

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 11, paragraph (2) of the Credit Institutions Act (Official Gazette 159/2013, 19/2015, 102/2015 and 15/2018), Article 458, paragraph (5) of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (OJ L 176, 27.6.2013), 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 8 January 2018 amending Recommendation ESRB/2015/2 on the assessment of cross-border effects of and voluntary reciprocity for macroprudential policy measures (ESRB/2018/1), 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 8 January 2018 amending Recommendation ESRB 2015/2 on the assessment of cross-border effects of and voluntary reciprocity for macroprudential policy measures (ESRB/2018/1)

I GENERAL PROVISIONS

**Subject matter
Article 1**

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

II RECIPROCATION

**Reciprocation of measure
Article 2**

(1) The Croatian National Bank acknowledges and prescribes the reciprocation of a 15-percent floor for the average risk weight for exposures in Finland of credit institutions using the internal ratings-based approach (hereinafter referred to as 'credit institutions with the IRB approach') for mortgage loans to the Finnish household sector secured by residential immovable property located in Finland.

(2) By way of derogation from paragraph (1) of this Article, a *de minimis* exemption shall apply to credit institutions whose exposure to the household sector in the Finnish mortgage market does not exceed EUR 1bn.

III 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.: 137-020/04-18/BV
Zagreb, 26 April 2018

Croatian National Bank
Governor
Boris Vujčić