



HNB

GUVERNER

Pursuant to Article 43, paragraph (2), item (6) of the Act on the Croatian National Bank (Official Gazette 75/2008, 54/2013 and 47/2020), Article 4, paragraph (1), item (3) and Article 11, paragraph (2) of the Credit Institutions Act (Official Gazette 159/2013, 19/2015, 102/2015, 15/2018, 70/2019, 47/2020 and 146/2020), and Article 3, paragraph (1) of the Decision on the reciprocity of macroprudential policy measures adopted by relevant authorities of other European Union Member States and assessment of cross-border effects of macroprudential policy measures (Official Gazette 60/2017), the Governor of the Croatian National Bank hereby issues the

DECISION

- I. It is hereby established that the recommended criteria for the reciprocation of the macroprudential policy measure adopted by the designated authority of Germany and recommended for reciprocation by the European Systemic Risk Board under Recommendation ESRB/2022/4 of 2 July .2022 amending Recommendation ESRB/2015/2 on the assessment of cross-border effects of and voluntary reciprocity for macroprudential policy measures have not been met in the Republic of Croatia.
- II. The Croatian National Bank will not prescribe the reciprocation of the macroprudential policy measure referred to in item I.
- III. The Croatian National Bank shall monitor the level of exposures referred to in Recommendation ESRB/2022/4, and, in case a credit institution meeting the requirements set out in the macroprudential policy measure referred to in item I. exceeds the prescribed materiality threshold, prescribe the reciprocation of the measure referred to in item I.

Rationale

The Federal financial supervisory authority has adopted the measure based on Article 133, paragraph (9) of Directive 2013/36/EU setting the systemic risk buffer rate of 2% for exposures to legal and natural persons secured by residential property in Germany. The measure relates to credit institutions authorised in Germany that use the internal ratings based approach (IRB) to calculate the total amount of risk exposure and to credit institutions authorised in Germany that use the standardised approach (SA) to calculate the weighted exposure amounts fully and completely secured by residential property, in accordance with Article 125, paragraph (2) of Regulation 575/2013/EU. The measure entered into force in Germany on 1 April 2022 and shall apply from 1 February 2023. At the request of the designated authority of Germany, the European Systemic Risk Board has included this measure in the list of measures recommended to relevant authorities of member states for reciprocation, under Recommendation ESRB/2022/4.

The measure is complemented by a materiality threshold to steer the potential application of the *de minimis* principle by reciprocating member states, which determines that credit institutions may be exempted from the application of the measure if their relevant sectoral exposures do not exceed ten billion euro.



Since according to available data there are no credit institutions nor direct exposures in the Republic of Croatia that meet the criteria for the application of this measure, using the *de minimis* principle, the Croatian National Bank does not prescribe the reciprocation of the macroprudential measure adopted by the designated authority of Germany.

The Croatian National Bank shall review the materiality of relevant exposures on an annual basis and in case a domestic credit institution meeting the requirements referred to in Recommendation ESRB/2022/4 fulfils the preconditions prescribed by stated measure, shall prescribe the reciprocation of the measure.

Number: 326-091/09-22/BV

Zagreb, 13 September 2022.

GOVERNOR
CROATIAN NATIONAL BANK

Boris Vujčić