

Press Release

BY THE COMMUNICATIONS DIRECTORATE

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Identification by Italy of material third countries pursuant to Recommendation ESRB/2015/1 of the European Systemic Risk Board (ESRB)

In December 2015 the European Systemic Risk Board (ESRB) issued a Recommendation (ESRB/2015/1) in order to standardize the decisions of the individual Member States concerning the countercyclical capital buffer rate (CCyB) to be set for exposures to residents of countries that are not part of the European Economic Area (third countries). To this end, the recommendation provides that the designated national authorities for macroprudential policies identify on an annual basis the third countries to which their domestic banking sectors have material exposures.

Based on data at 31 December 2024, this year Banca d'Italia has identified the United States, the United Kingdom, Switzerland and Russia as material third countries for the Italian banking system. These countries are also identified by the ESRB as material for the entire European Economic Area and, therefore, they are subject to the ESRB's risk assessment.

The identification of material third countries was made based on the criteria outlined in Decision ESRB/2015/3. The assessment considered three indicators relating to original exposures (i.e. non-risk-weighted), risk-weighted exposures and defaulted exposures towards each country, all as shares of the corresponding total exposures of the Italian banking system.