

Pursuant to Article 43, paragraph (2), item (9) of the Act on the Croatian National Bank (Official Gazette 75/2008 and 54/2013), Article 4, paragraph (1), item (3) and Article 134, paragraph (1) of the Credit Institutions Act (Official Gazette 159/2013, 19/2015 and 102/2015), Article 3, paragraph (2) 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) and the Recommendation of the European Systemic Risk Board of 24 June 2016 amending Recommendation ESRB/2015/2 on the assessment of cross-border effects of and voluntary reciprocity for macroprudential policy measures (ESRB/2016/4), the Governor of the Croatian National Bank hereby issues the

Decision on the reciprocity of the macroprudential policy measure referred to in the Recommendation of the European Systemic Risk Board of 24 June 2016 amending Recommendation ESRB 2015/2 on the assessment of cross-border effects of and voluntary reciprocity for macroprudential policy measures (ESRB/2016/4)

1 GENERAL PROVISIONS

Subject matter Article 1

(1) This Decision prescribes the reciprocation of the macroprudential policy measure adopted by the relevant authority of Estonia, as recommended by the European Systemic Risk Board (hereinafter referred to as 'ESRB').

2 RECIPROCATION

Reciprocation of measure Article 2

(1) The Croatian National Bank acknowledges and prescribes the reciprocation of a 1% systemic risk buffer rate applicable to exposures in Estonia as follows:

- i. Where the credit institution is, at the same time, subject to the decision by which the Croatian National Bank prescribes the application of a structural systemic risk buffer for credit institutions which have their head office in Croatia and are authorised by the Croatian National Bank, whereby the structural systemic risk buffer applies to exposures in the countries of the European Economic Area, the credit institution shall apply the systemic risk buffer rate to exposures in Estonia at the level prescribed by that decision or at the level prescribed by this Decision, depending on which is higher.
- ii. Where a credit institution which has its head office in the Republic of Croatia and is authorised by the Croatian National Bank is not subject to the application of a structural systemic risk buffer or is subject to its application only to exposures in the Republic of Croatia, the credit institution shall apply the 1% systemic risk buffer to exposures in Estonia.

(2) By way of derogation from paragraph (1) of this Article, a *de minimis* exemption shall apply to credit institutions whose risk-weighted credit risk exposures in Estonia do not exceed 2% of total risk-weighted credit risk exposure.

3 TRANSITIONAL AND FINAL PROVISIONS

Entry into force Article 3

This Decision shall enter into force on the eighth day after the day of its publication in the Official Gazette.

No.: 216-020/07-17/BV
Zagreb, 17 July 2017

Croatian National Bank
Governor
Boris Vujčić