



Trg hrvatskih velikana 3, HR-10000 Zagreb
T. +385 1 4564 555 · F. +385 1 4610 551
www.hnb.hr

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Zagreb, 27 October 2025

**TO ALL LESS SIGNIFICANT SUPERVISED
CREDIT INSTITUTIONS
Attention of: Management Board**

Subject: Application of the EBA Guidelines on ADC exposures to residential property under Article 126a of Regulation (EU) 575/2013

Dear Sir/Madam,

We hereby inform you that the European Banking Authority (hereinafter: the EBA) has issued the Guidelines on ADC exposures to residential property under Article 126a of Regulation (EU) 575/2013 (EBA/GL/2025/03; hereinafter: the Guidelines). The Guidelines apply from 4 November 2025.

The Guidelines specify the following terms referred to in Article 126a(2)(a) and (b) of Regulation (EU) 575/2013: "substantial cash deposits", "financing ensured in an equivalent manner", "significant portion of total contracts" and "appropriate amount of obligor-contributed equity", and the conditions under which institutions may assign a risk weight of 100% (instead of a risk weight of 150%) to their ADC exposures to residential property. In addition, the Guidelines allow greater flexibility for public housing projects.

In accordance with Article 4, paragraph (1), item (3) of the Credit Institutions Act (Official Gazette 159/2013, 19/2015, 102/2015, 15/2018, 70/2019, 47/2020, 146/2020, 151/2022 and 145/2024), the Croatian National Bank shall make every effort to comply with those guidelines and recommendations issued by the EBA in accordance with Article 16 of Regulation (EU) No 1093/2010 (OJ L 331/12, 15.12.2010).

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

The EBA Guidelines are available on the EBA website at the following link:
<https://www.eba.europa.eu/sites/default/files/2025-06/e7b307b5-efab-4c59-ab8a-1b9622ce5b0f/GLs%20on%20ADC%20exposures%20to%20residential%20property%20under%20Article%20126a.pdf>.

Kind regards,

Tomislav Ćorić
Vicegovernor