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## **Setting a minimum level of risk weight for retail exposures secured by real estate property**

Passed 27.08.2019 No. 6

The Decree is established under § 24<sup>1</sup>(2)6) of the Eesti Pank Act and Articles 458(2)(d)(vi) and 458(4) 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, 27.06.2013, p 1-337).

**§ 1.** Credit institutions in Estonia that use the Internal Ratings Based Approach for calculating risk-weighted exposure amounts must apply a risk weight of at least 15% to retail exposures secured by real estate property to obligors residing in Estonia to calculate the total risk exposure amount as referred to in Article 92 Section 3 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, 27.06.2013, p 1-337).

**§ 2.** A credit institution for the purpose of this Decree is a credit institution whose registered office and head office are in Estonia.

**§ 3.** Credit institutions must meet the requirement set in § 1 of this Decree at the portfolio level as an average of the exposures concerned. The requirement shall be met on an individual and a consolidated basis.

**§ 4.** This decree enters into force on 30 September 2019.

Madis Müller  
Governor