



**THE NATIONAL COMMITTEE  
FOR MACROPRUDENTIAL OVERSIGHT**

**NCMO Recommendation No. R/5/2023  
on the countercyclical capital buffer in Romania**

Having regard to:

- (1) the provisions of Art. 3, para. (2), letter b) and para. (3) of *Law No. 12/2017 on the macroprudential oversight of the national financial system* and the provisions of *NCMO Regulation No. 2/2017 on the methodology and procedures used for setting capital buffers and the scope of these instruments*, as subsequently amended and supplemented, namely Articles 4-9 on the countercyclical capital buffer and Art. 1 on the application of capital buffers,
- (2) the objective of the countercyclical capital buffer (CCyB) to improve the banking sector's resilience to potential losses generated by a cyclical increase in risks. The countercyclical buffer rate, expressed as a percentage of total risk exposure amount of credit institutions with credit exposures in Romania, shall range between 0 percent and 2.5 percent and shall be calibrated in steps of 0.25 percentage points or multiples of 0.25 percentage points. Where justified, a CCyB rate higher than 2.5 percent of total risk exposure amount may be set.

Whereas:

- Banking sector profitability allows for the strengthening of capital reserves – in line with EU best practices and recommendations,
- Liquidity and solvency levels of the banking sector continue to be adequate,
- Global uncertainty remains elevated, *inter alia* in the context of the energy crisis, the war in Ukraine and the conflict in the Middle East,

- Tensions surrounding domestic macroeconomic equilibria persist, also following the regional and international geopolitical developments, as well as the future fiscal and income policy stance, amid further budget consolidation.

Pursuant to:

- the provisions of Art. 3, para. (1) letters b), e) and i) and the provisions of Art. 4, para. (1) of *Law No. 12/2017 on the macroprudential oversight of the national financial system*,

**The National Committee for Macroprudential Oversight has issued this recommendation:**

Art.1 - The National Bank of Romania is recommended to maintain the countercyclical buffer rate at 1 percent.

Art. 2 – The National Bank of Romania is recommended to further monitor developments in the economy and lending, given the multiple sources of uncertainty internationally and in the region.

**MUGUR CONSTANTIN ISĂRESCU**

Chairman