

Reg. No: 57-093/093/21-20
Zagreb, 28 December 2022

TO ALL CREDIT INSTITUTIONS
Attention of: Management Board

Subject: Application of EBA Guidelines on the benchmarking exercises on remuneration practices, the gender pay gap and approved higher ratios under Directive 2013/36/EU

Dear Sir/Madam,

On 30 June 2022, the European Banking Authority (hereinafter: EBA) published the Guidelines on the benchmarking exercises on remuneration practices, the gender pay gap and approved higher ratios under Directive 2013/36/EU (EBA/GL/2022/06, hereinafter: the Guidelines).

For the purpose of supervising remuneration policies in accordance with Article 75 of Directive 2016/36/EU and Article 152 of the Credit Institutions Act (Official Gazette 159/2013, 19/2015, 102/2015, 15/2018, 70/2019, 47/2020, 146/2020 and 151/2022), implementing the previously specified provisions of the Credit Institutions Act, the Guidelines set out the information to be delivered to competent authorities by relevant institutions for benchmarking remuneration trends and practices, including information disclosed in accordance with the criteria for disclosure established in points (g), (h), (i) and (k) of Article 450(1) of Regulation (EU) No 575/2013.

The Guidelines apply on an individual, sub-consolidated and consolidated level as follows:

- a) remuneration data should be collected at the level of application of disclosure requirements as set out in Articles 6(3) and 13 of Regulation (EU) 575/2013;
- b) gender pay gap and approved higher ratio data should be collected only on an individual basis.

The Guidelines apply from 31 December 2022. EBA Guidelines on the remuneration benchmarking exercise (EBA/GL/2014/08) are repealed by the application of these Guidelines.

The Guidelines define the manner in which credit institutions are included in the sample for remuneration benchmarking, the reporting framework and the granularity of the data collected for the purposes of the Guidelines.

The Guidelines also lay down the time limits for regular reporting under the Guidelines.

Credit institutions referred to in sub-section 1.1 of the Guidelines shall deliver the information referred to in item 20 of the Guidelines to the Croatian National Bank by 15 June of each calendar year.

Credit institutions referred to in sub-section 1.2 of the Guidelines shall deliver the data referred to in item 21 of the Guidelines on the gender pay gap by 15 June every three years, starting from 2024 with regard to the financial year 2023, as laid down in Annex IV of the Guidelines.

Credit institutions referred to in sub-section 1.3 of the Guidelines shall deliver, for the purposes of benchmarking approved higher ratios data referred to in item 22 of the Guidelines, the information specified in Annex V of the Guidelines to the Croatian National Bank on an individual basis by 15 June every two years, starting from 2023 with regard to the financial year 2022. The European Central Bank delivers the information it has received from institutions under its remit for credit institutions referred to in sub-section 1.3.

Credit institutions referred to in sub-section 1.1 shall be timely notified of their inclusion in the collection of information and data for the purposes of the application of these Guidelines, as specified in Section 3 of the Guidelines.

By way of exception from the above, the time limits for the submission of data for the financial years 2022 and 2023 are laid down in item 12 of the Guidelines. The benchmarking data for the financial year ending in 2022, not including gender pay gap data, should be submitted by institutions to competent authorities by 31 August 2023, and by competent authorities to EBA by 31 October 2023. The first benchmarking exercise regarding the gender pay gap should concern the financial year 2023.

Each year, the Croatian National Bank shall notify the credit institutions required to submit the data specified in the Guidelines on the manner of submission of such data.

In accordance with Article 4, paragraph (1), item (3) of the Credit Institutions Act, the Croatian National Bank shall make every effort to comply with the guidelines and recommendations issued by the EBA under Article 16 of Regulation (EU) No 1093/2010 (OJ L 24.11.2010).

In the light of the foregoing, the credit institutions subject to the application of these Guidelines are expected to fully comply with the Guidelines.

The relevant EBA Guidelines are available on the EBA website at the following link:

https://www.eba.europa.eu/sites/default/files/document_library/Publications/Guidelines/2022/EBA-GL-2022-06%20GL%20on%20remuneration%20CRD/1036475/Final%20report%20on%20GLs%20on%20remuneration%20and%20gender%20pay%20gap%20benchmarking%20under%20CRD.pdf

Kind regards,

Tomislav Ćorić
Vicegovernor