

# Press Release

By the Communications Directorate

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## **Decision not to reciprocate a Belgian macroprudential measure pursuant to Recommendation ESRB/2023/9 of the European Systemic Risk Board (ESRB)**

Last July, the National Bank of Belgium amended a macroprudential measure adopted in May 2022, which provides for a sectoral Systemic Risk Buffer (sSyRB) for exposures to natural persons secured by residential real estate located in Belgium and owned by banks using internal ratings-based (IRB) models for credit risk assessment.

The sSyRB, originally set at 9 per cent (of the risk-weighted assets related to the exposures to which the measure refers) until 31 March 2024, will be reduced to 6 per cent as from 1 April 2024. The reduction of the buffer was decided against the background of lower risks associated with developments in the Belgian real estate market.

Recommendation ESRB/2023/9 – which follows the recommendation issued after the measure was activated in May 2022 (ESRB/2022/3) – asks the authorities of EEA member states to apply a similar measure to banks in their respective jurisdictions that use IRB models and have exposures to the Belgian real estate market.

The Recommendation allows for the exemption of institutions for which the exposures concerned are below €2 billion, and for the measure not to be introduced if all intermediaries have exposures below this threshold.

The exposures of Italian banks to the risks outlined by the Belgian authority continue to remain negligible. As with the previous recommendation, the Bank of Italy has therefore decided not to reciprocate the new measure; however, it will continue to carry out periodic assessments on Italian intermediaries' exposures to Belgium and may modify this decision if circumstances so require.