



HNB

GUVERNER

Pursuant to Article 43, paragraph (2), item (6) and Article 77a 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, 146/2020 and 151/2022) 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 Denmark and recommended for reciprocation by the European Systemic Risk Board under Recommendation of 8 July 2024 amending Recommendation ESRB/2015/2 on the assessment of cross-border effects of and voluntary reciprocity for macroprudential policy measures (ESRB/2024/3) 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 of the European Systemic Risk Board of 8 July 2024 amending Recommendation ESRB/2015/2 on the assessment of cross-border effects of and voluntary reciprocity for macroprudential policy measures (ESRB/2024/3), 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 Danish Ministry of Industry, Business and Financial Affairs has adopted a measure in accordance with Article 133 of Directive 2013/36/EU, introducing a sectoral systemic risk buffer rate of 7% on all types of exposures located in Denmark to non-financial corporations operating in real estate activities and in the development of building projects (in accordance with the statistical classification of economic activities in the Union (NACE) set out in Regulation (EC) No 1893/2006, whereby the part of each exposure that lies within a loan-to-value ratio range of 0% to 15% is excluded from the application of this buffer. The measure is applied as of 30 June 2024 on an individual and a consolidated basis on all domestic credit institutions.

HRVATSKA NARODNA BANKA

Trg hrvatskih velikana 3, HR-10002 Zagreb · T. +385 1 4564 555 · F. +385 1 4610 551

www.hnb.hr



At the request of the designated authority of Denmark, under Recommendation of 8 July 2024 amending Recommendation ESRB/2015/2 on the assessment of cross-border effects of and voluntary reciprocity for macroprudential policy measures (ESRB/2024/3), the European Systemic Risk Board has recommended that all member states reciprocate the measure in question on an individual and a consolidated basis.

The recommendation is complemented by a materiality threshold so that, based on the application of the *de minimis principle* by the relevant authorities reciprocating the measure, credit institutions may be exempted from the sectoral systemic risk buffer requirement if their relevant sectoral exposures do not exceed the threshold of 200 million euro.

Since according to available data there are no credit institutions in the Republic of Croatia with exposures that meet the criteria for the application of this measure, using the *de minimis principle*, the Croatian National Bank will not prescribe the reciprocation of the macroprudential measure adopted by the designated authority of Denmark.

The Croatian National Bank shall review the materiality of these exposures on an annual basis and, in case a domestic credit institution meeting the conditions fulfils the preconditions prescribed by Recommendation ESRB/2024/3, shall prescribe the reciprocation of the measure.

Number:

Zagreb,

Governor

CROATIAN NATIONAL BANK

Boris Vujčić