



HNB

EUROSUSTAV

Governor

Reg. No: 198-091/091/26-1
Zagreb, 8 May 2026

**TO ALL LESS SIGNIFICANT
SUPERVISED ENTITIES**

Attention of: Management Board

Subject: Application of EBA Guidelines on proportionate retail diversification methods under Article 123(1) of Regulation (EU) No 575/2013

Dear Sir/Madam,

We hereby inform you that the European Banking Authority (hereinafter: EBA) has issued the Guidelines on proportionate retail diversification methods under Article 123(1) of Regulation (EU) No 575/2013 (EBA/GL/2026/02; hereinafter: the Guidelines). The Guidelines apply from 19 May 2026.

The Guidelines specify proportionate diversification methods under which, for the purposes of Article 123, paragraph (1), item (c) of Regulation (EU) No 575/2013, an exposure should be considered as representing one of a significant number of exposures with similar characteristics in order to be eligible for the application of a preferential risk weight in the *Retail exposures* category. The Guidelines specify the one-step approach and the assessment of compliance with the diversification condition when the portfolio of eligible retail exposures also includes securitised exposures.

In accordance with Article 9, paragraph (1), item (3) of the Credit Institutions Act (Official Gazette 22/2026), the Croatian National Bank shall make every effort to comply with those guidelines and recommendations issued by 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 entities 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/2026-03/dcc09076-7ce9-4062-ac17-1615309aa728/Guidelines%20on%20retail%20diversification%20%28EBA%20GLs%202026%2002%29_HR_COR.pdf

Kind regards,

Boris Vujčić
Governor