

## **INTRODUCTION OF A SECTORAL SYSTEMIC RISK BUFFER FOR IRB BELGIAN RESIDENTIAL REAL ESTATE EXPOSURES ON THE BASIS OF ART 133 CRD: ADDITIONAL EXPLANATION**

This brief note gives some guidance on the implementation of the macroprudential measure for retail exposures of IRB banks on Belgian residential real estate. It complements the Royal Decrees of 21 February 2022 and 5 September 2023.

The macroprudential measure started to take effect on 1 May 2022.

The macroprudential measure imposes the constitution of a CET1-capital buffer in the form of a sectoral systemic risks buffer for Belgian residential real estate exposures of banks that use internal models for the computation of risk-weighted exposures (IRB banks). The targeted exposures are exactly the same as the ones targeted by the previous measure applied until 30 April 2022, according to article 458 CRR. That is, the relevant real estate exposures targeted by the measure are retail exposures secured by residential real estate located in Belgium. They also include exposures partially or fully secured by mortgage mandates and cover both defaulted and non-defaulted loans.

Until the end of March 2024, this sectoral systemic risk buffer is computed by multiplying the risk-weighted assets (RWAs) related to the abovementioned relevant exposures by 9%. As from 1 April 2024, the multiplying factor is reduced to 6%.

Contrarily to a previous art. 458 CRR measure, this measure does not result in an increase of the RWAs but in the constitution of a specific CET1-capital buffer, called (sectoral) systemic risk buffer.

### **Reporting**

Banks are required to report the amount of this sectoral systemic risk buffer in COREP Table C04.00, row 0780 and count it as part of the Combined Buffer Requirement (COREP Table C04.00, row 0740), starting with the reporting cycle of June 2022.

### **NBB contact persons**

Further information regarding specific queries on the application and reporting of this macroprudential measure can be obtained from [Alexandre Reginster](#), [Alexandre Francart](#) or [Thomas Schepens](#).