

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, 151/2022 and 145/2024) 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 Norway and recommended for reciprocation by the European Systemic Risk Board under Recommendation of 09 July 2025 amending Recommendation ESRB/2015/2 on the assessment of cross-border effects of and voluntary reciprocity for macroprudential policy measures (ESRB/2025/6) 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 exposure referred to in Recommendation of the European Systemic Risk Board of 09 July 2025 amending Recommendation ESRB/2015/2 on the assessment of cross-border effects of and voluntary reciprocity for macroprudential policy measures (ESRB/2025/6), 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, shall prescribe the reciprocation of the measure referred to in item I.

### **Rationale**

The Ministry of Finance of Norway (Finansdepartementet), as the designated authority, has adopted a measure in accordance with Article 458, paragraph (2) of Regulation (EU) No 575/2013 extending the existing floor of 20% for (exposure-weighted) average risk weights for exposures collateralised by residential immovable property in Norway until 30 June 2025 and raising this floor to 25% as of 1 July 2025. In addition, in accordance with Article 458, paragraph (2) of Regulation (EU) No 575/2013, the designated authority has extended the measure on the floor of 35% for (exposure-weighted) average risk weights applying to exposures collateralised by commercial immovable property in Norway. Both measures apply to credit institutions authorised in Norway that apply the Internal Ratings Based Approach (IRB) to the calculation of regulatory capital requirements. The measures came into force in Norway on 31 December 2024.

At the request of the Ministry of Finance of Norway, under Recommendation of 09 July 2025 amending Recommendation ESRB/2015/2 on the assessment of cross-border effects of and voluntary reciprocity for macroprudential policy measures (ESRB/2025/6), the European Systemic Risk Board has recommended that the relevant authorities of the member states reciprocate the measure in question.

The recommendation is complemented by an institution-specific materiality threshold based on exposures located in Norway to steer the potential application of the de minimis principle by the relevant authorities reciprocating the measure, as follows:

- for the residential immovable property risk weight floor, the materiality threshold is set at NOK 37.8 billion, which corresponds to 1% of gross residential immovable property lending to Norwegian customers as at 30 September 2024. The materiality threshold should be assessed on a consolidated, sub-consolidated and individual basis.
- for the commercial immovable property risk weight floor, the materiality threshold is set at NOK 9.3 billion, which corresponds to 1% of gross commercial immovable property lending to Norwegian customers as at 30

September 2024. The materiality threshold should be assessed on a consolidated, sub-consolidated and individual basis.

When making an assessment on a sub-consolidated or consolidated basis, all exposures existing through branches and direct cross-border lending as well as through subsidiaries should be included in the calculation of exposures assessed relative to the materiality threshold.

Since according to available data there are no credit institutions in the Republic of Croatia that apply the IRB approach 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 Norway.

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/2025/6, shall prescribe the reciprocation of the measure.

No.: 468-091/12-25/BV

Zagreb, 18 December 2025

Croatian National Bank

Governor

**Boris Vujčić**