



BANCA D'ITALIA
EUROSISTEMA

Press Release

By the Communications Directorate

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Decision not to reciprocate a macroprudential measure adopted by Sweden pursuant to Recommendation ESRB/2023/4 of the European Systemic Risk Board (ESRB)

Recommendation ESRB/2023/4 of the European Systemic Risk Board (ESRB) invites the relevant European Economic Area authorities to reciprocate a macroprudential measure adopted by Sweden to limit risks stemming from the real estate market.

The measure envisages, for credit institutions using the IRB approach authorized in Sweden, a minimum level (floor) for the exposure-weighted average of the risk weights applied to the portfolio of corporate exposures secured by mortgages on immovable properties located in Sweden: the floor is set at 35% for commercial properties and at 25% for residential properties.

The recommendation asks the authorities of the European Economic Area countries to reciprocate the measure by applying similar requirements to banks in their respective jurisdictions. The recommendation allows them to exempt credit institutions with exposures below the indicated materiality threshold (5 billion SEK) and not to reciprocate the measures if all the banks of their country have exposures below this threshold.

The exposures of the Italian banks to the risks indicated by the Swedish authorities are below the minimum thresholds. The Bank of Italy has therefore decided not to reciprocate the measure, although it will continue to periodically review the relevant exposures of Italian banks to these risks and will change its decision if circumstances so require.