

OPINION OF THE EUROPEAN SYSTEMIC RISK BOARD**of 27 May 2025**

**regarding the Swedish notification of the extension of the period of application of a stricter national measure based on Article 458 of Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions
(ESRB/2025/3)**

THE GENERAL BOARD OF THE EUROPEAN SYSTEMIC RISK BOARD,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 1092/2010 of the European Parliament and of the Council of 24 November 2010 on European Union macro-prudential oversight of the financial system and establishing a European Systemic Risk Board¹, and in particular Article 3(2), point (j), thereof,Having regard to Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No 648/2012², and in particular Article 458(4) and (9) thereof,Having regard to Decision ESRB/2015/4 of the European Systemic Risk Board of 16 December 2015 on a coordination framework for the notification of national macroprudential policy measures by relevant authorities, the issuing of opinions and recommendations by the ESRB, and repealing Decision ESRB/2014/2³,

Whereas:

- (1) On 30 April 2025, the Swedish Financial Supervisory Authority (Finansinspektionen), acting as designated authority for the purpose of Article 458 of Regulation (EU) No 575/2013, notified the European Systemic Risk Board (ESRB) of its intention to extend the period of application of an existing stricter national measure, in accordance with Article 458(2), point (d)(iv), of that Regulation.
- (2) It is proposed that the extension of the period of application of the existing stricter national measure will start on 31 December 2025 and apply for a period of two years from that date or until the macroprudential or systemic risk ceases to exist. The measure concerns retail exposures secured by residential property in Sweden. The proposed extension of its period of application will consist, in particular, of the extension of the period of application of the currently applicable average risk-weight floor of 25% on Swedish retail mortgage exposures for all credit institutions authorised in Sweden using the Internal Ratings-Based (IRB) approach for calculating capital requirements, which aims to address the systemic risks arising from elevated household indebtedness and overvaluation of house

¹ OJ L 331, 15.12.2010, p. 1, ELI: <http://data.europa.eu/eli/reg/2010/1092/oj>.

² OJ L 176, 27.6.2013, p. 1, ELI: <http://data.europa.eu/eli/reg/2012/648/oj>.

³ OJ C 97, 12.3.2016, p. 28.

prices in Sweden.

- (3) The ESRB has previously assessed and endorsed the existing stricter national measure in Opinions ESRB/2018/4⁴, ESRB/2020/13⁵, ESRB/2021/8⁶ and ESRB/2023/10⁷, recognising the importance of maintaining a sufficient level of resilience against systemic risks in the residential real estate market.
- (4) The proposed extension of the period of application of this measure preserves the effectiveness of existing macroprudential policy, ensures consistency in capital requirements, and maintains resilience within the banking sector against possible shocks in the housing market.
- (5) To assess the proposed extension of the period of application of the existing stricter national measure notified by Finansinspektionen on 30 April 2025, the ESRB's Assessment Team referred to in Decision ESRB/2015/4 issued an assessment note, which is annexed hereto,

HAS ADOPTED THIS OPINION:

1. The extension of the period of application of the stricter national measure adopted pursuant to Article 458(2), point (d)(iv), of Regulation (EU) No 575/2013, applicable to all credit institutions authorised in Sweden using the IRB approach and consisting of an average risk-weight floor of 25% on Swedish retail mortgage exposures, is, under the current circumstances, assessed as justified, suitable, proportionate, effective and efficient. In particular:
 - (a) the changes in the intensity of macroprudential or systemic risk are of such a nature that they pose a risk to financial stability at national level;
 - (b) Articles 124 and 164 of Regulation (EU) No 575/2013 and Articles 133 and 136 of Directive 2013/36/EU of the European Parliament and of the Council⁸ are less suitable and effective to address the identified risks to financial stability, in particular taking into account the relative effectiveness of those measures;
 - (c) the proposed extension of the period of application of the stricter national measure does not entail disproportionate adverse effects on the whole or parts of the financial system in other

4 Opinion ESRB/2018/4 of the European Systemic Risk Board of 21 June 2018 regarding Swedish notification of a stricter national measure based on Article 458 of Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms, available on the ESRB's website at www.esrb.europa.eu.

5 Opinion ESRB/2020/13 of the European Systemic Risk Board of 14 October 2020 regarding Swedish notification of an extension of the period of application of a stricter national measure based on Article 458 of Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms, available on the ESRB's website at www.esrb.europa.eu.

6 Opinion ESRB/2021/8 of the European Systemic Risk Board of 19 October 2021 regarding Swedish notification of an extension of the period of application of a stricter national measure based on Article 458 of Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions, available on the ESRB's website at www.esrb.europa.eu.

7 Opinion ESRB/2023/10 of the European Systemic Risk Board of 10 October 2023 on the Swedish notification of the extended application of a stricter national measure based on Article 458 of Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions, available on the ESRB's website at www.esrb.europa.eu.

8 Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (OJ L 176, 27.6.2013, p. 338, ELI: <http://data.europa.eu/eli/dir/2013/36/oj>).

Member States or in the Union as a whole and thus does not form or create an obstacle to the functioning of the internal market;

- (d) the issue concerns only one Member State.
2. The proposed extension of the period of application of the stricter national measure does not have a negative impact on the internal market that outweighs the financial stability benefits resulting in a reduction of the macroprudential or systemic risk identified.
 3. The attached assessment note entitled 'Assessment of the Swedish notification concerning the extension of the period of application of a stricter national measure for retail mortgage exposures, in accordance with Article 458 of Regulation (EU) No 575/2013' is an integral part of this Opinion.

Done at Frankfurt am Main, 27 May 2025.

A handwritten signature in black ink, reading "Francesco Mazzaferro". The signature is written in a cursive, flowing style.

Head of the ESRB Secretariat, on behalf of the General Board of the ESRB

Francesco MAZZAFERRO