

Considerations when setting a sector-specific systemic risk buffer for exposures to commercial real estate companies

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The Systemic Risk Council (the Council) is tasked with identifying systemic risks and proposing specific measures to mitigate any identified risks.

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At its meetings in June and October 2023, the Council noted that there are unaddressed systemic risks related to the commercial real estate market.¹ Among other things, the Council highlighted the high and increasing exposure of institutions to the commercial real estate market, the increased risk of losses related to the higher and sharply rising interest rates and the prospect of lower economic growth.

Therefore, in October 2023, the Council recommended to the Minister for Industry, Business and Financial Affairs the introduction of a sector-specific systemic risk buffer for exposures to real estate companies at a rate of 7 per cent, effective from 30 June 2024 [\[link\]](#). This is the first time the Council has recommended the activation of a sector-specific systemic risk buffer. This note presents the methodological considerations on how to identify the relevant exposures and the level of the buffer rate should be to address the identified systemic risks in the commercial real estate market. The final outcome of the measure, as presented in the Council's recommendation, is a discretionary decision based on an all-around assessment. The buffer rate is not set mechanically, partly due to the uncertainty of measuring systemic risk. The Council's recommendations on the buffer rate are therefore based on an assessment based on a number of different analyses and other relevant information.

1. Systemic risks must be addressed with macroprudential measures

Macroprudential policy focuses on the overall financial system and its interaction with the economy. The aim is to limit systemic risks in the financial system as a whole. Systemic risks entail that the resilience of individual banks is not in itself sufficient to ensure financial stability.

Systemic risks designate the vulnerabilities or imbalances in the financial system that contribute to increasing the risk of a systemic financial crisis occurring. For a risk to be described as systemic, part of or the entire system is expected to be impacted if the risk materialises. Hence, in a systemic context, focus is on the behaviour of the financial sector overall and its interaction with the real economy.

A negative development in the commercial real estate market can impact the financial system and economic development through several channels.

¹ See press releases following the 41st and 42nd meeting of the Systemic Risk Council [press release after 41st meeting](#) and [press release after 42nd meeting](#).

One key channel is that higher credit risk and losses on existing loans reduce the capacity of credit institutions to offer loans, not just to the commercial real estate segment, but in general. A lower credit supply will lead to lower spending and investment activity and may amplify an economic downturn.

A negative development in the real estate market can quickly spread to the rest of the economy. The real estate sector is a significant part of the Danish economy. Historically, developments in the commercial real estate sector have contributed to an amplification of cyclical fluctuations, for example via their effect on construction activity.

In addition, close links between credit institutions, e.g. in the form of direct loans or loss guarantees (high degree of interconnectedness), increase the potential channels for contagion. A shock can thus impact the system more broadly and quickly, weakening trust in individual institutions. Higher capitalisation of the institutions with the highest risk exposures to commercial real estate makes them more resilient, increasing overall confidence, including among depositors, investors and lenders.

It might have self-reinforcing effects on the real estate market and the financial system when many change their behaviour at the same time. Even if it makes sense for the individual borrower, lender or investor to act in a certain way, such as being more cautious with investments, lending or selling properties, their overall behaviour can have negative consequences for the economy.

Therefore, macroprudential measures focus on the overall financial system and its interaction with the economy – not on the resilience of individual credit institutions, as is the case in microprudential regulation, including microprudential capital requirements and stress tests.

According to the Council's assessment, there are systemic risks in the commercial real estate market given that:

- credit institutions have significant and growing exposures to real estate companies
- higher interest rates and weaker economic activity will negatively impact real estate companies
- real estate companies are exposed to price falls in the commercial real estate market
- the commercial real estate sector has historically contributed to amplification of economic fluctuations. Problems in the commercial real estate market can thus quickly spread to the rest of the economy.

Systemic risks must be addressed with macroprudential measures. As there is a risk of significant loan losses among credit institutions, the most fitting approach is to use macroprudential instruments that increase their capitalisation and thus their loss capacity.

There are two types of capital instrument that can be used to address sector-specific systemic risks.

It is possible to use a sector-specific systemic risk buffer. The objective of a sector-specific systemic risk buffer is to ensure that credit institutions are sufficiently capitalised in the event of a crisis in the commercial real estate market to be able to maintain market confidence and continue to provide the financial services essential to the economy despite losses. The Council finds that a sector-specific systemic risk buffer can be used to effectively address the identified systemic risks.

Furthermore, it is possible to use a risk weight floor to address systemic risks related to a specific loan segment. However, according to the legislation this instrument may only be used if all other options, including a sector-specific systemic risk buffer, have been exhausted or are not effective enough to address the identified systemic risks.

Legal framework for setting a sector-specific systemic risk buffer

According to the European Capital Requirements Directive, CRD V, which was implemented into Danish law in 2021, a systemic risk buffer can be used to address general systemic risks or risks related to a subset of exposures, a so-called sector-specific systemic risk buffer. The buffer can be used to address systemic risks that are not addressed by the countercyclical capital buffer or the O-SII buffer.

In Denmark, the Minister for Industry, Business and Financial Affairs decides on the activation of a sector-specific systemic risk buffer, including its design, i.e. which exposures and institutions the buffer should apply to and the rate to be applied.²

To support a common European framework that ensures mutual principles across member states, the European Banking Authority, EBA, has published guidelines on setting the sector-specific systemic risk buffer, see Box 1. The guidelines include guidance on how authorities can identify systemic risks related to specific exposures and the boundaries to which the buffer can be applied. The guidelines do not provide further advice on how authorities can assess the appropriate level of the buffer rate. Annex 1 provides an overview of countries that have introduced a sector-specific systemic risk buffer.

EBA guidelines for a sectoral systemic risk buffer

Box 1

The EBA published guidelines for setting a sector-specific systemic risk buffer in September 2020.

The EBA guidelines provide advice on what factors authorities can take into account when assessing systemic risks related to a specific segment and thus the need to set a sector-specific systemic risk buffer. The EBA recommends a set of criteria to be used by the relevant authority in the assessment:

- I. **Size of the exposures.** Relevant authorities must consider whether the size of the exposures could give rise to systemic risks, such as significant risk to the financial system or the macroeconomy. Authorities may include information on the size of exposures relative to banking sector assets, risk-weighted exposures, capital levels and the size of the economy. It can also be relevant to include information about the market structure.
- II. **Risk profile of the exposures:** Authorities may consider whether any credit, liquidity or market risk related to the specific exposures is correlated with the size of potential losses on the exposures. The authorities can include developments in historical losses and impairment charges, probabilities of default (PD) and loss given default (LGD). Forward-looking indicators, including losses under different scenarios, can also be included, given the pre-emptive/forward-looking nature of the macroprudential capital buffer requirements.
- III. **Interconnectedness.** Authorities may consider whether other industries, sectors or market segments may be negatively affected if problems arise in the segment targeted by a measure. Considerations of direct and indirect contagion effects can also be included in the assessment of systemic risks.

According to the EBA guidelines, a systemic risk buffer may be limited to one or more sectoral exposures or sub-groups of sectoral exposures. Furthermore, a systemic risk buffer rate may apply to all credit institutions or to one or more groups of institutions.

It can be applied to three broad categories: type of borrower, type of exposure and type of collateral. It is possible to combine the overall categories with three sub-categories defined by economic activity, risk profile and geographical location.

The EBA Guidelines suggest that the identification of subsets of sectoral exposures should take into account that increased complexity and detail may make reciprocity from other countries more difficult.

Source: EBA Guidelines on the appropriate subsets of exposures in the application of SyRB.

² Cf. Consolidated Act 2022-03-29 no. 406 on financial activities, section 125 h

If a sector-specific buffer exceeds 5 per cent or the sum of a sector-specific systemic risk buffer and O-SII buffer exceeds 5 per cent for the relevant exposures, the measure is assessed by the European Systemic Risk Board, ESRB, the European Banking Authority, EBA, and must be approved by the European Commission. The assessment takes into account whether the sectoral systemic risk buffer is effective and proportionate to the identified risks, and addresses them effectively without overlapping with other measures.

A sector-specific systemic risk buffer has a number of advantages

A sector-specific systemic risk buffer is a targeted instrument, as it can be imposed on the exposures that are the source of the identified systemic risks. Institutions with higher exposures to real estate companies will thus have a higher nominal requirement compared to institutions with fewer or no exposures to real estate companies. The size of the nominal requirement will thus vary with the size of the institutions' exposures to real estate companies. This is in contrast to a general systemic risk buffer or a countercyclical capital buffer, which aim to address systemic risks more generally and therefore apply to all of the institution's exposures.³

A sector-specific systemic risk buffer is set as a percentage of the risk-weighted exposures covered. It is thus a risk-sensitive capital requirement that preserves the underlying risk weighting of the exposures. This means that institutions with relatively higher risk-weighted exposures will have a higher nominal capital requirement per krone of exposure.

The recommended sector-specific systemic risk buffer ensures that requirements vary with the size of the risk exposure

The recommended sector-specific systemic risk buffer applies to all institutions regardless of whether the risk weights are determined under the standardised approach or the internal ratings-based (IRB) approach. The risk weights determined by the standardised approach are typically higher than when using internal models. A uniform buffer rate for all institutions means that the design of the measure is simple, while the nominal capital requirement varies with the different risk across the institutions' portfolios, as reflected in the risk weighting, cf. chart 1.

The standardised approach is used especially by small and medium-sized institutions, where risks are typically also higher. A loan with a second mortgage collateralised by residential real estate will generally have a risk weight of 100 per cent under the standardised approach.⁴ For the part of the loan with LTV < 80, a risk weight of 35 per cent can be applied.

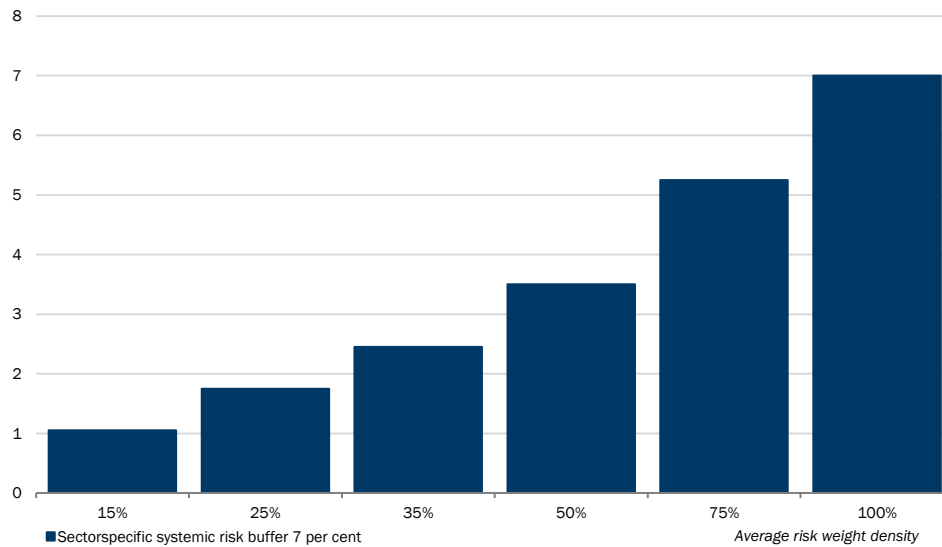
³ A countercyclical capital buffer addresses all credit exposures in the home country.

⁴ For loans secured on commercial real estate, the risk weight is 100; for the part of the loan with a loan-to-value ratio below 60, the risk weight is 50 per cent. For loans secured on residential real estate, the risk weight is 100; for the part of the loan with a loan-to-value ratio below 80, the risk weight is 35 per cent.

A sector-specific systemic risk buffer results in higher nominal capital requirements for exposures with higher risk weights

Chart 1

Capital requirement in DKK, per lent 100 DKK.



Note: Illustrative chart.

In comparison, the risk weight for a residential mortgage loan in the 'Real estate' sector, according to the IRB approach, averages around 15-20 per cent.⁵ There are a number of requirements that must be met in order to use the IRB method, and the estimated risk weights must be documented based on a number of conditions. The nominal capital requirement due to a sectoral systemic risk buffer can thus (depending on the LTV) be significantly higher for the loan under the standardised approach than for the loan under the IRB approach.

2. Basis for defining the relevant exposures

There are two main questions when designing the specific measure:

- Which exposures should the measure cover?
- What should the buffer rate be?

Measures target exposures associated with systemic risks

The identified systemic risks are mainly related to the institutions' exposures to real estate companies.

Real estate companies are companies whose primary source of income is related to owning and renting out properties, whether residential or commercial, and undertaking construction projects with a view to later sale. These companies have caused significant losses for Danish credit institutions and contributed to amplification of the economic downturn during previous crisis periods. They are also particularly sensitive to changes

⁵ Based on special reporting to the Danish FSA.

in the interest rate environment, as their assets, liabilities, income flows and expenses are affected by changes in interest rates.

The activities of co-operative housing associations differ significantly from those of real estate companies as they do not have a commercial purpose, but are owned by their members. Lending to "Co-operative housing associations" has historically not given rise to losses in the same way as property companies. Against this background, the Council has recommended that loans to "Co-operative housing associations" are exempted from the measure.

Loans to "Public housing companies" are typically covered by government guarantees, which is why this part of the loan has a risk weight of 0 per cent. These loans will therefore not be affected by a sector-specific systemic risk buffer. Against this background, the Council has recommended that all loans to "Public housing companies" are exempted from the measure.

The EBA recommends using the top-level NACE industry categorisation, i.e. the most general industry categorisation, to identify the exposures to be covered by the buffer.⁶ This is to avoid a too granular definition of the exposures. However, applying a sector-specific buffer at the highest NACE level would mean that lending to housing co-operatives and non-profit housing associations would also be included in the sector-specific systemic risk buffer.

As risks relate to both new and existing loans, the Council's recommendation is that the measure covers all exposures in the industries mentioned above.

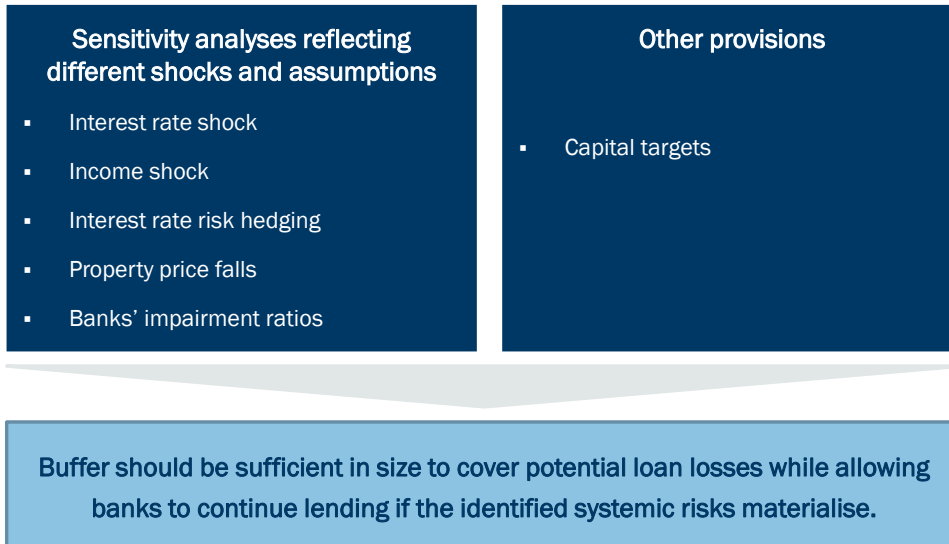
Based on the above considerations, the Council recommended that a sector-specific systemic risk buffer is activated for all institutions with exposures to corporates in the 'Development of building projects' and 'Real estate' sectors, while exposures to 'Social housing companies' and "Cooperative housing societies" in the 'Real estate activities' sector are exempted.

3. Basis for assessing an appropriate level for the buffer rate

As a starting point for setting the rate, the Council looked at a number of sensitivity analyses of the systemic risks for the institutions, see chart 2.

The purpose of sensitivity analyses is to examine the impact of changes in various factors on the debt servicing capacity of real estate companies and the potential losses of the institutions. That makes it possible to look at the effects of, for example, a change in the interest rate environment and a fall in the income flow of real estate companies, which can be combined with different assumptions about the degree of interest rate hedging for variable-rate loans. It is also possible to assess the magnitude of the potential losses under different assumptions of falling commercial real estate prices if the identified systemic risks materialise. It should be noted, that the different sensitivity analyses are not a forecast for the Danish economy. The different sensitivity analyses are just meant to illustrate the impact of different shocks on CRE companies debt service capacity and potential loan losses.

⁶ NACE is a statistical industry code in the EU.



Note: Illustrative chart.

The sensitivity analyses are based on detailed micro-data from several different sources. Accounting data at company level for real estate companies, data from the Danish Credit Register on individual loans, special reports to the Danish Financial Supervisory Authority and the institutions' internal reporting are used.

Sensitivity analyses are used to assess systemic risks and the size of potential losses

The aim of the sensitivity analyses is to assess the magnitude of the institutions' potential losses under a range of different shocks and assumptions.

The starting point is sensitivity analyses of whether real estate companies will have difficulty covering the payments on their loans (and thus at risk of default) with current income flows with different combinations of interest rate shocks, income shocks and interest rate hedging ratios.

The various sensitivity analyses give an impression of how large a proportion of the loan portfolio could potentially be at risk of default (PD) in the event of the various shocks, see chart 3. The analysis disregards companies that already do not have sufficient income to meet their financial obligations, as these risks are to some extent already expected to be managed by the institution. Credit institutions have already made significant write-downs on these loans to cover already expected losses in light of the current macroeconomic environment, but not losses that might occur in case of additional shocks. This tends to underestimate the capital need, as experience shows that there are also increased losses on customers already in distress during a crisis.

Falling prices in the commercial real estate market can also increase the size of potential losses for institutions in the event of loan defaults. Therefore, the analyses consider different possible outcomes for the institutions' loss given default (LGD).

Several different shocks and assumptions are used in the analyses:

- **An interest rate shock** from the level in September 2023, when interest rates had already been rising sharply, affecting the amount of interest paid by property companies, among other things. Sensitivity analyses are performed with an increase in interest rates of up to 2 percentage points.
- **Decline in the earnings of property companies.** Higher interest rates and weaker economic activity can have a negative impact on the finances of real estate companies due to higher vacancy rates and lower rent. The impact of a drop in earnings of up to 20 per cent is therefore assessed.
- **Degree of interest rate hedging.** Sensitivity analyses are performed for different degrees of interest rate hedging. The higher the degree of interest rate hedging, the less a company will initially be affected by higher interest rates. As interest rate hedging contracts expire, and/or need to be renewed, real estate companies will be affected by the higher interest rates and thus experience higher interest expenses.⁷
- **Real estate price drops.** Based on the sensitivity analyses, the potential losses for the institutions are estimated for several different property price drops. A significant part of the loans is already characterised by high loan-to-value ratios. Rising interest rates not only increase the risk of default, but also the risk of higher losses for the credit institution in the event of default. This is because interest rates and general economic activity affect the value of the properties that are pledged as collateral for the loans.
- **Impairment charges.** Based on the sensitivity analyses, the extent to which more companies and thus loans will become distressed if the shocks materialise is identified. Any impairment charges on these additional loans that may be at risk of default given the various shocks are accounted for in the sensitivity analysis.

It should be noted that credit institutions have also made significant write-downs on loans to companies that currently do not have sufficient income to meet their financial obligations. Such impairment charges are meant to cover already expected losses in the current environment, not losses arising from additional shocks. It is therefore not relevant to take them into account in the sensitivity analyses.

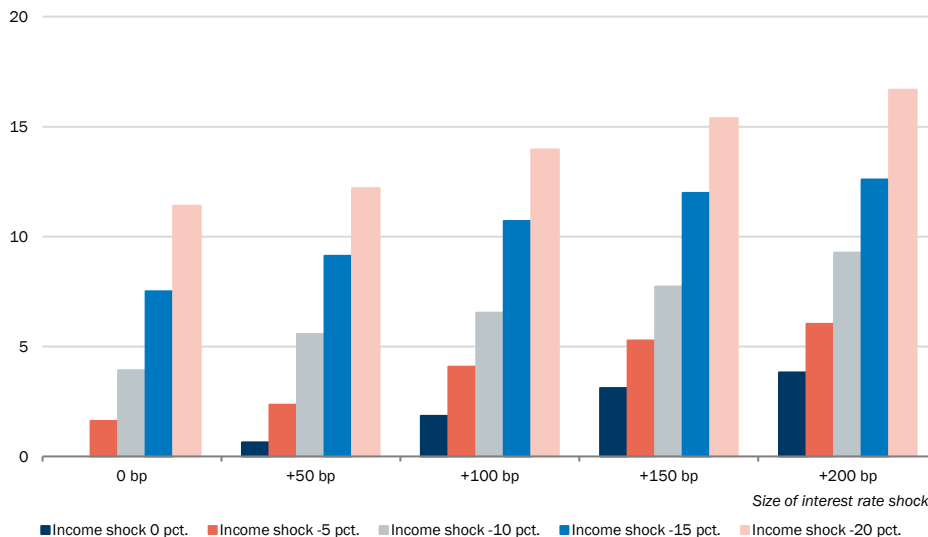
Different combinations of probability of default, loss given default, interest rate hedge ratio, property price decline and level of impairment reflect the identified systemic risks.

⁷ As a starting point, approximately 39 per cent of the loan portfolio will not be affected by the interest rate shock, as the loans are either fixed-rate or have a fixed interest rate in the period from April 2023 to June 2024. In addition, calculations are made assuming that 50-75 per cent of total lending is hedged or has a fixed interest rate.

Different interest rate and income shocks lead to different outcomes

Chart 3

Increase in the share of loans to companies at risk of default



Note: The analysis includes approximately 20,000 real estate companies, i.e. companies in the industries Buying and selling of property (681000), Other letting of dwellings (682030), Letting of commercial real estate (682040). Only the interest rate level for variable-rate loans that are fixed in the period from April 2023 up to and including June 2024 will be affected by the shock. A baseline projection is used, where the interest rate on floating-rate loans is revalued using the current forward rates for F1, F3 and F5 loans. It is assumed that a significant part of the variable rate loans is hedged by the companies. Therefore, random variable loans are deemed not to be interest rate impacted to the extent that a total of 75 per cent of the loans are not interest rate impacted. Companies at risk of default are companies with a debt service ratio below 100.

Source: Danmarks Nationalbank, Credit Registry and Bisnode.

Overall, the assessment is that a scenario with varying degrees of rising interest rates and a fall in property company income, as well as the potentially larger losses due to a fall in market prices, could lead to losses of around 11 to 19 per cent of the risk-weighted exposures covered. There are a number of different combinations of interest rate increases, degree of interest rate hedging, decline in earnings as well as price falls that are reflected in this interval. For example, the potential loss resulting from a combination of interest rate hedging of 75 per cent, an interest rate increase of 50 bp, a decline in earnings of 20 per cent and a medium price drop falls within this interval, as well as a medium degree of interest rate hedging, an interest rate shock of 200 bp, a decline in earnings of 5 per cent and a medium price drop.

Results form the outcome range for the buffer rate

Overall, the various sensitivity analyses, based on different combinations of interest rate shocks, income shocks, interest rate hedging and price falls, form a possible range of outcomes for the buffer rate.

The buffer rate outcome range is estimated as a percentage of the risk-weighted exposures. This makes the rate resilient to the size of the exposures. The size of the nominal capital requirement will change with the size of exposures and their risk weights. This applies to all risk-based capital requirements.

Institutions plan their capitalisation based on a wide range of factors. One of the elements of capital planning by institutions is the size of losses during a severe economic downturn, as reflected in their capital targets. If an institution's risk weights are higher under stress, the nominal size of a sectoral systemic risk buffer requirement will increase when setting the capital target. This is in line with the effect for all other risk-

based capital requirements, including the 8 per cent minimum requirement, the capital conservation buffer and the O-SII buffer.

Provisions in capital targets are taken into account

The purpose of a sector-specific systemic risk buffer is to preserve capital in the credit institutions in order to cover potential losses if systemic risks materialise. In order to avoid the same risks potentially being capitalised twice, the buffer rate takes into account existing provisions which are part of the capital target framework, i.e. capital reservations in excess of the solvency need of institutions and combined capital buffer requirements (apart from the CCyB).

Institutions use stress tests in their capital planning, and thus to determine the capital add-on to the solvency and the combined capital buffer requirements that is part of their capital targets. A general stress scenario may result in losses for institutions' real estate exposures. Therefore, capital reserved in the capital target corresponding to 4 per cent of the relevant risk exposure amount is offset against the potential losses of 11 to 19 per cent.⁸

By taking into account the capital reserved in the capital target, the countercyclical capital buffer is also taken into account, as it is released in stress and thus part of the capital target. Overall, this gives a possible outcome range for the buffer rate of between 7 per cent and 15 per cent.

Other capital requirements are not intended to address systemic risks related to the institutions' commercial real estate exposures

None of the existing capital requirements address the identified systemic risks.

Microprudential requirements, such as the individual solvency add-on (pillar II requirement), must not be used to address systemic risks:

- **Minimum capital requirement (8 per cent):** This is a European minimum requirement that all institutions must meet in order to operate as a bank. The size of the requirement is independent of the institution's portfolio composition.
- **Individual solvency add-on, Pillar II:** The individual solvency add-on is intended to address risks specific to the individual institution. The Pillar II add-on may not be used to address systemic risks.

The existing macroprudential capital buffer requirements need to address other types of systemic risk:

- **Capital conservation buffer:** Should generally ensure that institutions are adequately capitalised. The buffer is not targeted at specific risks. The size of the buffer is the same across all EU countries, and thus independent of the institution's portfolio composition
- **O-SII buffer:** Should generally cover risks related to an institution's size and importance to the economy and financial sector. The size of the buffer is determined based on a number of indicators of the institutions' own systemic risk. Indicators related to the commercial real estate market are not included in the base.
- **Countercyclical capital buffer:** The countercyclical capital buffer aims to address cyclical systemic risks. In the institutions' capital planning and capital target setting, it is assumed that the buffer is released in times of severe stress. Therefore, if capital targets are taken into account, any double coverage of risks is avoided.

⁸ The starting point is a level at the high end of capital adequacy targets for the institutions.

Overall assessment

Overall, the Council's assessment is that the activation of a sector-specific systemic risk buffer of 7 per cent for exposures to real estate companies is necessary to address the systemic risk associated with the commercial real estate market. The rate reflects the systemic risks identified, i.e. the elevated risk that real estate companies might experience problems and default on their loans in a scenario with higher interest rates and falling income as well as potentially higher losses that a price fall in the market may entail.

The size of the buffer rate is further based on the assumption that a significant share of real estate companies uses interest rate hedging for variable rate loans. The level of the buffer rate must be assessed at least every two years based on the development in systemic risks related to the commercial real estate segment and any mitigating capital measures - including, for example, if risk weights increase for technical reasons. The buffer can be released in full or in part if the identified systemic risks materialise or abate.

The purpose of activating a sector-specific systemic risk buffer is to preserve capital in the credit institutions, enabling them to bear any potential losses incurred. This reduces the likelihood that they will be forced to tighten lending. Such a tightening would entail costs for society and the economy, for example by preventing creditworthy households and businesses from obtaining loans.

The European Commission has approved the Danish sector-specific systemic risk buffer

The sector-specific buffer of 7 per cent has been assessed and approved by the European Commission. This follows the European regulation in this area, see Box 1. The Commission's assessment takes into account the assessments of the EBA and the ESRB.

The Commission must assess whether there is sufficient evidence of the existence of systemic risks and whether those risks pose a threat to financial stability and the economy to a degree that justifies the level of the buffer rate. In addition, the Commission must assess whether the measure is effective and proportionate to mitigate the identified risks. Finally, the Commission must assess the expected positive or negative impact of the buffer on the internal market.

The Commission concludes that the systemic risks in the commercial real estate market in Denmark are high and that credit institutions' exposures to it may pose a threat to the financial system and the economy. The Commission points out that past experience inside and outside the EU has shown that risks related to the real estate market can have negative repercussions on the economy if not addressed.

The Commission concludes that the measure is effective as it will increase the resilience of institutions to systemic risks stemming from the activities of real estate companies in the Danish property market. In addition, the measure is effective as it targets the exposures that give rise to systemic risks. The level of the buffer rate balances the need to preserve capital in institutions, given the increased uncertainty, while allowing a quick build-up of capital before risks materialise. The Commission notes that the earnings of institutions in 2023 were sufficiently high to accommodate the increase in the capital requirement while maintaining their management buffers, which ensure that they have sufficient capital to absorb losses in a generally severe macroeconomic stress scenario.

The measure is also considered proportionate as it does not go beyond what is necessary to address the identified risks. The measure results in a higher capital requirement for institutions with riskier portfolios, as reflected in the risk weights.

The Commission notes, that the buffer applies to exposures identified at a more granular level than that recommended by the EBA in its guidelines. The Commission noted that the more granular identification of exposures is justified as it ensures that the identified risks are addressed in a more targeted manner, which increases the effectiveness of the measure. According to the Commission, this outweighs the increased complexity.

The Commission considers that the sectoral systemic risk buffer addresses systemic risks that are not addressed by the countercyclical capital buffer or the SIFI buffer.

Appendix 1: Background information on measures in other countries

Country	Measure	Exposures
Belgium (Link)	sSyRB = 6 per cent	<ul style="list-style-type: none"> Exposures to households secured by mortgages on residential property
France	sSyRB = 3 per cent	<ul style="list-style-type: none"> Exposures to non-financial corporates
Liechtenstein (Link)	sSyRB = 1 per cent	<ul style="list-style-type: none"> Exposures to natural persons with a mortgage on a residential property and legal persons with a mortgage on commercial real estate.
Lithuania (Link)	sSyRB = 2 per cent	<ul style="list-style-type: none"> Retail exposures secured by a residential property
Slovenia (Link)	sSyRB = 1 per cent sSyRB = 0.5	<ul style="list-style-type: none"> Retail exposures secured by a residential property All other exposures to natural persons
Norway (Link)	Risk weight floor = 35 per cent	<ul style="list-style-type: none"> Commercial real estate exposures (CRE)
Norway (Link)	Risk weight floor = 20 per cent	<ul style="list-style-type: none"> Exposures to households with residential mortgages (RRE)
Sweden (Link)	Risk weight floor = 25 per cent.	<ul style="list-style-type: none"> Housing loans for households
Sweden (Link)	Risk weight floor = 35 per cent Risk weight floor = 25 per cent.	<ul style="list-style-type: none"> commercial real estate exposures secured by a commercial real estate mortgage commercial real estate exposures secured by a residential property mortgage