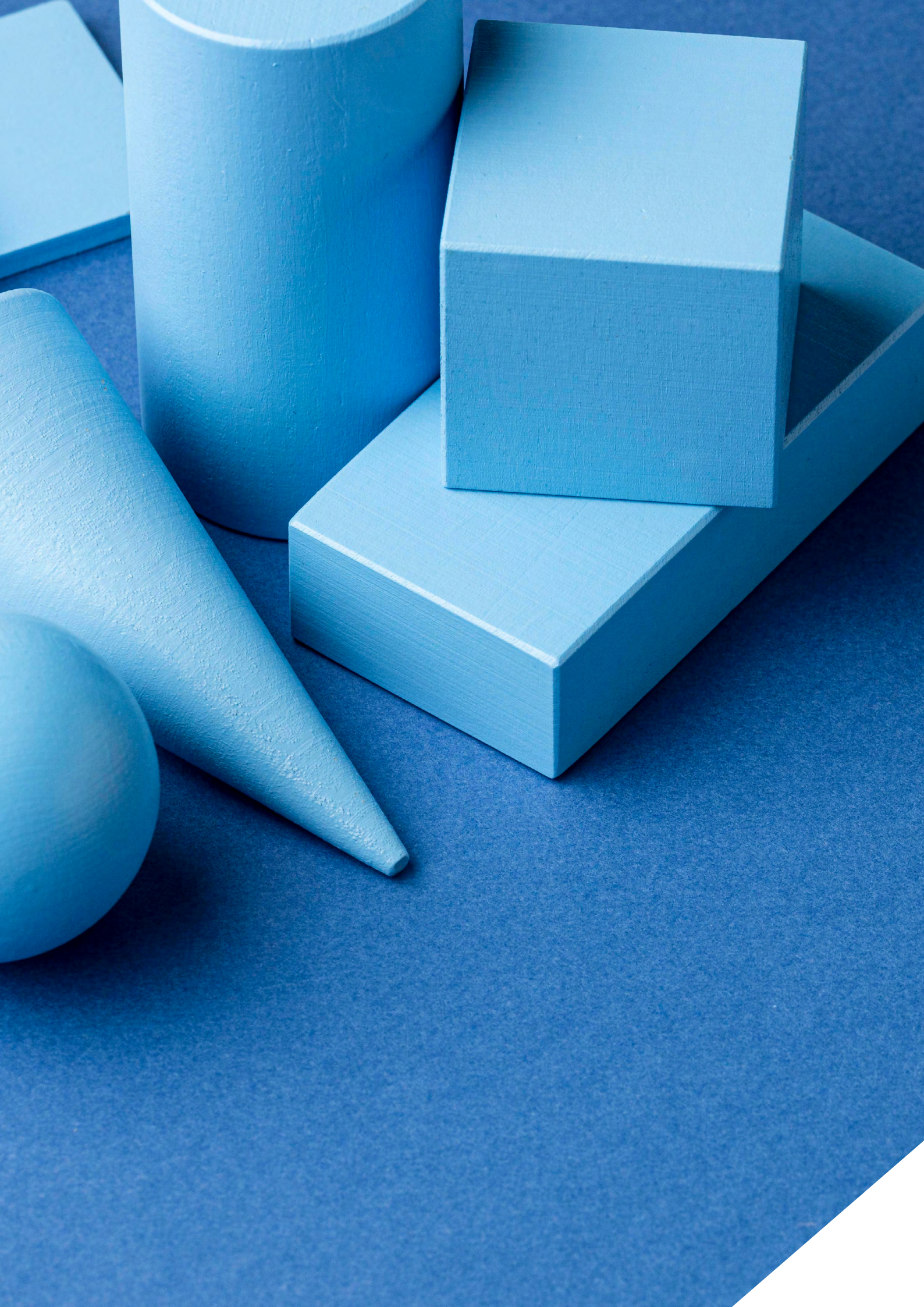
The CDIA is responsible for managing the national resolution fund and cooperating with the SRB in matters related to the SRF in accordance with the Act on the Resolution of Credit Institutions and Investment Firms (OG, No. 146/20, 21/22, 27/24, 145/24). The CDIA's activities are aimed at carrying out the steps necessary for the effective collection of contributions, which includes, *inter alia*, the identification of the institutions that are within the scope of SRM, collection of data necessary for the calculation of contributions for each institution, initial verification of the quality of the data by comparison with the data submitted by the institutions to the Croatian National Bank, collection of contributions and transferring them to the SRF.

In accordance with the Act on the Resolution of Credit Institutions and Investment Firms (Official Gazette, No. 146/20, 21/22, 27/24, 145/24), the SRB calculates contributions for the institutions subject to the Regulation, with the aim of achieving the target level of the 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.

Institutions are required to report to the SRB at least once a year on their data on the basis of which contributions to the SRF are, in principle, calculated, when the circumstances for raising them materialise. In this regard, the SRB launched the data collection process for the 2025 contribution cycle in the third quarter of 2024. This process includes collecting data from institutions within the scope of the SRM, verifying that data and setting up a procedure for institutions to correct data that is subject to corrections or updates. 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.

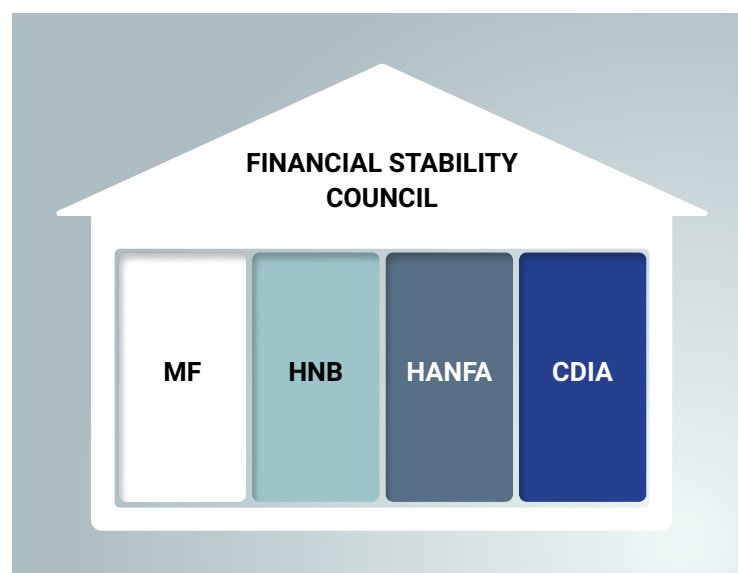
In early 2025, the SRB will verify whether the available financial means in the SRF amount to at least 1% of covered deposits held in the Banking Union. Based on the results of the verification, the SRB will assess whether contributions to the SRF will be calculated and collected in the 2025 contribution cycle.

² Information available at: <https://www.srb.europa.eu/en/content/single-resolution-fund-no-expected-contribution-2024-target-level-reached>



INTER-INSTITUTIONAL COOPERATION

Figure 16 - 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, No. 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 abovementioned 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; participating in the design and implementation of activities related to the recovery and resolution of credit institutions and non-bank financial institutions; participating in the design of the Deposit Insurance System, as well as participating 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-bank financial institutions, and participation in the design of the Deposit Insurance System.

In 2024, there were two sessions of the Financial Stability Council held, at which the CDIA presented relevant indicators for the Deposit Insurance System of the Republic of Croatia.

The CDIA, in cooperation with the CNB, updated the existing Memorandum of Cooperation. The Document regulates the exchange of confidential information between the competent authorities for the purpose of conducting supervision, inspection and other tasks which the CDIA and the CNB are authorized to carry out, thereby strengthening their further collaboration.

International cooperation

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 of IADI, as well as the head of the Planning Council Committee.

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.

Marija Hrebac's (the CDIA's CEO) engagement in the 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.

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 interconnectedness 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 them 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 cooperation with other deposit insurance institutions:

In 2024, the CDIA signed two Memorandums of Understanding and Bilateral Cooperation.

Memorandum of Understanding on Bilateral Cooperation between Croatia and Taiwan

Long-standing cooperation in the International Association of Deposit Insurers (IADI) and the desire to further improve the deposit insurance system resulted in the signing of the Memorandum of Understanding on Bilateral Cooperation, by Annie Cheng, President of the Central Deposit Insurance Corporation, Taiwan, R.O.C, and Marija Hrebac, CEO of the Croatian Deposit Insurance Agency, on March 20, 2024.



Memorandum of Understanding on Bilateral Cooperation between Croatia and Uzbekistan

On November 14, 2024, Abrorkhuja Turdaliev, Chairman of the Supervisory Board of The Fund of Guarantee Citizens' Deposits in Banks, Uzbekistan, and Marija Hrebac, CEO of the Croatian Deposit Insurance Agency, signed the Memorandum of Understanding on Bilateral Cooperation, with the aim of further improving financial stability and confidence in the banking system.



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. When preparing these statements, the CDIA **applies the accrual accounting principle**, which implies that income and expenditure are recognized and recorded in the period which they relate to (in which they occur), regardless of the period in which they are collected or paid. In accordance with Article 39 of the Deposit Insurance System Act (Official Gazette, No. 146/20, 119/22), the CDIA is obliged to conduct an external audit of these financial statements. The CDIA financial statements for 2024 have been audited and the certified auditor's opinion is that they were prepared taking into account all significant components and in accordance with the Act on Financial Operations and Accounting of Non-Profit Organizations; these statements are then submitted to the Croatian Parliament, the Government of the Republic of Croatia and the Ministry of Finance.

In addition, the CDIA also prepares annual financial reports of the budget, budgetary and extra-budgetary users, since it is classified as general government in the sector classification, in accordance with the Budget Act, the Ordinance on Budgetary Accounting and the Chart of Accounts, and the Ordinance on Financial Reporting in Budgetary Accounting. The Report is prepared by **using the modified accrual accounting principle**, which implies that income is recognized in the reporting period in which it is collected, while expenditure is recognized at the time of the occurrence of a transaction, and is recorded in the reporting period which it relates to, regardless of the payment thereof.

The CDIA also prepares an annual report on the execution of the financial plan based on the Budget Act, and in accordance with the Ordinance on Planning in the Budget System, the Ordinance on Budgetary Accounting and the Chart of Accounts, and the Instructions on the **application of the modified cash basis principle** in the process of planning and executing of the state budget and financial plans of extra-budgetary users of the state budget. This Report is prepared by using the modified cash basis principle, which implies that revenues and receipts, expenditures and expenses are recorded in the period in which they are collected or paid.

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 14 - Overview of the Income and Expenditure Statements, comparison 2024/2023

EUR '000

DESCRIPTION		2023	2024	INDEX
1		2	3	4=3/2*100
1	TOTAL INCOME	48,854	31,200	63.86
2	TOTAL EXPENDITURES	2,708	1,261	46.57
	SURPLUS INCOME	46,146	29,939	64.88

Source: CDIA

Table 15 - Overview of the Balance Sheets, comparison 2024/2023

EUR '000

DESCRIPTION		2023	2024	INDEX
1		2	3	4=3/2*100
1	NONFINANCIAL ASSETS	1,169	1,227	104.96
2	FINANCIAL ASSETS	1,119,445	1,150,120	102.74
	TOTAL ASSETS	1,120,614	1,151,347	102.74
3	LIABILITIES	2,376	4,607	193.90
4	OWN SOURCES	1,118,238	1,146,740	102.55
	TOTAL LIABILITIES	1,120,614	1,151,347	102.74

Source: CDIA





CDIA ACTIVITY REPORT

Figure 17 - Activities according to the organisational structure in 2024



Activity Report – Deposit Insurance System

In 2024, the Deposit Insurance Department performed regular tasks that include the following activities: collection and analysis of monthly reports received from credit institutions, premium calculation for covered deposits, collection and analysis of quarterly reports received from credit institutions, preparation of regular reports for the needs of the CDIA management, as well as for credit institutions.

In addition, during 2024, the Deposit Insurance Department was responsible for intensive development of a new application support for the calculation and payment of compensation in case of the occurrence of an insured event.

At the beginning of 2024, the Ordinance on the amendments to the Ordinance on the obligations of credit institutions in relation to the Deposit Insurance System introduced the obligation of CIs to submit quarterly reports on eligible deposits by classes that are greater than the amount of covered deposits. The existing application solution for submitting monthly reports of CIs was refined last year for the purposes of submitting quarterly reports.

Following the entry into force of the above-mentioned Ordinance, there was a workshop held with representatives of credit institutions.

In terms of reporting obligations to the EBA, the employees of the Deposit Insurance Department report to the EBA, within the legally prescribed deadline, on the balance of the DIF's available financial means as well as on 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.

In 2024, the employees of the Deposit Insurance Department continued with the activities of conducting regular stress tests of the deposit insurance system.

In this context, during 2024, together with colleagues from the National Deposit Insurance Fund of Hungary, there was a stress test conducted according to the Cross-border (home-host) cooperation scenario, as well as a test of SCV files.

According to the revised EBA Guidelines on stress tests of deposit guarantee schemes (EBA/GL/2021/10) and the DISA, a completed report form on the results of the tests conducted during the 2nd cycle was submitted to the EBA. Other data is also prepared for the submission to the EBA, as necessary.

Furthermore, the employees of the Department prepare data for the purpose of reporting to the SRB on covered deposits, 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 2024, the activities of adopting the CMDI regulatory framework continued at the EU level. The Department proactively participated in them.

During 2024, the Department, in cooperation with the CNB, completed the activities of harmonizing the methodology for calculating the degree of riskiness for the purposes of calculating Deposit Insurance Premiums. The activities were prompted by the need to comply with the revised Guidelines on methods for calculating contributions to deposit guarantee schemes under Directive 2014/49/EU (EBA/GL/2023/02).

As in previous periods, the accuracy of monthly and quarterly reports submitted by credit institutions is regularly controlled, as well as the content and method of informing depositors. In addition, the Depart-

tment carried out a regular revision of contacts of credit institutions authorized to access the CDIA web portal and to submit reports.

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 2024, the CDIA became a member of the Operational Working Group for monitoring the implementation of measures and activities defined in the Action Plan for the Improvement of Consumer Financial Literacy at the level of the Republic of Croatia, thus achieving formal prerequisites for active involvement in activities to improve financial literacy together with other stakeholders.

Following good business practices, the employees of the Deposit Insurance Department contributed to the development of the Sustainability Policy (ESG Policy) of the CDIA.

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 2024, the CDIA employees, in the capacity as a supervisory winding-up authority, participated in the compulsory winding-up proceedings against Internet mobile bank d.d., by accepting financial statements and the final statement of account prepared by the liquidator. The competent court gave its consent to the proposed final distribution and the final hearing will be held in early 2025. In the following year, the proceedings are expected to be finalized, whereby that credit institution would exit the market within the legally prescribed period of three years.

The CDIA also participated in the working group related to the drafting of the amendments to the ACWCI, which entered into force in 2024. The amendments to the ACWCI were made to align the existing provisions of the Act with the introduction of the euro as the official currency in the Republic of Croatia, and to further adjust and clarify them in order to avoid different interpretations thereof.

Resolution Fund

Since joining the Single Resolution Mechanism, the CDIA cooperates with the SRB in all activities related to the SRF.

Given the complexity of the report and its delivery deadline (January 31 at the latest), preparations for the contribution cycle begin 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 cycle. 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 current contribution cycle, preparation and support in translating relevant documentation, collection of data from institutions, submission of required reports during the contribution cycle, consultations with banking associations and institutions organised by the SRB, and exchange and submission of collected data to the SRB for the 2024 contribution cycle.

In carrying out activities related to SRF, the employees of the Department intensively communicate and cooperate with institutions throughout the year, in the areas of: 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 cycle; receiving, processing and analysing data necessary for the calculation of the contribution, submitted by credit institutions and investment firms; comparison and control of data received from credit institutions with the available data they submit to the CNB; continuous support during the contribution cycle; and collection and support during the delivery of an additional data assurance.

In accordance with all of the above, during 2024, the CDIA collected the data necessary for the calculation of contributions for 2024, from the institutions subject to the Regulation. Since the target level of the SRF was reached, the contributions were not calculated nor collected³.

During the third quarter of 2024, the CDIA identified institutions within the scope of the SRM for the 2025 contribution cycle 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 converting data received from credit institutions from the previous Excel format to XBRL format, in accordance with changes in taxonomy and validation rules for the 2025 contribution cycle.

In 2024, the CDIA also participated in the Resolution Colleges of the SRB for individual credit institutions, where their annual resolution plans are adopted and updated.

Activity Report – Operations Support (including mandated activities)

The Operations Support Department deals with all matters relating to legal affairs, public procurement and the provision of operations support in the area of compliance, occupational health and safety affairs, right of access to information, protection of workers' dignity, GDPR, reporting of irregularities, etc.

The activities of legal affairs carried out by the CDIA employees include management of court proceedings, participation in land registry proceedings, undertaking actions for the collection of claims, active participation in bankruptcy proceedings through the work of the creditors' committee and the creditors' assembly, participation in compulsory winding-up proceedings through the work of the supervisory winding-up authority. Part of the representation in court proceedings arising from the scope of the CDIA's work is entrusted to external lawyers that the CDIA employees actively cooperate with. The number of court proceedings has been significantly reduced, and activities aimed at finalizing the remaining disputes, in which the CDIA is mostly the defendant, are continuing.

The CDIA employees, both independently and through the external lawyers' engagement, are mandated to conduct court proceedings regarding the collection of claims transferred to the Republic of Croatia in 2017, based on the mutual agreement with the former Ministry of State Assets. These claims refer to disputed and uncollectible assets from resolved banks, and these long-term court proceedings are conducted for the purpose of collecting such claims that the CDIA acquired as a result of the so-called old resolution proceedings that had been carried out at the expense of the state budget. All funds received on the basis of these claims, reduced by the costs of the associated court proceedings, are transferred to the state budget. The costs of external lawyers' representation are charged only upon the successful dispute resolution and the collection of the claims in relation to which disputes are conducted.

The CDIA, as a creditor, takes part in 6 active bankruptcy proceedings against credit institutions in which it has claims recognized for the payment of covered deposits and unpaid premiums for covered deposits, and in 1 compulsory winding-up proceeding.

³ Information available at: <https://www.srb.europa.eu/en/content/single-resolution-fund-no-expected-contribution-2024-target-level-reached>

During 2024, after the replacement of the liquidator at the proposal of the CDIA, further actions were taken in the bankruptcy proceedings against Trgovačko turistička banka d.d. in order to finalize this long-term proceedings. These actions included the preparation of the final report, final statement of account and final distribution list, and the submission thereof to the court. After the final hearing, the proceedings will be concluded, given that all bankruptcy assets have been realised.

Legal affairs also include the drafting of regulations under the scope of work of the CDIA, to be adopted by the Ministry of Finance, i.e. the CDIA Supervisory Board, drafting of 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 draft secondary legal acts under the scope of competence of the Ministry of Finance. In 2024, the CDIA issued an opinion on the draft Act on the Amendments to the Act on the Resolution of Credit Institutions and Investment Firms, on the draft Act on the Amendments to the Act on Compulsory Winding-up of Credit Institutions, on the revised text of the draft Directive harmonising certain aspects of insolvency law in relation to Chapters I and II, and on the draft proposal for the Conclusion on the Approval of the Action Plan for the Improvement of Consumer Financial Literacy for 2025 and 2026, and the draft proposal for the Action Plan for the Improvement of Consumer Financial Literacy for 2025 and 2026 (in the process of the adoption of which the CDIA employees participated as part of the working group for drafting these acts).

In the area of compliance activities, the key task is to monitor and align the CDIA's operations with legal regulations. This includes the tasks of drafting internal ordinances and procedures and instructing the CDIA's organizational departments on how to implement relevant acts, standards and rules, informing about current trends in the regulatory framework under the scope of the CDIA's work, and participating in performing tasks related to the obligations of the CDIA as a public sector body according to special regulations (e.g. access to information, data protection, network accessibility, etc.).

In 2024, the employees of the Operations Support Department were engaged in numerous proceedings conducted for the purpose of the compensation for damage, initiated by former shareholders of *Croatia banka d.d.* against the Republic of Croatia, regarding the deprivation of shares within the restructuring and recovery process of that Bank conducted in 1999, who refer to the rulings of the European Court of Human Rights (ECHR) on their lawsuits as a legal basis.

The ECHR established the existence of procedural breaches of the right referred to in Article 1 of Protocol 1 to the peaceful enjoyment of possessions, and of the right referred to in Article 6 paragraph 1 of the Convention on account of the excessive length of the proceedings.

However, the ECHR did not make any assessments, nor did it get involved in the process of making decisions on the resolution of *Croatia banka d.d.* and the outcomes thereof, and consequently, on the compensation for damages to the applicants.

At the proposal of the Croatian National Bank, and based on the provisions of the former Act on the Recovery and Restructuring of Banks, the Government of the Republic of Croatia adopted the Decision on the rehabilitation and restructuring of *Croatia banka d.d.* of September 23, 1999, given that the total losses of the Bank were determined to be HRK 622.3 million, which was HRK 348.9 million more than its share capital.

In this procedure, the share capital was fully used to cover part of the losses, 405,299 shares of the Bank's former shareholders were withdrawn, and, at the same time, the functions of the General Assembly and the Supervisory Board of the Bank, as well as the authorizations of the Bank's management board, and the rights of the Bank's shareholders they had been entitled to base on the previous shares, ceased.

The CDIA contributed capital to the Bank in the amount of the replacement shares, HRK 204.6 million, thus becoming the 100% owner of the new shares and the sole owner and shareholder of the Bank, which formally ended the process of the Bank's rehabilitation.

The CDIA actively cooperates with the competent state attorney's offices representing the Republic of Croatia and submits statements to them regarding all individual requests for amicable resolution of the dispute, lawsuits and court filings in numerous ongoing proceedings initiated by the Bank's former shareholders. The CDIA is also a defendant in several such court proceedings.

The employees of the Department engaged in legal affairs also provide, on a daily basis, legal support to other CDIA departments regarding the matters within their scope of work. Apart from daily activities, in 2024, more significant support activities included the support to the Deposit Insurance Department during the stress test conducted together with the colleagues from the National Deposit Insurance Fund of Hungary. Furthermore, in 2024, the employees continued to be engaged in the activities of adopting the CMDI regulatory framework for bank crisis management and deposit insurance.

The employees of the Operations Support Department participated in the development of the Sustainability Policy (ESG Policy) of the CDIA, as a socially responsible institution with a mission of public interest, which contains the principles according to which the CDIA seeks to include environmental, social and governance factors (the so-called ESG factors) in its operations.

At the beginning of 2024, the amendments to the implementing regulations under the competence of the CDIA, proposed by the CDIA itself, came into force: the Ordinance on the Amendments to the Ordinance on the obligations of credit institutions in relation to the Deposit Insurance System, the Ordinance on the Amendments to the Ordinance on the obligations of the Croatian Deposit Insurance Agency, and the Ordinance on the Amendments to 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. These amendments relate to the alignment with the introduction of the euro as the official currency in the Republic of Croatia and to the adjustment and specification of the reporting forms to be submitted by CIs to the CDIA.

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, No. 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 2024, the suppliers duly performed the respective procurements, and of the total realized value of the procurement plan in 2024, 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 regulated 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 2024, the CDIA received a total of 1 request for access to information, which was rejected in accordance with the provisions of Article 15 paragraph 2 item 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 OHSA 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 2024, 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 2024, 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 2024, 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 2024, 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 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 2024, the dignity protection officer received no complaints.





ACCOUNTABILITY TO DEPOSITORS

IT and cyber security

IT and cyber security are extremely important in modern business, as well as constant monitoring of challenges in this important area. In order to ensure adequate monitoring of challenges, the CDIA regularly assesses information security risks.

No incidents were recorded in 2024.

ACCOUNTABILITY TO SOCIETY

Within the scope of its activities, the CDIA acts in the interest of all participants in the financial system, both clients and credit institutions, and society as a whole. Therefore, as a socially responsible institution, in 2024, the CDIA began preparing the Sustainability Policy (ESG Policy), representing the fundamental document of the CDIA that seeks to include environmental, social and governance factors (the so-called ESG factors) in its operations in order to make a positive impact on the local and global community, increase standards of social development, and encourage others to participate in a way that will contribute to the general welfare of society.

Financial Literacy

At the beginning of 2024, the CDIA became a member of the Operational Working Group for monitoring the implementation of measures and activities defined by the Action Plan for the Improvement of Consumer Financial Literacy at the level of the Republic of Croatia. Over the last year, there were activities launched aimed at strengthening consumer financial literacy in the part related to the Croatian deposit insurance system. The Ministry of Finance, as the coordinator of the overall project, accepted the proposed two-year CDIA activity plan.

APPENDIX

Table 16 - 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	https://www.haod.hr/o-nama/zakonska-regulativa
Drafts acts, other regulations and general acts that are adopted, in accordance with Article 11 of this Act	https://mfin.gov.hr/pristup-informacijama/e-savjetovanja-ministarstva-financija/3347
Annual plans, programmes, strategies, instructions, activity reports, financial statements and relevant documents referring to the scope of work of public authorities	https://mfin.gov.hr/istaknute-teme/koncesije-i-drzavne-potpore/financijska-transparentnost/452 https://mfin.gov.hr/istaknute-teme/neprofitne-organizacije/registar-neprofitnih-organizacija/118
Data on the source of financing, budgets and budget execution	https://mfin.gov.hr/proracun-86/86
Information on subsidies, grants and donations, including the list of beneficiaries and relevant amounts	https://www.haod.hr/novosti/donacija-udruzi-savao-matije-gupca-6-velika-gorica
Information on the internal organisation, along with the names of the heads of bodies and structural units, and their contact information	https://www.haod.hr/o-nama/organizacijska-struktura
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	https://www.haod.hr/o-nama
Information on public procurement procedures, documentation required for bidding and information on the execution	https://eojn.hr https://www.haod.hr/o-nama/javna-nabava/izvršenja
Information on public procurement procedures, documentation required for bidding and information on the execution	https://eojn.hr/notices-all
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	http://www.haod.hr/o-nama/pravo-na-pristup-informacijama
Fee for accessing information and reuse of the information in line with criteria referred to in Article 19, para. 3 of the Act	http://www.haod.hr/o-nama/pravo-na-pristup-informacijama
The most frequently sought information	https://www.haod.hr/sustav-osiguranja-depozita/najcesce-postavljena-pitanja-i-odgovori
Other information (news, press releases, information on other activities)	http://www.haod.hr/novosti https://www.haod.hr/en/news



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