

DECISION OF THE SINGLE RESOLUTION BOARD

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| Date | 09/12/2024 |
| Title | Decision determining whether compensation needs to be granted to the shareholder affected by the resolution of Sberbank d.d. |
| Reference | (SRB/EES/2024/112) |

(Only the English text is authentic)

THE SINGLE RESOLUTION BOARD,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to 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 1093/2010,¹ and in particular paragraphs (16), (17) and (18) of Article 20 as well as Article 76(1)(e) thereof,

Whereas:

1. Background

- (1) On 31 January 2022, the Single Resolution Board (“SRB”) was informed that the European Central Bank (“ECB”) decided to activate enhanced monitoring of Sberbank Europe AG, together with its subsidiaries including, among others, Sberbank d.d. (the “Entity”) in accordance with the Emergency Action Plan framework.
- (2) On 27 February 2022, the ECB reached the conclusion that the Entity would, in the near future, be unable to pay its debts or other liabilities as they fall due. Therefore, the Entity was deemed to be failing or likely to fail (“FOLTF”) in accordance with Article 18(4)(c) of Regulation (EU) No 806/2014. On the same date, the ECB communicated its final FOLTF assessment to the SRB.
- (3) On 27 February 2022, the Board adopted a decision concerning the exercise of its powers to suspend certain obligations, in respect of the Entity, under Article 33a of Directive 2014/59/EU² (as transposed under national law) (“moratorium”), and instructed the Croatian National Bank to implement that decision in accordance with the national law. By virtue of this decision, until 1 March 2022 (at 23:59:59) (i) all payment or delivery obligations pursuant to any contract to

¹ OJ L 225, 30.7.2014, p.1.

² SRB/EES/2022/17.

which the Entity, were parties, including eligible deposits, were suspended,³ (ii) all secured creditors of the Entity were restricted from enforcing security interests in relation to any of the assets of those institutions; and (iii) all the termination rights of any party to a contract with the Entity were suspended.

- (4) On 1 March 2022, the Board took a decision on the adoption of a resolution scheme regarding the Entity (“Resolution Decision”),⁴ as further described in Section 1.1 below. Following the endorsement of the Resolution Decision by the European Commission,⁵ the SRB notified the Resolution Decision to the Croatian National Bank
- (5) On 1 March 2022, the Croatian National Bank adopted an act implementing the Resolution Decision.⁶
- (6) On 5 July 2022, the Board adopted a decision on the deduction of expenses incurred in connection with the use of resolution tools or powers in the context of the resolution of the Entity (“Decision on deduction of expenses”)⁷ and notified it to the Croatian National Bank, as further described in Section 1.2 below.
- (7) On 7 July 2022, Croatian National Bank implemented the SRB Decision on the deduction of expenses and transferred the consideration net of the determined expenses to the shareholder in respect of which the resolution action concerning the Entity has been effected (“Affected Shareholder”).

1.1. The Resolution Decision

- (8) Article 2 of the Resolution Decision provides that the Entity had to be placed under resolution since the conditions for resolution action under Article 18 of Regulation No 806/2014 were met. In particular, the resolution action was considered necessary for the achievement of, and proportionate to avoiding significant adverse effects on financial stability. As a consequence, Article 3 of the Resolution Decision provides for the application of the sale of business tool in the form of transfer of shares.
- (9) Article 4(1) of the Resolution Decision provides that all shares issued by the Entity shall be transferred to Hrvatska Poštanska Banka d. d. (LEI: 529900D5G4V6THXC5P79) (the “Purchaser”), which accepted the transfer.
- (10) Article 4(3)(first sentence) of the Resolution Decision provides that the consideration to be paid by the Purchaser amounts to HRK 71 million and that this consideration shall be paid to the account indicated by the Croatian National Bank within 30 days from the closing of the transaction and the recording of the 100% shareholding transfer to the Purchaser.
- (11) Article 4(3)(second sentence) of the Resolution Decision provides that the Croatian National Bank shall pay the consideration referred in recital (10) after deducting any expenses incurred by the SRB and by the Croatian National Bank in connection with the use of the resolution tools and powers upon instruction by the SRB in line with Article 22(6) of Regulation (EU) No 806/2014.

³ With the exception of payment or delivery obligations to: systems and operators of systems designated in accordance with Directive 98/26/EC; CCPs authorised in the Union pursuant to Article 14 of Regulation (EU) No 648/2012 and third-country CCPs recognised by ESMA pursuant to Article 25 of that Regulation; and central banks.

⁴ SRB/EES/2022/21.

⁵ Commission Decision of 1 March 2022 endorsing the resolution scheme for Sberbank d.d. C(2022) 1403 final.

⁶ Ref.no. 445-2601-090/03-22/BV.

⁷ SRB/EES/2022/37.

1.2. The Decision on deduction of expenses and its implementation

- (12) Article 1 of the Decision on the deduction of expenses determined that the expenses incurred by the SRB in connection with the use of resolution tools or powers in the context of the resolution of the Entity amounted to EUR 549 964.19. In addition, by Article 1(2) of the above Decision, the SRB instructed the Croatian National Bank to deduct the above amount from the consideration received from the Purchaser on the basis of the exchange rate HRK/EUR applicable on the date of this Decision as set out on the website of the European Central Bank under “Euro foreign exchange references rates”.⁸
- (13) On 7 July 2022, in application of the Decision on deduction of expenses, the Croatian National Bank transferred the consideration net of the determined expenses to the former shareholder of the Entity, amounting to HRK 66 861 739.46.

2. Procedure

2.1. Procedure related to the appointment of Ebner (including its subcontractor) as independent valuer and to the Valuation 3 Report

- (14) Following the implementation of the Resolution Decision, the SRB had to ensure that a valuation of the difference in treatment as referred to in paragraphs (16) to (18) of Article 20 of Regulation (EU) No 806/2014 (“Valuation 3”) is carried out as soon as possible by a person independent from any public authority, including the SRB and the national resolution authority, and from the entity concerned, for the purpose of taking a decision whether the Affected Shareholder is entitled to compensation from the Single Resolution Fund (“SRF”) in accordance with Article 76(1)(e) of Regulation (EU) No 806/2014.
- (15) On 24 February 2022, the SRB entered with Ebner Stolz GmbH & Co.⁹ (“Ebner” or the “Valuer”)¹⁰ into a specific contract for the provision of financial advice and assistance to the SRB, with a view to ensuring the SRB’s preparedness in case of deterioration of the situation of the Entity and the group to which it belongs (“Sberbank group”). In particular, Ebner was awarded the relevant specific contract (SC No. 4), following a reopening of competition in the context of the multiple framework contract for services No SRB/OP/2/2018 that the SRB had signed with seven firms, including Ebner. In accordance with SC No. 4, the assignment of Ebner included, *inter alia*, the performance, after a potential resolution action, of a Valuation 3.
- (16) In the context of the preceding procurement procedure leading to the multiple framework contract for services, the SRB had established, based on the information provided by Ebner, that Ebner possessed the necessary qualifications, experience, ability and knowledge in all matters considered relevant by the SRB and that it held, and had access to, human and technical resources appropriate to carry out the relevant valuations. Furthermore, in the context of the procurement procedure leading to the SC No. 4, Ebner was requested to submit to the SRB a general declaration of absence of conflict of interest in relation to Sberbank Europe AG and its subsidiaries, including the Entity. Ebner submitted such declaration to the SRB on 16 February 2022. On 21 February 2022, Ebner also provided a declaration concerning its independence in accordance with the Commission Delegated Regulation (EU) 2016/1075.¹¹

⁸ The exchange rate was equal to HRK 7.5246 per EUR 1.

⁹ Ebner Stolz GmbH & Co was renamed to “RSM Ebner Stolz GmbH” in October 2023.

¹⁰ References to the Valuer in the subsequent sections of the Report shall be considered as encompassing its Subcontractor, as explained in recital **Error! Reference source not found.**

¹¹ Commission Delegated Regulation (EU) 2016/1075 of 23 March 2016 supplementing Directive 2014/59/EU of the European Parliament and of the Council with regard to regulatory technical standards specifying the content of recovery plans, resolution plans and group resolution plans, the minimum criteria that the competent authority is to assess as regards recovery plans and group recovery plans, the conditions for group financial support, the requirements for independent valuers, the contractual recognition of write-down and conversion powers, the procedures and contents of notification

- (17) Following the implementation of the Resolution Decision, Ebner, appointed as independent valuer, performed the Valuation 3 starting in May 2022¹².
- (18) On 6 April 2022, Ebner requested the SRB the addition of a subcontractor, i.e. Schoenherr Rechtsanwälte GmbH (“Schoenherr” or the “Subcontractor”), in order to receive assistance on some legal aspects, including the ones related to Croatian insolvency law. Throughout the provision of the valuation services, Ebner provided with updated declarations of independence and absence of conflict of interest, covering also the team members of the Subcontractor.¹³
- (19) On 11 April 2024,¹⁴ the SRB received Ebner’s report on the Valuation 3 in respect of the Entity.
- (20) On 14 June 2024, the SRB received by email Ebner’s corrigendum on the above report Valuation 3 Report of Sberbank d.d. which corrected a factual inaccuracy concerning the net consideration received by the Affected Shareholder in resolution following the deduction of expenses incurred by the SRB in connection with the resolution actions.¹⁵ The consolidated version of the report (“Valuation 3 Report”) is attached to the present decision as Annex I. The main elements of the Valuation 3 Report are also described in Section 5 below.
- (21) The SRB adopted its Notice of 4 July 2024 (“Notice”)¹⁶ setting out its preliminary decision that it is not required to pay compensation to the Affected Shareholder pursuant to Article 76(1)(e) of Regulation (EU) No 806/2014. In particular, the SRB considered that the Valuation 3 Report constituted an appropriate and sufficient basis for the SRB to take a preliminary decision whether compensation needs to be granted to the Affected Shareholder. The SRB noted that it follows from the Valuation 3 Report that there would have been no difference between the actual treatment of the Affected Shareholder and the treatment that the Affected Shareholder would have received had the Institution been wound up under normal insolvency proceedings on the date of the Resolution Decision, namely 1 March 2022 (“Resolution Date”).

2.2. Right to be heard process and review of the comments received from the Affected Shareholder

- (22) On 5 July 2024, the SRB addressed a letter to the Affected Shareholder, by which it launched the right to be heard process on the Notice. The SRB invited the Affected Shareholder to provide written comments on its preliminary decision not to compensate the Affected Shareholder, as described in the Notice, and, in particular, in the Valuation 3 Report.¹⁷ The SRB set the deadline for the submission of written comments at 21 August 2024. During this process, the Affected Shareholder was able to submit comments to inform the final decision of the SRB as to whether compensation needs to be granted to them on the basis of Article

requirements and of notice of suspension and the operational functioning of the resolution colleges, OJ L 184, 8.7.2016, p. 1.

¹² The initial contract duration was until 23 November 2022, which was extended several times until 1 December 2023, date after which it could not be extended further, due to the expiration of the Framework Contract. For the purpose of the procedure, the SRB launched a negotiated procedure (SRB/NEG/37/2023) and signed a new contract with Ebner on 1 December 2023.

¹³ For more details, see recital (52).

¹⁴ While a soft copy of the initial report on the Valuation 3 was received electronically on 11 April, the SRB received the initial report on the Valuation 3 Report on 16 April 2024.

¹⁵ The actual consideration received by the Affected Shareholder stands at HRK 66 861 739.46. This has been reflected on pages 13 (footnote and references to actual expenses), 25 (recovery amount for shareholders in table 4), 118 (reference to expenses and net consideration in table 53) and 125 (recovery amount for shareholders in table 57).

¹⁶ Notice of the Single Resolution Board of 4 July 2024 regarding its preliminary decision on whether compensation needs to be granted to the shareholders in respect of which the resolution action concerning Sberbank d.d. has been effected and the launching of the right to be heard process.

¹⁷ To this end, the SRB provided the Affected Shareholder with a redacted version of the Valuation 3 Report, after taking into account the limitations as regards disclosure of confidential information set forth in Article 88 of Regulation (EU) No 806/2014 and the data protection requirements deriving from Article 89 of Regulation (EU) 806/2014.

76(1)(e) of Regulation (EU) No 806/2014. For that purpose, the SRB invited the Affected Shareholder to fill in a template.

- (23) During the right to be heard period to provide written comments, the SRB received one request for the extension of the deadline until 21 November 2024 and for access to file within the meaning of Article 41 of the Charter on Fundamental Rights of the European Union.
- (24) By its letter dated 19 July 2024, the SRB responded to the request of the Affected Shareholder for access to file, granting access to the file of the Entity and the file of Sberbank banka d.d.¹⁸
- (25) By its letter dated 26 July 2024, the SRB responded to the request of the Affected Shareholder for the extension of the deadline for the right to be heard. Taking into account the Affected Shareholder's request and the circumstances of the case, the SRB agreed to extend the deadline until 16 September 2024 (23:59:59, Brussels time).
- (26) On 1 August 2024, the legal representative of the Affected Shareholder addressed two letters to the SRB ("Letter 1" and "Letter 2").
- (27) In Letter 1, the Affected Shareholder indicated that the list of documents provided in response to the access to the file request was incomplete and requested the SRB to provide a complete list of, and access to, all of the documentation in relation to the instruction of Ebner and all communications between the SRB and Ebner (request A); and a complete list of, and access to, all of the underlying factual and financial information, as well as all other documents on which the work of Ebner is based and which was made available to Ebner for this purpose including by the SRB as well as by the banks directly (request B). In relation to the documents which the SRB provided access to, the Affected Shareholder indicated that the SRB had redacted the names of every single person involved in the preparation of the Valuation 3 reports, including individuals from the SRB, from Ebner, and from Schoenherr, and requested the SRB to remove all of the redactions in the provided documents (request C). Finally, the Affected Shareholder claimed that the SRB has failed to consider the request pursuant to the public access regime (request D).
- (28) In Letter 2, the Affected Shareholder indicated that it was not possible to review the documents and prepare the comments in a meaningful way in the short period of time given, also considering in its view the fact that the Affected Shareholder was not given a proper access to the file. Therefore, the Affected Shareholder reiterated its request for an extension of the deadline to provide comments until 21 November 2024, reserving its right to request additional extensions of the deadline if access to a more complete file was not granted within a reasonable time.
- (29) By its letter dated 15 August 2024, the SRB responded to the requests of the Affected Shareholder.
- (30) With regard to the request A formulated in Letter 1, the SRB considered that all relevant correspondence between the SRB and Ebner that informed the SRB Notice concerning the Entity is included within the file to which the Affected Shareholder was granted access by the

¹⁸ The file concerning the Entity contained declarations of Ebner of absence of conflicts of interest, declarations concerning the independence of the Valuer, letters from Schoenherr, relevant correspondence with Ebner (see recitals (52)-(54)) and the initial report on the Valuation 3 of 11 April 2024 and the Valuation 3 Report. The SRB redacted certain parts of the documents to protect confidential information, business secrets and to give full effect to the right to protection of personal data pursuant to Article 89 of Regulation (EU) No 806/2014.

SRB letter dated 19 July 2024. The SRB considered that any other correspondence with Ebner contains confidential information and qualifies as internal preparatory documents to which the right of access to the file does not extend pursuant to Article 90(4)(second sentence) of Regulation (EU) No 806/2014. In particular, the SRB considered crucial to safeguard the confidentiality of such information, since disclosure of these documents would reveal preliminary considerations of the Valuer and not the final assessment of the Valuer. It is noted that the provided files include the final documents provided by the Valuer which present the final assessments of the Valuer. In addition, previous drafts of the Valuation 3 Report qualify as business secrets of the Valuer and their disclosure could harm the commercial interests of the Valuer. Disclosure of any exchanges of the SRB with the Valuer, which aim to ensure the completeness, sufficient reasoning and the compliance of the Valuation 3 Report with the legal framework, while respecting the independence of the valuer, would bring a risk of self-censorship of the SRB in the future and undermine the ability of the SRB to exchange freely with the valuer to achieve the above purposes. Finally, the SRB considered that the various communications between the SRB and Ebner constitute internal correspondence, including correspondence that contains the exchange of preliminary legal opinions.

- (31) With respect to request B in Letter 1, the SRB considered that the Valuation 3 Report constitutes an appropriate and sufficient basis for the SRB to reach its preliminary decisions as included in the SRB Notice concerning the Entity and, in particular, that the information included therein was sufficient for the SRB to understand and assess the methodology applied by the valuer in the respective Valuation 3 Report. In light of this, the SRB indicated that the documents or information mentioned under request B do not constitute part of the files in the sense of Article 90(4) of Regulation (EU) No 806/2014, since they were not considered necessary for the SRB to reach its preliminary decisions.
- (32) In relation request C in Letter 1, the SRB considered that the request of the Affected Shareholder for transmission of the names of the individual staff members from Ebner and Schoenherr does not establish the necessity of such transmission for a specific purpose in the public interest, pursuant to Article 9 of Regulation (EU) 2018/1725. In particular, the Affected Shareholder only referred to their personal interest to have access to the above personal data for the purposes of providing views on the independence of the valuer. More importantly, the SRB considered that the documentation submitted within the files to which the Affected Shareholder was granted access by the SRB's letter dated 19 July 2024 provides all the elements to assess the independence of the Valuer. In particular, those documents include information on the services provided by Ebner and Schoenherr at entity level. Therefore, in light of the above, the provision of names of the individuals from Ebner and Schoenherr is not considered necessary. Having balanced the various competing interests pursuant to Article 9 of Regulation (EU) 2018/1725, the SRB did not consider proportionate to transmit personal data of individuals from Ebner, and Schoenherr. In addition, granting access to such personal data of individual staff members of the valuer could undermine the willingness of other valuers to perform such valuations in future cases and therefore the SRB decision making process.
- (33) As regards the request for access to the names of individual staff members of the SRB, the SRB considered that the Affected Shareholder did not establish the necessity of accessing such information, since the Affected Shareholder did not provide any reason for such transmission.
- (34) With regard to request D under Letter 1, the SRB considered that the Affected Shareholder initially requested the SRB to provide "access to the file within the meaning of Art. 41 of the

Charter on Fundamental Rights of the European Union” (emphasis added). The SRB processed this request consistently with the legal basis expressly invoked therein.

- (35) With regard to the request under Letter 2, since there were no new circumstances warranting a further extension of the deadline for the submission of written comments in the context of the right to be heard process on the SRB Notice concerning Sberbank d.d., the SRB reaffirmed the deadline as set out in its letter dated 26 July 2024.
- (36) On 16 September 2024, the Affected Shareholder submitted a letter including their comments on the valuation 3 report regarding the Entity.
- (37) For the purpose of the present decision, the SRB carefully examined the comments received to determine whether they related to its preliminary decision or to the Valuation 3 Report. As regards the relevant comments related to the Valuation 3 Report, in order to reach its conclusion whether these comments could impact its preliminary decision, the SRB requested Ebner, in its role of independent valuer, to provide its independent assessment of these relevant comments and to consider whether the Valuation 3 Report remained valid in light of these comments.
- (38) Ebner provided its independent assessment by its letter dated 18 November 2024 (the “Clarification Letter”).¹⁹ It is attached to this Decision as **Annex II**.
- (39) The relevant comments from the Affected Shareholder will be described and assessed below (see Section 6 below).

3. Legal Framework

- (40) Article 15(1)(g) of Regulation (EU) No 806/2014 establishes the “*no creditor worse off*” (“NCWO”) principle, namely that no creditor shall incur greater losses in resolution than would have been incurred had the entity been wound up under normal insolvency proceedings. This principle aims to implement in the resolution framework the safeguards set out in Articles 17 and 52 of the Charter of Fundamental Rights of the European Union (“Charter”)²⁰ under which limitations to the rights of property are allowed under specific circumstances, provided that a “*fair compensation*” is paid.
- (41) In order to make those safeguards effective, paragraph (16) of Article 20 of Regulation (EU) No 806/2014 requires a valuation of difference in treatment to be carried out “*for the purposes of assessing whether shareholders and creditors would have received better treatment if the institution under resolution had entered into normal insolvency proceedings*”. Such a valuation, also known as a valuation 3, is to be carried out by an independent person “*as soon as possible after the resolution action or actions have been effected*”.
- (42) Article 20(1) of Regulation (EU) No 806/2014 sets out the requirements that the valuer must fulfill to be considered independent. In particular, the valuer must be independent from any public authority, including the SRB and the national resolution authority, and from the entity concerned.

¹⁹ See Section **Error! Reference source not found.** below.

²⁰ Charter of Fundamental Rights of the European Union, OJ C 326, 26.10.2012, p. 391–407. See also recitals 61 and 62 of Regulation (EU) No 806/2014.

- (43) Articles 38-41 of the Commission Delegated Regulation (EU) 2016/1075 specify the elements of independence. Accordingly, a valuer shall be deemed to be independent from any relevant public authority and the relevant entity where it: (i) possesses the qualifications, experience, ability, knowledge and resources required and can carry out the valuation effectively without undue reliance on any relevant public authority or the relevant entity in accordance with Article 39 of that Commission Delegated Regulation; (ii) is legally separated from the relevant public authorities and the relevant entity in accordance with Article 40 of that Commission Delegated Regulation; and (iii) has no material common or conflicting interest within the meaning of Article 41 of that Commission Delegated Regulation.
- (44) The methodology to be used to conduct a valuation 3 has been further outlined in the Commission Delegated Regulation (EU) 2018/344, which sets out the regulatory technical standards specifying the criteria relating to the methodologies for valuation of difference in treatment in resolution.²¹
- (45) In accordance with Article 20(17) of Regulation (EU) No 806/2014 and Article 3 of the Commission Delegated Regulation (EU) 2018/344, a valuation 3 shall determine:
- (i) the treatment that shareholders and creditors in respect of which resolution actions have been effected, or the relevant deposit guarantee scheme, would have received had the entity entered into normal insolvency proceedings at the time when the resolution decision is taken, disregarding any provision of extraordinary public financial support;
 - (ii) the value of the restructured claims or other proceeds received by the above shareholders and creditors as at the actual treatment date, discounted back to the date when the resolution decision is taken, if necessary; and
 - (iii) whether the outcome of the treatment under point (i) exceeds the outcome of the value referred to in point (ii) for each creditor.
- (46) It follows that the independent valuer shall compare the treatment of the affected creditors and shareholders under the actual resolution scheme versus the counterfactual hypothetical scenario of normal insolvency proceedings. When considering the relevant counterfactual scenario of normal insolvency proceedings, the entity's discounted expected cash flows are determined also factoring in the impact of insolvency laws and practices in the relevant jurisdiction, as well as the costs associated with the insolvency proceedings and overall process.²²
- (47) The legal framework provides that a valuation 3 shall be based on information concerning facts and circumstances that existed and could reasonably have been known as of the resolution decision date, which, had they been known, would have affected the measurement of the entity's assets and liabilities at that date.²³ The independent valuer shall prepare a valuation report, which shall include at least a summary of the valuation, an explanation of the key methodologies and assumptions adopted, and how sensitive the valuation is to these choices, and an explanation, where feasible, why the valuation differs from other relevant valuations.²⁴
- (48) If the independent valuer determines in its valuation 3 that the affected shareholders and creditors have incurred greater losses through the resolution scheme than they would have incurred under normal insolvency proceedings, they would be entitled to compensation for the difference in treatment from the SRF, pursuant to Article 76(1)(e) of Regulation (EU) No 806/2014.

²¹ Commission Delegated Regulation (EU) 2018/344 of 14 November 2017 supplementing Directive 2014/59/EU of the European Parliament and of the Council with regard to regulatory technical standards specifying the criteria relating to the methodologies for valuation of difference in treatment in resolution, OJ L 67, 9.3.2018, p. 3-7.

²² Article 4 of Commission Delegated Regulation (EU) 2018/344.

²³ Article 1(1) of Commission Delegated Regulation (EU) 2018/344.

²⁴ Article 6 of Commission Delegated Regulation (EU) 2018/344.

4. Ebner and its Subcontractor as independent valuer

- (49) The SRB considers that the Valuer represented an independent valuer in line with the requirements of Article 20(1) of Regulation (EU) No 806/2014 and Chapter IV of the Commission Delegated Regulation (EU) 2016/1075.
- (50) As noted above in Section 2, the SRB selected Ebner as an independent valuer through a public procurement procedure. In accordance with this procedure, the SRB examined and ensured that Ebner possessed the necessary qualifications, experience, ability, as well as knowledge and resources to carry out the valuations effectively without undue reliance on any relevant public authority or the Entity in line with the requirements of Articles 38(1) and 39 of the Commission Delegated Regulation (EU) 2016/1075. In particular, the SRB concluded that Ebner – taking into account the nature, size and complexity of the valuation to be performed – holds such human and technical resources appropriate to carry out Valuation 3 in line with Article 39(2) of the Commission Delegated Regulation (EU) 2016/1075. Moreover, the SRB considers that Ebner also qualifies as a legal entity independent from public authorities and from the Entity within the meaning of Article 20(1) and (17) of Regulation (EU) No 806/2014. In fact, Ebner is fully independent from the SRB and has not been engaged for the annual accounting work of the Entity.
- (51) For the purpose of conducting the Valuation 3, Ebner requested the SRB to add the law firm Schoenherr as a subcontractor, in charge of providing the Ebner with advice on certain legal aspects concerning insolvency law in Croatia. The SRB examined and ensured that also Schoenherr complied with the independence requirements laid down in Articles 38-41 of the Commission Delegated Regulation 2016/1075.
- (52) With particular regard to the absence of actual or potential material common or conflicting interests, as required by Article 41 of the Commission Delegated Regulation (EU) 2016/1075, both Ebner and Schoenherr undertook an internal conflict check in accordance with applicable professional standards. Based on the outcome of that conflict check, Ebner considered itself and the Subcontractor not to be conflicted with respect to its appointment as independent valuer. In this regard, Ebner has provided the SRB with:
- a. a general declaration of absence of conflict of interest in relation to the Sberbank group, including the Entity, on 16 February 2022, and an updated subsequent declaration, including the Subcontractor, on 29 April 2022;
 - b. a declaration concerning its independence on 21 February 2022: by this declaration, Ebner stated that it was aware of the relevant legal requirements and that appropriate arrangements had been made, where necessary, to ensure that neither Ebner nor the specific team members had any material interest, as defined in Article 41 of the Commission Delegated Regulation (EU) 2016/1075. Ebner provided an updated declaration of independence, also including the team members of the Subcontractor, on 29 April 2022. With letter of 2 June 2022, Schoenherr provided additional elements regarding its independence;
 - c. Any addition of a new member to the team working on the Valuation 3 was subject to compliance with the independence requirements and to prior SRB's approval to ensure the necessary professional qualifications and experience. In particular, Ebner provided additional declarations, dated 1 July 2022; 5 September 2022, 30 January 2023; 11 June 2023; 23 June 2023, 25 and 27 October 2023 concerning its independence following the addition of new members of the team working on the Valuation 3, thereby ensuring that the Valuer's independence was preserved during the whole duration of the services;

- d. In the context of the new contract (SRB/NEG/37/2023), Ebner confirmed the previous declarations of independence with its declaration dated 23 November 2023, covering all team members (i.e., both Ebner and Schoenherr staff) involved in the performance of the Valuation 3 services at the time of the declaration. In addition, the SRB team requested Ebner and Schoenherr to confirm that they have not provided any services to the relevant entities. Schoenherr provided a letter dated 16 January 2024 including information related to its independence; Schoenherr provided further clarifications with its letter dated 12 March 2024. By its letter dated 24 June 2024, Schoenherr provided additional information related to its independence;
- e. At the time of providing the Clarification Letter, the SRB requested, and Ebner provided, an updated declaration of independence dated 21 November 2024 covering the team members involved in the preparation of the Clarification Letter.
- (53) Ebner confirmed that it has not provided any services to any entity of the Sberbank group, including the Entity, nor to the Purchaser.
- (54) In light of the information received, Schoenherr has provided services to (i) the Purchaser, (ii) entities of the Sberbank group, including the Entity. More specifically:
- a. Schoenherr detailed that they provided services to the Purchaser relating to a sale of an NPL portfolio in 2016 and the fees invoiced to the Purchaser were not significant.
 - b. Schoenherr also provided services to the Sberbank group during the nine years preceding the letter of Schoenherr of June 2022. In particular:
 - i. The majority of the services related to a single debt restructuring that was completed during 2017 and 2018, while the remaining services related to standard and day-to-day work for credit institutions;
 - ii. The amount of fees invoiced to the Entity in the nine years preceding the letter of Schoenherr of June 2022 was not significant and the services were rendered in a timely connection with (and thus appear to relate to) the debt restructuring mentioned under i). Schoenherr confirmed that during the three years preceding the letter of June 2022 no advice was provided to the Entity.
- (55) Based on these declarations and assurances provided by Ebner and its Subcontractor, the SRB considers that the Valuer applied sufficient safeguards to avoid that actual or potential material interests in common or in conflict with any relevant public authority or the relevant entity (i.e. the Entity) could arise.
- (56) In particular, in relation to the requirements of independence on the absence of a material interest in common or in conflict, as laid down in Article 41 of the Commission Delegated Regulation 2016/1075, the SRB considers that:
- a. the provision of such services to the Purchaser does not undermine the independence of Schoenherr since: i) the services to the Purchaser are not linked with the Valuation 3 services provided to the SRB in respect of the Entity and ii) the outcome of the Valuation 3 does not affect the Purchaser's situation²⁵. The only effect of Valuation 3 would be ultimately on the SRB, which would be required to pay compensation from the SRF in case of a difference in treatment;
 - b. the independence of Schoenherr is not materially affected by the services provided to the Sberbank group given:

²⁵ See, in this regard, as basis for the SRB assessment, Judgment of 22 November 2023, *Molina Fernandez v. SRB*, T-304/20, ECLI:EU:T:2023:734, paragraphs 134-135 and 150-163, and Judgment of 22 November 2023, *ACMO v. SRB*, ECLI:EU:T:2023:733, paragraphs 320 et seq.

- the time elapsed from the services provided to Sberbank group in relation to the debt restructuring in 2017-2018;
- there is no direct link between the Valuation 3 services that Schoenherr performed for the SRB and other services provided to other Sberbank entities since those related to standard and day-to-day work for credit institutions; and
- the non-significant fees invoiced to the Entity during the nine years preceding the letter of Schoenherr of June 2022 and the fact that Schoenherr did not provide any advice to the Entity over the three years preceding that letter.

(57) In light of the above, the SRB considers that Ebner and its Subcontractor represented an independent valuer in line with the requirements of Article 20(16) and Article 20(17) of Regulation (EU) No 806/2014 and Articles 38 to 41 of the Commission Delegated Regulation (EU) 2016/1075.

5. Valuation 3 Report

(58) The Valuer has conducted a Valuation 3 with respect to the Entity in line with Regulation (EU) No 806/2014 and the Commission Delegated Regulation (EU) 2018/344. The Valuation 3 Report includes the elements under recital (45) above and is attached to the present decision as Annex I.

5.1. Treatment of Affected Shareholder under normal insolvency proceedings

- (59) First, the Valuer had to determine the treatment that the Affected shareholder in respect of which resolution action has been effected would have received if the Entity had been wound up under normal insolvency proceedings at the time when the Resolution Decision was taken.
- (60) For the purposes of the Valuation 3 Report, the Affected Shareholder pursuant to Article 3 of the Commission Delegated Regulation (EU) 2018/344, was considered as referring to the former holder of the Entity's share capital.
- (61) In line with Article 20(18)(a) of Regulation (EU) No 806/2014 and Article 1(1) of the Commission Delegated Regulation (EU) 2018/344, the reference date of the Valuation 3 Report was the date of the Resolution Decision, i.e. 1 March 2022. The Entity provided the Valuer with financial information as of 28 February 2022, which does not materially differ from the financial information as of 1 March 2022. When necessary, the basis of preparation was complemented by financial information of previous dates, especially as of 31 December 2021.
- (62) In line with Article 20(16) of Regulation (EU) No 806/2014, the Valuer identified the "normal insolvency proceedings" under the Croatian law to be used as counterfactual for the purposes of Valuation 3. Pursuant to Article 4(2)(94) of the Croatian Act on Resolution of Credit Institutions and Investments Firms ("CARCI") and to the Act on Compulsory Liquidation of Credit Institution (Official Gazette 146/2020) ("CACLCI") the compulsory liquidation was identified as the "normal insolvency proceeding" specific for credit institutions. The SRB notes that there were objective circumstances indicating that, at the time of the resolution, following the end of the moratorium, 1st March at 23:59:59, the Entity would soon be unable to meet its obligations when due. This conclusion is supported by the significant outflows in the days preceding the resolution decision. Therefore, in case no resolution action had been taken, the Entity would have met one of the conditions for the initiation of compulsory liquidation proceedings, according to Article 13(2)(v) CACLCI.
- (63) Compulsory liquidation are proceedings aimed at closing the Entity's operations and settle its liabilities to creditors. As the compulsory liquidation phase begins, the Court appoints a

liquidator whose main task is to recover the assets of the Entity, realise them and distribute the process to the creditors, according to the legally prescribed creditor hierarchy.

- (64) For the performance of the Valuation 3, the Valuer considered the macroeconomic context as expected at the Resolution Date. In this regard, the Valuer used macroeconomic projections from European Commission, CNB, ECB, Reuters and Eurostat as a reference point for expectations as of the Resolution Date of the macroeconomic conditions in the years during which the liquidation of the Entity would occur. These macroeconomic projections were used to derive appropriate benchmarks for loan probabilities of default, loss given default or realisable values for real estate collaterals.
- (65) The Valuer took into account two alternative scenarios, of 3 years and 6 years of liquidation proceedings, each including a best-case scenario, a worst-case scenario and a best estimate scenario. In developing these scenarios the Valuer took into account the Croatian regulatory framework which stipulates a maximum liquidation period of three years, which can be extended if the Deposit Insurance Agency gives its consent, and provided that the extension would likely result in higher recoveries for creditors. The Valuer also assessed previous cases of failed banks; however, it determined their limited use due to the lack of comparability.
- (66) The Valuer considered a 3-year insolvency scenario as 'probable' (to which it assigned a probability of occurrence higher than 50%), while a 6-year scenario was regarded as 'reasonably possible' (probability of 10-50%).
- (67) The Valuer assessed that a longer liquidation period than the 6-year scenario would inevitably lead to higher liquidation costs, higher management and maintenance costs and increased uncertainty for the insolvency administrator in terms of the levels of asset realisations and thus considered that the liquidator would be unwilling to speculate as to possible increased realisations in the future which are highly uncertain.
- (68) For each asset class, the Valuer applied specific assumptions on its valuation methodologies to estimate the recovery value. Where the outcome of the asset realisation strategies is dependent on factors that cannot be known with certainty, the Valuer presented a best-case, best-estimate and worst-case scenario within each of the three alternative time scenarios. The Valuer estimated asset realisations based on the updated balance sheet with HRK 9.5 mn as at 28 February 2022. The liquidator would have been able, depending on the scenario, to recover between HRK 7,1 mn (in the worst case of the 3-year liquidation period scenario) and HRK 8.3 mn (in the best case of the 6 years liquidation scenario).
- (69) The estimated realisation value of each asset class as well the estimate of liquidation costs and potential disbursements from contingent liabilities for each of the scenarios have been summarised by the Valuer in Table 1 below.²⁶

²⁶ Table 1 herein corresponds to Table 49 of the Valuation 3 Report.

Table 1: Estimated asset realisations and insolvency proceeds

| Estimated Asset Realisations (kHRK) | | | | |
|-------------------------------------|--|------------------|------------------------------|------------------|
| Case | Assets/items | Book Value | Estimated realisation values | |
| | | Feb 22 | 3 years | 6 years |
| All Cases | Total Assets other than the below | 2,406,162 | 2,289,043 | 2,289,104 |
| Best Case | Loans and advances to customers (FAAC) | 7,031,223 | 5,757,701 | 6,545,267 |
| | Intangible assets | 103,240 | 36,103 | 36,103 |
| | Costs of insolvency | | -298,014 | -396,995 |
| | Contingent liabilities / Guarantees | | -137,548 | -137,548 |
| | Total insolvency proceeds | 9,540,625 | 7,647,285 | 8,335,931 |
| Best Estimate | Loans and advances to customers (FAAC) | 7,031,223 | 5,565,824 | 6,298,996 |
| | Intangible assets | 103,240 | 18,052 | 18,052 |
| | Costs of insolvency | | -354,098 | -490,767 |
| | Contingent liabilities / Guarantees | | -165,483 | -165,483 |
| | Total insolvency proceeds | 9,540,625 | 7,353,337 | 7,949,901 |
| Worst Case | Loans and advances to customers (FAAC) | 7,031,223 | 5,452,128 | 6,121,366 |
| | Intangible assets | 103,240 | 0 | 0 |
| | Costs of insolvency | | -410,004 | -590,946 |
| | Contingent liabilities / Guarantees | | -196,679 | -196,679 |
| | Total insolvency proceeds | 9,540,625 | 7,134,488 | 7,622,845 |

(70) The Valuer established the list of creditor claims in Table 2 below.²⁷

Table 2: Creditor hierarchy and claim amounts

| Ranking in a Hypothetical Insolvency Scenario | |
|---|------------------|
| Rank | kHRK |
| First Senior Class | 10,769 |
| Second Senior Class | 5 |
| Third Senior Class | 3,408,126 |
| Forth Senior Class | 1,101,806 |
| Fifth Senior Class | 2,002,319 |
| Sixth Senior Class | 1,326,697 |
| Subordinated Claims | 499,763 |
| Total liabilities | 8,349,485 |
| Shareholder's Equity | 1,191,140 |
| Grand total | 9,540,625 |

(71) The Valuer then allocated the total realisation for the shareholder and creditors in each of the time scenarios to the claims, in accordance with their ranking under the applicable insolvency law. The outcome of the allocation of asset realisations would have resulted in the recoveries displayed in Table 3 below.²⁸

²⁷ Table 2 herein corresponds to Table 54 of the Valuation 3 Report.

²⁸ Table 3 herein corresponds to Table 57 of the Valuation 3 Report.

Table 3: Outcome of Resolution Action versus Insolvency

| Resolution vs. Best Case Insolvency Scenario (kHRK) | | | | | | | | | |
|---|------|------------------|------------------|---------------|-----------------|------------------|-----------------|------------------|--------------|
| Item | Rank | Sale of Business | | | 3 years | | 6 years | | |
| | | Outstanding | Recovery Amount | Recovery Rate | Recovery Amount | Recovery Rate | Recovery Amount | Recovery Rate | |
| Assets Realization | | | | | | 8,082,847 | | 8,870,474 | |
| Cost of insolvency | 19 | | | | | -298,014 | | -396,995 | |
| Cash outflows for contingent liabilities | | | | | | -137,548 | | -137,548 | |
| Total realization for creditors | | | | | | 7,647,285 | | 8,335,931 | |
| Creditors / Liabilities | 2-18 | 8,349,485 | 8,349,485 | 100.0% | | 7,647,285 | 91.6% | 8,335,931 | 99.8% |
| Shareholder's Equity | 1 | 1,191,140 | 66,862 | 5.6% | | 0 | 0.0% | 0 | 0.0% |
| Total | | 9,540,624 | 8,416,347 | 88.2% | | 7,647,285 | 80.2% | 8,335,931 | 87.4% |

| Resolution vs. Best Estimate Insolvency Scenario (kHRK) | | | | | | | | | |
|---|------|------------------|------------------|---------------|-----------------|------------------|-----------------|------------------|--------------|
| Item | Rank | Sale of Business | | | 3 years | | 6 years | | |
| | | Outstanding | Recovery Amount | Recovery Rate | Recovery Amount | Recovery Rate | Recovery Amount | Recovery Rate | |
| Assets Realization | | | | | | 7,872,919 | | 8,606,151 | |
| Cost of insolvency | 19 | | | | | -354,098 | | -490,767 | |
| Cash outflows for contingent liabilities | | | | | | -165,483 | | -165,483 | |
| Total realization for creditors | | | | | | 7,353,337 | | 7,949,901 | |
| Creditors / Liabilities | 2-18 | 8,349,485 | 8,349,485 | 100.0% | | 7,353,337 | 88.1% | 7,949,901 | 95.2% |
| Shareholder's Equity | 1 | 1,191,140 | 66,862 | 5.6% | | 0 | 0.0% | 0 | 0.0% |
| Total | | 9,540,624 | 8,416,347 | 88.2% | | 7,353,337 | 77.1% | 7,949,901 | 83.3% |

| Resolution vs. Worst Case Insolvency Scenario (kHRK) | | | | | | | | | |
|--|------|------------------|------------------|---------------|-----------------|------------------|-----------------|------------------|--------------|
| Item | Rank | Sale of Business | | | 3 years | | 6 years | | |
| | | Outstanding | Recovery Amount | Recovery Rate | Recovery Amount | Recovery Rate | Recovery Amount | Recovery Rate | |
| Assets Realization | | | | | | 7,741,171 | | 8,410,470 | |
| Cost of insolvency | 19 | | | | | -410,004 | | -590,946 | |
| Cash outflows for contingent liabilities | | | | | | -196,679 | | -196,679 | |
| Total realization for creditors | | | | | | 7,134,488 | | 7,622,845 | |
| Creditors / Liabilities | 2-18 | 8,349,485 | 8,349,485 | 100.0% | | 7,134,488 | 85.4% | 7,622,845 | 91.3% |
| Shareholder's Equity | 1 | 1,191,140 | 66,862 | 5.6% | | 0 | 0.0% | 0 | 0.0% |
| Total | | 9,540,624 | 8,416,347 | 88.2% | | 7,134,488 | 74.8% | 7,622,845 | 79.9% |

- (72) Allocating the total realisations to the above claims, the Valuer concluded that in none of the scenarios would a recovery have been expected under normal insolvency proceedings for the Affected Shareholder.

5.2. Actual treatment of Affected Shareholder in resolution

- (73) The consideration paid by the Purchaser for the shares of Sberbank d.d., net of expenses, amounted to HRK 66.86 mn. Hence, the resolution action taken in respect of the Entity resulted in the Affected Shareholder bearing losses equal to 94.4% of the value of their rights.
- (74) Neither the creditors of the Entity nor the DGS have suffered losses as a result of the resolution action in respect of the Entity.

5.3. Assessment of the difference in treatment

- (75) The Valuer then compared the treatment that the Affected Shareholder would have received for all the scenarios with the actual treatment that Affected Shareholder received in the resolution of the Entity. Table 3 above compares the implied recoveries to the Affected Shareholder in case of normal insolvency proceedings to their treatment in resolution. In light of the results showed in Table 3, the Valuer concluded that the Affected Shareholder would not have received better treatment if the Entity had been wound up under normal insolvency proceedings compared to the treatment received in resolution.

5.4. Compliance of the Valuation 3 Report with the legal framework

- (76) The SRB considers that the Valuation 3 Report complies with the requirements of the applicable legal framework and is sufficiently reasoned and comprehensive to form the basis for a decision of the SRB under Article 76(1)(e) of Regulation (EU) No. 806/2014.
- (77) The Valuation 3 Report assesses the necessary elements set out in Article 20(17) of Regulation (EU) No 806/2014 and Article 3 of Commission Delegated Regulation (EU) 2018/344.
- (78) In particular, to perform its valuation, the Valuer relied on all information about facts and circumstances which existed and could reasonably have been known at the Resolution Date, including information on the assets and liabilities of the Entity.
- (79) The Valuation 3 Report further explains the key methodologies and assumptions adopted by the Valuer and provides valuation ranges, reflecting the sensitivity of the valuation to different assumptions in line with Article 6(b) Commission Delegated Regulation (EU) 2018/344. It also includes a summary of the valuation together with a presentation of valuation ranges and sources of valuation uncertainty in line with Article 6(a) Commission Delegated Regulation (EU) 2018/344.
- (80) In line with Article 4(3) of the Commission Delegated Regulation (EU) 2018/344, the Valuer, when performing the valuation of assets and liabilities and, in particular when determining the expected cash flows under normal insolvency proceedings, took into account the applicable insolvency law, including the creditor hierarchy provided in the relevant jurisdiction and, where relevant, past insolvency cases. The Valuer thus disclosed and clearly explained how the particularities of the insolvency regime in the relevant jurisdiction have been considered.
- (81) For assets traded and non-traded in active markets, the Valuer considered the factors referred to in Articles 4(4) and (5) of the Commission Delegated Regulation (EU) 2018/344 and, where appropriate, explained whether the financial condition of the Entity would have affected the expected cash flows. Moreover, the Valuer estimated the costs which could have been reasonably incurred by the liquidator in case of normal insolvency proceedings and in detail explained the underlying assumptions and reasoning in line with Article 4(3)(b) of the Commission Delegated Regulation (EU) 2018/344.

6. Comments received from Affected Shareholder and their assessment

- (82) The subsequent section sets out the SRB's conclusions whether the comments received by the SRB during the right to be heard process could impact its preliminary decision, taking into account the Valuer's Clarification Letter.
- (83) The SRB received a letter from the Affected Shareholder on 16 September 2024.
- (84) As noted in recital (37), the SRB carefully examined the comments provided. As regards the comments related to the Valuation 3 Report, the SRB's conclusions whether these comments could impact its preliminary decision take into account the Clarification Letter of Ebner.
- (85) The comments from the Affected Shareholder are described and assessed in the next subsections by grouping them by topic.

6.1. Comments on the procedure

- (86) With regard to the comments on the procedure, and despite the fact that they do not refer to the establishment of the facts and legal elements underlying the SRB's present decision, the

SRB has carefully taken into account these considerations when designing and executing the right to be heard process, also in light of the comments received from the Affected Shareholder during the time period available to submit written comments in the context of the right to be heard. The Affected Shareholder raised comments in relation to the design and execution of the right to be heard process, claiming that the SRB would allegedly have breached the Affected Shareholder's right to be heard pursuant to Article 41 of the Charter on Fundamental Rights of the European Union.

- (87) Some comments relate to the access to the file and it is alleged that there was no meaningful access to it. In particular, the Affected Shareholder argues that the SRB refused to provide the underlying documents on which, *inter alia*, the Valuation 3 report is based, documents relating to the onboarding of Ebner and Schoenherr and correspondence between the SRB and Ebner.
- (88) The Affected Shareholder claims that the SRB did not provide a list of documents that, in their view, the SRB refused to disclose in the letter dated 15 August 2024.
- (89) The Affected Shareholder also submits that the documents provided by the SRB contain redactions of the names of individuals involved in the preparation of the Notice and the Valuation 3 Report. The Affected Shareholder argues that this would allegedly render a review of the independence of the valuer impossible.
- (90) Comments also relate to the lack of enough time for the Affected Shareholder to review the Notice and the Valuation 3 Report or to engage legal and technical experts to prepare comments.
- (91) In this regard, the SRB notes that it has carefully taken into account these considerations when designing and executing the right to be heard process. In addition, the SRB would like to refer to its letter dated 19 July 2024 by which the SRB granted access to file as well as the letters dated 26 July and 15 August 2024, as detailed in section 2 above.

6.2. Comments on the content of the Valuation 3 Report

- (92) The Affected Shareholder claims that it is not true that in an insolvency situation every asset needs to be sold separately or in a value destructive way.
- (93) Ebner's Clarification Letter stresses that no such statement is referred to in the Valuation 3 Report. With regard to the first part of the Affected Shareholder's claim ('it is not true that in an insolvency situation every asset needs to be sold separately'), the Clarification Letter highlights that the sale of the whole bank would not be feasible, as Article 37(2) of the CARCI expressly prohibits the sale of credit institution in compulsory liquidation, allowing only the sale of its assets and the transfer of obligations either in whole or in part. The Clarification Letter outlines that under Article 68(1) of the Credit Institution Act the banking license would be terminated upon the initiation of insolvency proceedings, meaning that business units may not be sold. The Clarification Letter concludes that the disposal would occur through the sale of assets either on a portfolio basis or piecemeal basis.
- (94) Regarding the second part of the Affected Shareholder's claim ('or in a value destructive way'), the Clarification Letter outlines that the Valuation 3 Report shows that a significant number of assets have been valued at least at their accounting value and, in some instances, undisclosed reserves have been identified, resulting in an economic value that exceeds the accounting value (e.g. financial assets held for trading (section 5.2), loans and advances to banks (section 5.4.2) and investments (section 5.6)). The Clarification Letter states that where the valuation has led to a value lower than the accounting value, the Valuation 3 Report provides detailed explanations of the underlying assumptions and considerations in the respective sections of the report (e.g. tangible assets (section 5.7) and tax assets (section 5.8)).

- (95) The Valuer states at the end of the Clarification Letter that the Affected Shareholder's comment does not change the result of the Valuation 3 Report, whose conclusions remain unaffected.
- (96) In addition, the Affected Shareholder refers to the lack of quality of the V3 Report and submits that the Valuer was guided by the SRB in the preparation of the Valuation 3 Report. In this regard, the SRB notes that the Valuation 3 Report is compliant with the legal framework, as mentioned in Section 5.4. Finally, the SRB notes that the Valuer represents an independent valuer in line with the requirements of Article 20(1) of Regulation (EU) No 806/2014 and Chapter IV of the Commission Delegated Regulation (EU) 2016/1075 (Section 4).
- (97) In light of the above, the SRB considers that the Valuation 3 Report is an appropriate basis for the SRB to adopt this Decision.

7. Conclusion

- (98) It follows from the Valuation 3 Report, in combination with the Clarification Letter and the conclusions drawn in section 6.2, that there is no difference between the actual treatment of the Affected Shareholder in resolution and the treatment that they would have received had the Entity been wound up under normal insolvency proceedings at the Resolution Date.

8. Implementation

- (99) In accordance with Article 29(1) of Regulation (EU) No 806/2014, national resolution authorities shall implement decisions of the Board by exercising their powers under national law transposing Directive 2014/59/EU and in accordance with the conditions laid down in the national law. In this case, the Croatian National Bank, in its capacity as national resolution authority, should ensure the communication to the Affected Shareholder of the present decision, including its annexes, which the SRB addresses to the national resolution authority, with the exception of the information that the SRB has identified as meriting protection under the data protection requirements deriving from Article 89 of Regulation (EU) 806/2014 and the confidentiality requirements derived from Article 88 of Regulation (EU) 806/2014 and Article 84 of Directive 2014/59/EU, as transposed into national law. In order to ensure the protection of the above information, the Board will provide the Croatian National Bank with redacted versions of the Valuation 3 Report and the Clarification Letter to be communicated to the Affected Shareholder(s) in accordance with Article 3 of this Decision.

HAS DECIDED AS FOLLOWS:

Article 1

Valuation

For the purposes of determining whether compensation needs to be granted to the shareholder in respect of which the resolution action concerning Sberbank d.d. has been effected, the valuation of difference in treatment in resolution pursuant to Article 20(16) of Regulation (EU) No 806/2014 shall be as set out in Annex I to this Decision, in conjunction with Ebner's Clarification Letter as set out in Annex II to this Decision.

*Article 2***Compensation**

The shareholder in respect of which the resolution action concerning Sberbank d.d. has been effected shall not be entitled to compensation from the Single Resolution Fund in accordance with Article 76(1)(e) of Regulation (EU) No 806/2014.

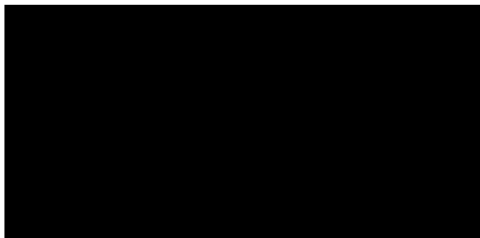
*Article 3***Addressee of the Decision**

This Decision is addressed to the Croatian National Bank, in its capacity as National Resolution Authority, within the meaning of Article 3(1)(3) of Regulation (EU) No 806/2014.

The Croatian National Bank is instructed to take the necessary action to ensure the communication of this Decision to the Affected Shareholder, with the exception of information that merits protection under the data protection requirements deriving from Article 89 of Regulation (EU) 806/2014 and the confidentiality requirements of Article 88 of Regulation (EU) 806/2014 and Article 84 of Directive 2014/59/EU, as transposed into national law.

Done at Brussels,

For the Single Resolution Board,



The Chair

Dominique LABOUREIX

ANNEXES

ANNEX I – VALUATION 3 REPORT

ANNEX II – CLARIFICATION LETTER