The National Committee for Macroprudential Oversight

Annual Report 2025

Annual Report of the National Committee for Macroprudential Oversight for the year 2025

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Organisation

The National Committee for Macroprudential Oversight (NCMO) comprises:

BANCA NAȚIONALĂ A ROMÂNIEI

The National Bank of Romania. The NBR has an intrinsic role in maintaining financial stability, given its responsibilities arising from its multiple capacity as monetary, prudential, resolution and payment system oversight authority. Financial stability objectives are pursued both by way of its prudential supervision, regulatory and resolution functions exerted on the institutions under its authority, and by the design and efficient transmission of monetary policy measures, as well as by overseeing the smooth functioning of systemically important payment and settlement systems.

AUTORITATEA DE SUPRAVEGHERE FINANCIARĂ

The Financial Supervisory Authority. The FSA contributes to the consolidation of an integrated framework for the functioning and supervision of non-bank financial markets, of the participants and operations on such markets.

The Ministry of Finance. The MF is organised and run as a specialised body of central public administration, with legal status, subordinated to the Government, which implements the strategy and Government Programme in the field of public finance.

Overview

The year 2025 marked the consolidation of the transition to a global economic model dominated by economic security considerations, where strategic autonomy, the reconfiguration of trade and technological competition became key factors behind the financial dynamics and the relations of power. The realignment of global supply chains, the expansion of industrial policies and the proliferation of trade protectionism contributed to the progressive fragmentation of the international economic area, with effects on costs, investment flows and market volatility.

The global economy continued its moderate upturn, with estimates pointing to an approximately 3.3 percent growth, amid significant differences across regions and sectors. Specifically, growth remained robust in advanced economies, especially in the United States, which supported the global advance via sturdy domestic demand and a pace of economic expansion above the developed countries' average level. The European Union reported more modest dynamics, with an economic advance estimated at roughly 1.4 percent, reflecting persistent structural challenges and a prudent investment environment.

In Europe, the strategic autonomy agenda saw some operational progress, underpinned by comprehensive investment programmes spanning military, energy and transport infrastructures, advanced technologies and critical industrial capabilities. In parallel, the digital infrastructure and the AI development have been allocated exceptional volumes of finance, particularly in the US, in an investment environment that was occasionally buoyant. The accelerated pace of capital allocations and the increasing asset valuations in these sectors have raised questions about the sustainability of yields and the risk of imbalances or investment bubbles building up at sectoral level, with a significant spillover potential. Overall, the crossroads between trade fragmentation, strategic autonomy imperatives and the investment boom in infrastructure and emerging technologies redefined the risk transmission channels, with direct implications for financial stability, financing costs and capital flow dynamics. In this context, global gross government debt reached USD 111 trillion, nearing 95 percent of GDP, as 23 states exceeded the 100 percent mark and two countries stood above 200 percent of GDP.

Domestically, the election calendar was at the forefront of the year under review. Episodes of heightened volatility and a more cautious investment stance were manifest around election periods, amid expectations for the future direction and implementation of fiscal and structural policies. In the second half of 2025, the Romanian economy embarked on a comprehensive process of correcting macroeconomic imbalances, with a special focus on the fiscal deficit that had built up to high levels in the previous years. Fiscal consolidation involved both measures to raise budget revenues and interventions in the public spending structure, resulting in a moderation of aggregate demand as of 2025 H2.

The domestic landscape was markedly heterogeneous. On the one hand, the BET benchmark index of the Bucharest Stock Exchange posted an advance twice higher than the European average, successively hitting new historical highs. This reflected, among others, a high liquidity level and a capital surplus in search of new investment opportunities, amid the gradual diversification of the investment base and the consolidation of the local capital market.

On the same positive note, visible progress was made in terms of fixed investment, supported *inter alia* by the EU funds under the National Recovery and Resilience Plan (NRRP). By the end of 2025, Romania had absorbed more than EUR 10 billion through the NRRP, with significant portions of the funds channelled to areas such as transports, building renovation for increasing energy efficiency, and education (jointly accounting for more than half of the amounts raised). Stepping up project implementation in 2026 is essential for consolidating investment as the main driver of economic growth in Romania.

Despite favourable indicators in certain segments of the financial system and of the economy, the uncertainties surrounding the budget consolidation process and the overall macroeconomic context prompted a significant deterioration of consumer confidence. Consequently, the contrast between the performance of some markets and the aggregate economic sentiment highlighted the persistence of an environment marked by prudence and uncertainty, with implications for the consumption, saving and investment behaviour.

Nonetheless, the prudential position of the banking sector in Romania has remained solid, with the main capital adequacy, liquidity and asset quality indicators staying above the European averages, thus consolidating the recent years' positive trend. This robust profile was underpinned *inter alia* by the use and calibration of a broad range of macroprudential instruments, which contribute to strengthening the shock-absorption capacity and containing the build-up of systemic risks.

During 2025, the National Committee for Macroprudential Oversight (NCMO) issued recommendations on the recalibration of capital buffers (i.e. four recommendations following the quarterly analyses on the countercyclical buffer and one based on the annual assessment of the buffer for other systemically important institutions), deciding as follows:

- The applicable countercyclical buffer (CCyB) rate, set at 1 percent as of October 2023, was reconfirmed in each of the four meetings of 2025. With liquidity and profitability indicators of the banking sector remaining at levels above the European averages, this calibration did not affect credit institutions' capacity to finance eligible borrowers (NCMO Recommendation No. R/1/2025, NCMO Recommendation No. R/2/2025, NCMO Recommendation No. R/3/2025 and NCMO Recommendation No. R/5/2025).

- Seven systemically important institutions were identified as of April 2026, the same as in the previous year (NCMO Recommendation No. R/6/2025).

The year under review also saw the approval of *NCMO Recommendation No. R/4/2025 on government credit guarantee programmes*. The wide outreach of national guarantee programmes, introduced as of 2020, has led to the emergence of a significant portfolio of guaranteed loans, tapped by firms irrespective of size, year of establishment, geographical area or business sector. However, in order for their multiplier effect potential to materialise across the economy, future programmes need to be better targeted, in terms of not only the borrowers, but also the financed activities.

The recommendation is based on three main pillars: (i) developing a general framework to serve as best practices for implementing future credit guarantee programmes, (ii) the need for potential credit guarantee programmes to target areas identified as strategic, and (iii) developing alternative financing instruments to help improve access to finance, in areas that are less serviced by traditional finance.

1. The National Committee for Macroprudential Oversight's activity in 2025

1.1. Macroprudential policy framework in Romania and the European Union

The macroprudential toolkit was further effective in 2025 as well, contributing to strengthening financial stability in Romania, in an environment marked by exceptional developments and events.

During its last meeting of 2025, the General Board of the European Systemic Risk Board (ESRB) concluded that the risks to financial stability in the EU remained elevated, particularly following the build-up of financial market vulnerabilities.

Valuations of several riskier asset classes appear stretched and are highly concentrated in a few market segments, the predominant one being the US technology sector. The generally prevalent risk appetite in financial markets does not seem to be fully correlated with the subdued growth outlook in the world's leading economies. Thus, the current optimism of investors could suddenly shift to risk aversion in the event of a rise in global economic or political uncertainty.

The General Board of the ESRB highlighted the vulnerabilities in certain segments of the non-bank financial sector, including opacity, high leverage and liquidity mismatches in private markets and hedge funds. These vulnerabilities may amplify adverse market dynamics through forced asset sales. The General Board of the ESRB also underlined the high degree of interconnectedness between the EU and the rest of the world, which increases the potential for spillovers. Recent developments in crypto markets thus reconfirm the ESRB's concerns.

It should be noted however that the EU financial system showed strong resilience during 2025, as confirmed by the results of the latest EU-wide stress tests.

The General Board of the ESRB indicated that the results of the 2025 Supervisory Review and Evaluation Process confirm high capital and liquidity buffers in the banking sector. Nevertheless, there are signs of credit risk materialising in certain jurisdictions, and the impact of trade tariffs could pass through to bank balance sheets with a lag. The insurance sector remained solid, even though the General Board expressed concerns about recent changes to Solvency II, which had led to less prudent regulatory requirements. Moreover,

the implementation of the Insurance Recovery and Resolution Directive, which is to occur in 2027, is a crucial step in ensuring that functional resolution frameworks are in place in most key sectors.

The agenda of the 2025 meetings of the General Board of the ESRB included, as a matter of priority, the emerging risks posed by digitalisation and the tension-ridden geopolitical environment. The members of the General Board analysed the increasingly strong interconnectedness between crypto-asset markets and the traditional financial system, the vulnerabilities associated with fungible stablecoins issued both in the EU and in third countries, as well as the risks stemming from multi-issuer schemes and multi-function groups operating under lenient regulatory regimes. In response to these risks and vulnerabilities, the ESRB issued Recommendation ESRB/2025/9 on third-country multi-issuer stablecoin schemes.

At the same time, the ESRB assessed the implications of AI usage on financial stability, highlighting that dependencies on a small number of AI providers and the use of similar AI models may generate common exposures and amplify procyclicality. In addition, intensive discussions focused on geopolitical risks, trade tensions included, regional conflicts and increased defence spending, which may impact the growth outlook, the sustainability of public finances and the stability of European financial markets. All these topics featured in reports published on the ESRB website[1,2,3].

As regards capital buffers, the General Board of the ESRB stressed the need to maintain the current levels of resilience of the financial system to be able to absorb different types of shocks.

1.2. Topics discussed during the NCMO meetings

During 2025, the Chairman of the NCMO convened four ordinary meetings of the National Committee for Macroprudential Oversight, which were held at the NBR headquarters on 10 April, 19 June, 9 October and 11 December.

During the four meetings, papers on topics concerning the macroprudential policy and the systemic risk to financial stability in Romania were presented to Board members. These papers were subject to debates and analyses based on which measures were subsequently adopted for NCMO member authorities.

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1 *Report on stablecoins, crypto-investment products and multi-function groups*, ESRB, October 2025.

2 *Artificial intelligence and systemic risk*, Advisory Scientific Committee (ASC) – ESRB, December 2025.

3 *Financial stability risks from geoeconomic fragmentation*, joint ESRB/ECB report, January 2026.

In line with its mandate and complying with the principle of transparency and institutional accountability, the NCMO continued its communication to the public in 2025, by posting on its website press releases after each General Board meeting. The NCMO General Board members discussed, agreed on and approved the contents of these releases during the meetings.

The NCMO General Board meeting of 10 April 2025. The NCMO General Board members met in early 2025 to discuss the recalibration of the countercyclical capital buffer, the draft Annual Report of the National Committee for Macroprudential Oversight for 2024, as well as to assess the appropriateness of reciprocating, based on voluntary recognition, the macroprudential measure taken by Norway. The agenda also included reports on: (i) the systemic risks to financial stability identified by NCMO member authorities as per their specific area of competence, (ii) the actions taken by the addressees in order to implement the recommendations issued by the NCMO in 2024, as well as those issued in the previous period, which were not completed or are applicable on a permanent basis, and (iii) the cybersecurity stress test results for the banking sector in Romania.

The meeting ended with the approval of the following acts:

- NCMO Recommendation No. R/1/2025 on the countercyclical capital buffer in Romania, whereby the National Bank of Romania was recommended to maintain the countercyclical buffer rate at 1 percent, given the general environment marked by global uncertainty, geopolitical risks, but also in the context of tensions surrounding domestic macroeconomic equilibria;

- NCMO Decision No. D/2/2025 on not applying through voluntary reciprocity the macroprudential policy measure adopted by Norway. Given that the eligible exposures of the Romanian banking sector to this country are immaterial, the macroprudential policy measure adopted by the Norwegian authorities, set forth by Recommendation ESRB/2024/7, shall not be reciprocated.

The NCMO General Board meeting of 19 June 2025. On the agenda of the June 2025 meeting were topics concerning macroprudential policy and systemic risk, namely: (i) the regular analysis on the recalibration of the countercyclical capital buffer, (ii) the regular analysis on the systemic risk buffer, (iii) preserving the Republic of Moldova's material third country status for the Romanian banking sector in relation to the recognition and setting of countercyclical buffer rates, (iv) the analysis on the Romanian banking sector's exposures to Sweden, considering the ESRB recommendation on the recognition through voluntary reciprocity of the macroprudential policy measure adopted by this country, and (v) assessing the cross-border effects of macroprudential measures, in the context of submitting the compliance report in relation to Recommendation ESRB/2015/2. In addition, the NCMO General Board was informed of: (i) the systemic risks to financial stability identified by NCMO member authorities as per their specific area of competence, and (ii) the analysis on companies in the defence industry in Romania.

The meeting ended with the approval of the following acts:

- NCMO Recommendation No. R/2/2025 on the countercyclical capital buffer in Romania, whereby the National Bank of Romania was recommended to maintain the countercyclical buffer rate at 1 percent, given the environment marked by uncertainty locally and globally, by geopolitical risks and ongoing negotiations around the global trade architecture;

- NCMO Decision No. D/3/2025 on identifying material third countries for the Romanian banking sector in terms of recognising and setting countercyclical buffer rates, according to which the Republic of Moldova was identified as a material third country for 2025 too.

The NCMO General Board meeting of 9 October 2025. On the agenda of the third meeting of the NCMO were topics concerning macroprudential policy and systemic risk, namely: (i) the regular analysis on the recalibration of the countercyclical capital buffer, (ii) the regular analysis on the identification of systemically important institutions, (iii) the results of the regular analysis on the systemic risk buffer, (iv) the analysis on the Romanian banking sector's exposures to Germany and Norway, considering the ESRB recommendations on the recognition through voluntary reciprocity of the macroprudential policy measures adopted by these countries, and (v) the analysis of the NCMO working group on government credit guarantee programmes. In addition, the NCMO General Board was informed of: (i) the systemic risks to financial stability identified by NCMO member authorities as per their specific area of competence, (ii) the impact of credit institutions' funding plans on the flow of credit to the real economy, and (iii) the solvency stress test results for the banking sector.

During the meeting, Board members adopted the following recommendations and decisions on national macroprudential policy:

- NCMO Recommendation No. R/3/2025 on the countercyclical capital buffer in Romania, whereby the National Bank of Romania was recommended to maintain the countercyclical buffer rate at 1 percent;

- NCMO Recommendation No. R/4/2025 on government credit guarantee programmes, which is addressed to the Government, mainly the Ministry of Finance, as well as line ministries, the National Bank of Romania and the Financial Supervisory Authority, aiming at the regulation, targeting and cautious use of state guarantees and financial instruments granted on behalf and for the account of the government, with a focus on the economic viability of projects, strategic areas, efficient risk sharing, leverage of European funds, transparency, evaluation and monitoring, as well as the regular reassessment of sectoral needs and access to finance, over the 2025-2027 horizon;

- NCMO Decision No. D/4/2025 on not applying through voluntary reciprocity the macroprudential policy measures adopted by Sweden. Given that the eligible exposures of the Romanian banking sector to this country are immaterial, the macroprudential

policy measures adopted by the Swedish authorities, set forth by Recommendation ESRB/2025/5, shall not be reciprocated;

- NCMO Decision No. D/5/2025 on not applying through voluntary reciprocity the macroprudential policy measure adopted by Germany. Given that the eligible exposures of the Romanian banking sector to this country are immaterial, the macroprudential policy measure adopted by the German authorities, set forth by Recommendation ESRB/2025/4, shall not be reciprocated;

- NCMO Decision No. D/6/2025 on not applying through voluntary reciprocity the macroprudential policy measures adopted by Norway. Given that the eligible exposures of the Romanian banking sector to this country are immaterial, the macroprudential policy measures adopted by the Norwegian authorities, set forth by Recommendation ESRB/2025/6, shall not be reciprocated.

The NCMO General Board meeting of 11 December 2025. On the agenda of the NCMO General Board's last meeting in 2025 were topics concerning macroprudential policy and systemic risk, namely: (i) the regular analysis on the recalibration of the countercyclical capital buffer, (ii) the regular analysis on the identification of systemically important institutions, (iii) the analysis on the implementation through voluntary reciprocity of a macroprudential policy measure adopted by Austria. In addition, the NCMO General Board was informed of: (i) the systemic risks to financial stability identified by NCMO member authorities as per their specific area of competence, (ii) the macroprudential measures taken by member states of the European Economic Area (EEA) in 2025, (iii) the vulnerabilities generated by the commercial real estate market, (iv) the developments in foreign currency lending to non-financial corporations, and (v) the economic and financial developments globally.

The meeting ended with the approval of the following acts:

- NCMO Recommendation No. R/5/2025 on the countercyclical capital buffer in Romania, whereby the National Bank of Romania was recommended to keep the countercyclical buffer rate at 1 percent, in a global context marked by high uncertainty;

- NCMO Recommendation No. R/6/2025 on the capital buffer for other systemically important institutions in Romania. Thus, the National Bank of Romania is recommended to implement, starting 1 April 2026, at the highest consolidation level, the new buffer rates resulting from the data reported as at 30 September 2025;

- NCMO Decision No. D/7/2025 for the approval of the Regulation amending and supplementing NCMO Regulation No. 2/2017 on the methodology and procedures used for setting capital buffers and the scope of these instruments;

- NCMO Decision No. D/8/2025 on not applying through voluntary reciprocity the macroprudential policy measure adopted by Austria. Given that the eligible exposures of the Romanian banking sector to this country are immaterial, the macroprudential

policy measure adopted by the Austrian authorities, set forth by Recommendation ESRB/2025/10, shall not be reciprocated.

1.3. The activity of working groups within the NCMO

NCMO Working Group on addressing vulnerabilities stemming from the widening of the agri-food trade deficit. NCMO Decision No. D/4/16 December 2019 set forth the establishment of a Working Group tasked with the identification of possible solutions to mitigate risks stemming from the widening agri-food trade deficit. The Working Group carried out its activity over the course of 2020, the results being presented in detail in the analysis published on the NCMO website.

NCMO Working Group on supporting green finance. It was established according to NCMO Decision No. D/4/14 October 2020, with the aim of identifying possible solutions to support green finance. The Working Group carried out its activity over the course of 2021, the results being presented in detail in the analysis published on the NCMO website.

NCMO Working Group on sustainable increase in financial intermediation. The third NCMO Working Group was established pursuant to NCMO Decision No. D/7/15 December 2021 and was tasked with identifying possible solutions for the sustainable increase in financial intermediation. The Working Group carried out its activity over the course of 2022, the results being presented in detail in the analysis published on the NCMO website.

NCMO Working Group on government credit guarantee programmes. It was established pursuant to NCMO Decision No. D/7/16 December 2024 and was tasked with identifying possible measures to better channel state-guaranteed loans to sectors of strategic importance. The Working Group carried out its activity over the course of 2025, the results being presented in detail in the analysis published on the NCMO website.

The key proposals of the Working Groups' analyses and their implementation are detailed in Chapter 4 of this *Report*.

1.4. Collaboration of NCMO member authorities with the macroprudential authority at EU level

In order to ensure financial stability in the single market and identify the best macroprudential supervisory practices, especially as regards the adoption of effective and efficient measures, the coordination of macroprudential policies and the cooperation between the relevant national and European authorities need to be further developed. To

this end, each NCMO member authority participates in national working groups, such as the NCMO working groups, and in those established by the European Systemic Risk Board (ESRB). Specifically, in 2025, representatives of the National Bank of Romania, the Financial Supervisory Authority and the Ministry of Finance participated in the meetings of the following ESRB working groups:

- The Task Force on the overlap between capital buffers and other minimum requirements for credit institutions became operational at end-2024 and aims to further develop the existing technical toolkit on this topic. It serves as a forum for the exchange of ideas and views between Member States, the ESRB Secretariat and the ECB, on the experience gained in implementing methodologies to assess the extent to which capital buffers can be used.

- The Working Group on institutional and operational framework for macroprudential policy in the European Union began its activity in mid-2025, and the results of its analyses are due to be published in the course of 2026. Its role is to highlight both differences and similarities in the framework for implementing macroprudential policy in European countries, as well as to provide an up-to-date overview of the most relevant findings and recommendations in the literature.

- The joint workstream of the ESRB's Analysis Working Group (AWG) and the ECB's Macroprudential Analysis Group (MPAG) on financial stability risks stemming from global shocks and fragmentation, which carried out its activity throughout 2025, aimed to examine how rising geopolitical risks and heightened uncertainty could affect financial stability across the European Union. The analysis focused on: (1) developing a framework for assessing geopolitical risks to financial stability, (2) identifying a set of suitable indicators for monitoring geopolitical risks and assessing their current levels, (3) evaluating the macro-financial effects of geopolitical shocks, (4) assessing the impact on financial markets and (5) examining the implications for financial institutions (banks and non-banks). The findings were presented in a report published on the ECB and ESRB websites in January 2026.

- The Task Force on Stress Testing (TFST)[4], which carried out its activity over the course of 2025, initiated or completed a number of scenarios that were or are to be used in EU-wide stress tests of financial institutions:

  (i) two alternative adverse scenarios for the 2025 stress test of institutions for occupational retirement provision (IORPs), conducted by EIOPA, which involved heightened geopolitical tensions and intensified trade restrictions and fragmentation, coupled with significant increases or decreases in interest rates;

[4] The TFST brings together experts from national regulatory and supervisory authorities (including the NBR), the European Central Bank (ECB), the European Banking Authority (EBA), the European Insurance and Occupational Pensions Authority (EIOPA) and the European Securities and Markets Authority (ESMA), under the coordination of the European Systemic Risk Board (ESRB).

(ii) the adverse scenario for ESMA's 2025 stress tests of money market funds (MMFs), designed in line with the systemic risk sources the ESRB identified at EU level;

(iii) the adverse scenario for ESMA's 2026 stress test of central counterparties (CCPs), consistent with a highly volatile financial environment.

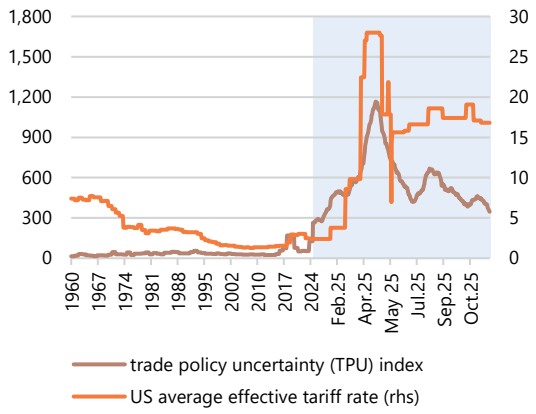
Furthermore, numerous studies and articles relevant to the stress testing of financial institutions were discussed within the TFST. They covered a wide range of topics focused on aligning with best practices and methods used in designing macro-financial scenarios and methodologies for testing the resilience of the European financial system.

2. Overview of the main risks and vulnerabilities to financial stability

2.1. Assessment of risks and vulnerabilities at global level

Risks to financial stability at international level remained elevated throughout 2025. Global trade tensions intensified abruptly in early April, following the US decision to impose tariffs on imports from trading partners and the retaliatory measures taken by other countries. While a rebound in protectionist tendencies was anticipated with the inauguration of the new US administration in early 2025, the size and the broad-based nature of the tariff package announced in early April considerably exceeded expectations. Specifically, the US average effective tariff rate was estimated to reach the highest level in the past century (Chart 2.1). Afterwards, uncertainties decreased to a certain extent, amid the successive revisions of the US trade policy and the conclusion of trade agreements (also with the EU and China), but the global macroeconomic environment was further unpredictable, creating the conditions for the emergence of additional risks to financial stability, especially in economies with a high level of trade openness, such as the EU. These developments overlapped an external environment already saddled with relatively high uncertainties and vulnerabilities, against the backdrop of the cumulative impact of the successive shocks in the previous years and the persistent geopolitical tensions.

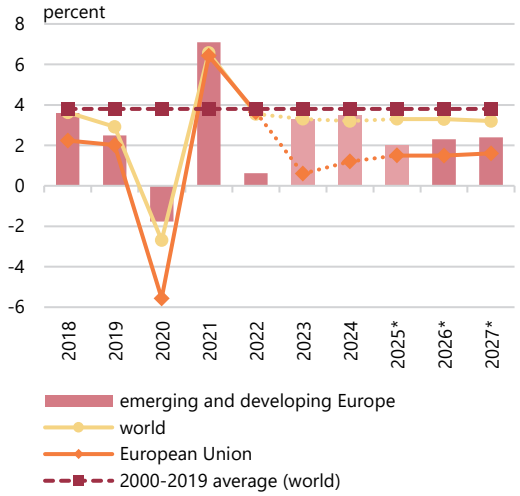
Chart 2.1. Trade policy uncertainty index and US average effective tariff rate*



*) the area highlighted in blue shows the daily movements in indicators during 2025.

Source: Caldara, Iacoviello, Molligo, Prestipino & Raffo (2019), Yale Budget Lab (State of U.S. Tariffs: November 17, 2025)

Chart 2.2. Economic growth worldwide, in the EU and in European emerging countries



Source: IMF (*World Economic Outlook Update*, January 2026)

Nevertheless, global economic activity proved resilient in 2025, as the effects of the expansion in trade protectionism were relatively contained, *inter alia* as a result of the frontloading of imports before the new tariffs were introduced[5]. According to the latest IMF assessments[6], global economic growth remained moderate, around 3.3 percent in annual terms, significant heterogeneities persisting however worldwide. The US economy continued to post relatively robust dynamics, i.e. approximately 2.1 percent, whereas the pace of increase in the EU was slower, i.e. 1.4 percent, also on the back of structural and competitiveness issues. The outlook for global economic growth remains subdued, with a slightly slower rate than the pre-pandemic average (Chart 2.2).

The recent developments have increased the risks to sovereign debt sustainability at international level through both the adverse effects on economic growth prospects and the higher budget spending needs particularly for defence. NATO member countries agreed to progressively enhance the defence spending target to 5 percent of GDP by 2035, which entails a considerable budgetary effort for members with limited fiscal space. Moreover, the EU reviewed its security policy in the new geopolitical context and embarked on a series of measures to strengthen coordination in the field of military procurement and to develop joint defence capabilities, also under a new financial instrument, "Security Action for Europe (SAFE)", whereby EU Member States may take loans at favourable conditions. These developments overlap high public indebtedness worldwide, likely to fuel tensions related to sovereign risk perceptions.

Overall, international financial markets exhibited further robust risk appetite during 2025, nurtured, among others, by the continuation of the monetary policy easing cycle by the major central banks, including the Federal Reserve and the ECB[7]. Capital markets in the US and Europe witnessed positive developments, while for the most part of 2025 corporate bond spreads remained low, close to historical lows, in both investment-grade and high-yield segments. There were nonetheless temporary corrections and heightened volatility episodes, special mention deserving the large fluctuations in April, following the announcements on the imposition of trade tariffs by the US (on the so-called "Liberation Day") (Charts 2.3 and 2.4).

At the same time, equity market developments showed strong heterogeneity across sectors, growth being concentrated in tech companies to a significant extent, amid the optimistic expectations on the development and uptake of AI-based technologies. This resulted in a higher concentration of stock market indices particularly in the US, making it more likely that a reassessment of the tech sector's growth outlook will lead to disproportionate price corrections on the capital market as a whole[8]. Thus, the risk of sudden price adjustments in

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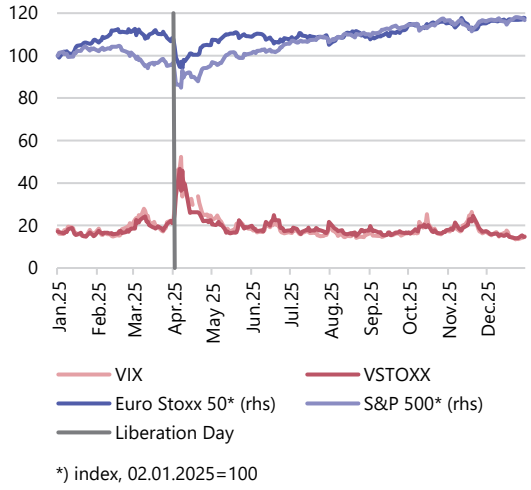
5 IMF (*World Economic Outlook*, October 2025).

6 IMF (*World Economic Outlook Update*, January 2026).

7 Throughout 2025, the Fed cut the policy rate by 25 basis points in each of its September, October and December meetings, while the ECB lowered the key interest rates by 25 basis points in each of its January, March, April and June meetings.

8 For further details, see, for instance, IMF, *Global Financial Stability Report*, October 2025, ECB, *Financial Stability Review*, November 2025, and *BIS Quarterly Review*, December 2025.

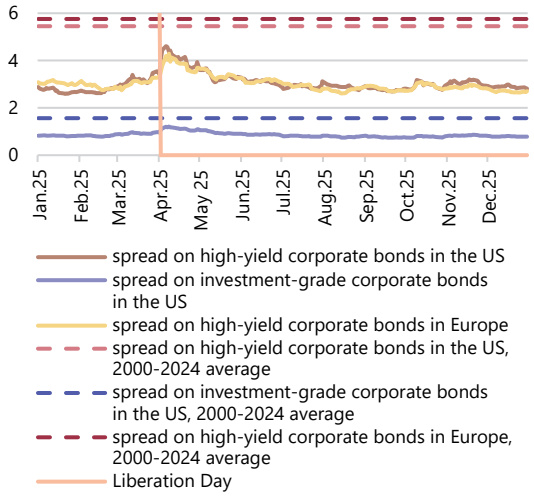
Chart 2.3. Equity market and implied volatility indices in the US and Europe



*) index, 02.01.2025=100

Source: Refinitiv, CBOE, FRED, NBR calculations

Chart 2.4. Corporate bond spreads in the US and Europe



Source: FRED, NBR calculations

global financial markets remains significant, given, on the one hand, investors' optimistic expectations and the high asset valuations in some segments of capital markets, and, on the other hand, the current macroeconomic and geopolitical environment.

2.2. Main challenges at national level

Domestically, risks to financial stability remained elevated also in 2025, reflecting the fragility manifest at national and European level. Geopolitical uncertainties and the unpredictable trade policies further shaped a volatile environment, likely to have disruptive effects on the economy and financial markets. The main severe systemic risks concern: (i) global uncertainties amid multiple geopolitical events and (ii) the worsening of domestic macroeconomic equilibria, both with a steady outlook in the period ahead. Adding to these are moderate risks such as the default risk for loans to the private sector and challenges to cyber security and financial innovation, for which the outlook is to intensify over the period ahead.

Cyclical and structural vulnerabilities are closely interconnected, tending to fuel one another in times of macroeconomic stress. The main vulnerabilities that persisted in 2025 were: (i) weak payment discipline in the economy and vulnerabilities in companies' balance sheets, (ii) low financial intermediation, (iii) the demographic problem and the skilled labour shortage, and (iv) climate change. From the macroprudential policy perspective, these vulnerabilities are interdependent, underscoring the importance of coherent measures to prevent the build-up of cyclical risks and, at the same time, to correct structural rigidities and fragilities. Against this background, the effectiveness of macroprudential policy is conditional on its close coordination with other economic policies, chiefly fiscal, structural and climate transition policies, with a view to strengthening financial system resilience over the medium and long run.

Domestic economic growth was further subdued, with real GDP advancing by 0.7 percent in 2025 versus the preceding year[9]. Following relatively robust developments in recent years, household consumption moderated, as the growth rate of average real net wage earnings embarked on a downward path in early 2025, also amid a still high annual inflation rate. Looking ahead, economic expansion is expected to remain moderate, with real GDP growth estimated at 1.1 percent and 2.1 percent in 2026 and 2027 respectively (according to the European Commission's Autumn 2025 Economic Forecast), in a context where the effects of fiscal consolidation measures are seen to put further pressure on private consumption, especially during 2026. In 2026, economic activity is foreseen to be supported to a greater extent by the pick-up in gross fixed capital formation, also amid the larger use of EU funds, as well as by the stronger contribution of net exports, given the slower dynamics of imports.

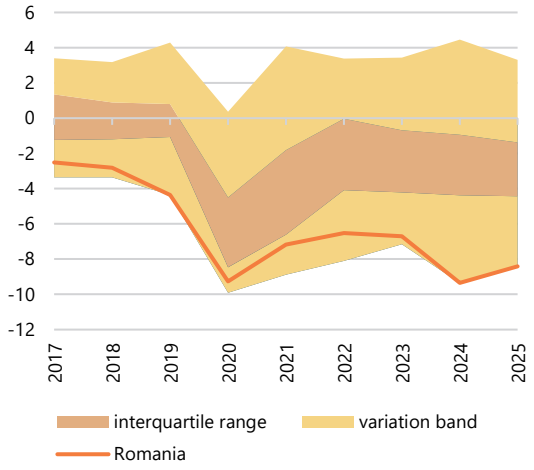
Under these conditions, the absorption and use of EU funds are essential both in the short term, for partly counterbalancing the contractionary effects of budget consolidation and global geo-economic fragmentation, and in the medium and long term, for enhancing the growth potential and strengthening the resilience of Romania's economy, *inter alia* by carrying out structural reforms. The European Commission approved in November 2025 the revision of the NRRP allocations to Romania, given the country's failure to achieve some of the objectives undertaken and the constraints associated with the achievement of certain targets and milestones by the end of the programme, by removing the projects "most at risk of not being completed", switching some investments from the loan component to the grant component, and making additional cost-related changes. Following the revision, the total amount was lowered to EUR 21.41 billion (from EUR 28.5 billion originally), with grants remaining at approximately EUR 13.57 billion and loans falling to EUR 7.84 billion. While the absorption and use of NRRP funds have remained rather low so far, hastening the implementation of the necessary reforms remains a national priority, with the aim of capitalising on the available resources until the programme expires in August 2026.

Elevated twin deficits remained among the major risk factors for financial stability domestically. According to the latest EC assessments, Romania recorded in 2025 as well the largest deficits (fiscal and current account) at EU level (Charts 2.5 and 2.6). The (cash-based) budget execution for 2025 resulted in a 7.65 percent deficit-to-GDP ratio, down about 1 percentage point from the same year-earlier period and below the 8.4 percent target set in the September budget revision. Budget revenues added 15.3 percent in annual terms to lei 662.7 billion (about 35 percent of GDP), their dynamics being supported by both current income, especially wage and personal income taxes, receipts from social security contributions and VAT, as well as by larger disbursements from EU funds towards end-2025, including those under the NRRP, amid the change in the financing structure following the revision of the NRRP allocations in autumn[10]. General government expenditure posted a

[9] For further details, see NIS Press Release No. 54/6 March 2026

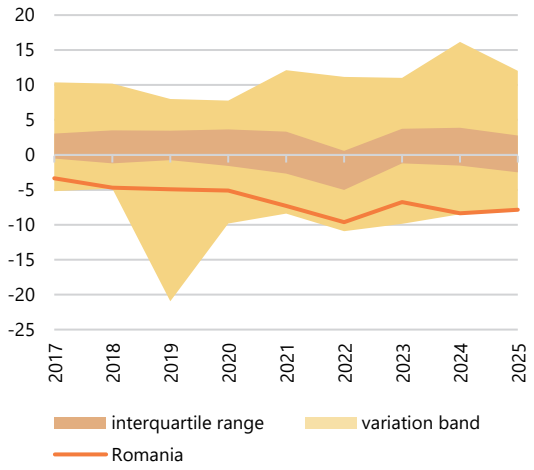
[10] Following the Council Implementing Decision of 17 November 2025 amending the Decision of 29 October 2021 approving the assessment of the National Recovery and Resilience Plan. For further details, see the Ministry of Finance's *Report on general government budget execution*, December 2025.

Chart 2.5. Budget balance in Romania and other EU Member States



Source: European Commission, European Economic Forecast Autumn 2025

Chart 2.6. Current account in Romania and other EU Member States



Source: European Commission, European Economic Forecast Autumn 2025

more modest rise of 11.2 percent, mainly driven by larger spending on social security, on projects financed from non-repayable external funds, as well as by higher interest expenditure, the latter exceeding by more than a third the previous year's reading.

Against this background, the public debt-to-GDP ratio remained on the steep upward path it had embarked on during the pandemic, reaching 59.3 percent in 2025 Q4, based on ESA methodology (up 4.5 percentage points year on year) and staying below the EU average, albeit close to the 60 percent threshold set forth in the Maastricht Treaty. In the period ahead, it is expected to stay on an upward trend, while the budget deficit is seen narrowing gradually over the coming years, in line with the excessive deficit procedure commitments, given the new (revised) EU economic governance framework and the National Medium-Term Fiscal-Structural Plan agreed with the European Commission. However, the future evolution of the deficit is still saddled with significant uncertainties. Thus, fiscal consolidation remains essential to ensure a sustainable path of public debt, as well as to prevent investor confidence from eroding, which might put pressure on the sovereign risk premium, the volatility of capital flows and exchange rate, and, implicitly, on overall financial stability, also given the large holdings of government securities by banks, pension funds and insurance companies.

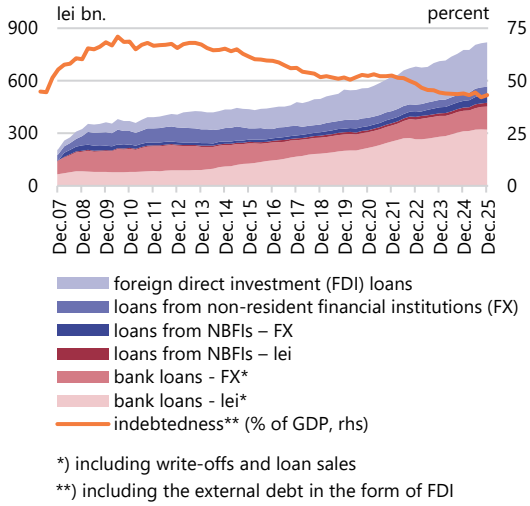
The ongoing fiscal consolidation is expected to help alleviate pressures on the external imbalance. In 2025, the current account deficit amounted to EUR 30.1 billion, up by approximately 4.4 percent year on year, chiefly on the back of the worsening of the primary and secondary income balances, given that the deficit on trade in goods narrowed slightly (by approximately 1.9 percent year on year) and the trade in services surplus widened. Under the circumstances, in 2025, Romania's net international investment position continued to deteriorate, staying below the 35 percent-of-GDP threshold set by the European Commission[11].

[11] Macroeconomic imbalance procedure scoreboard

Moreover, external debt rose to lei 227.3 billion at end-2025, up 11.7 percent against end-2024. The breakdown shows that these dynamics were mainly driven by the increase in long-term external debt, whereas the short-term external debt posted a more moderate advance, being more than 100 percent covered by the NBR's foreign exchange reserves (end-2025), which points to a further relatively low short-term refinancing risk. However, the increase in external indebtedness and the persistence of high twin deficits call for enhanced monitoring of capital flow dynamics, as well as close coordination of policies to ensure a coherent, credible and predictable framework conducive to mitigating external vulnerabilities, especially in view of trade and geopolitical tensions worldwide.

Total real sector debt rose further, adding 5.6 percent in annual terms in December 2025 to lei 819.4 billion (Chart 2.7). More than half of it is financed by banks (51 percent, December 2025), while approximately 31 percent is non-financial external debt such as intercompany loans. Bank lending expanded at an annual pace of 5.8 percent (December 2025), especially on account of household loans (8.3 percent versus 3.5 percent for loans to non-financial corporations). NBFI loans posted swifter annual dynamics, i.e. 15.8 percent, but accounted for only 8 percent of total real sector indebtedness (+0.7 percentage points from December 2024).

Chart 2.7. Private sector indebtedness by type of lender and currency



*) including write-offs and loan sales
**) including the external debt in the form of FDI

Source: NBR, NIS, NBR calculations

Although at end-2024 the growth of real sector indebtedness in foreign currency had slowed down (3.9 percent in annual terms), in 2025 foreign currency financing stepped up, exceeding the dynamics of leu-denominated loans (10.8 percent versus 4.2 percent in December 2025). This evolution stems mainly from the increase in foreign currency loans granted by banks (18.3 percent, December 2025) and NBFIs (11.6 percent, December 2025) to non-financial corporations. Specifically, corporate debt to banks is 50.8 percent (December 2025) denominated in foreign currency, whereas in the case of bank loans to households, the share of foreign currency-denominated loans runs at 7.4 percent and continues to shrink, as a result of the NBR's borrower-based macroprudential measures, differentiated by currency.

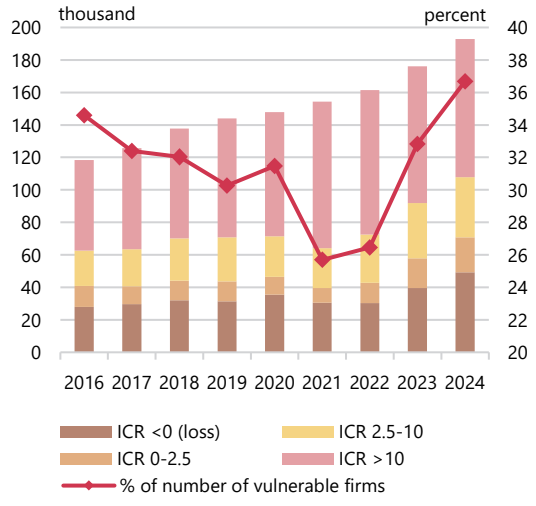
In the course of 2025, credit institutions reported the net tightening of credit standards for loans to both non-financial corporations and households. The conditions eased in 2025 Q1 for loans for house and land purchase, ahead of gradually tightening over the following quarters, owing to the outlook for the general economic activity, with credit standards remaining unchanged at the end of the year.

Low financial intermediation is a persistent structural vulnerability of Romania's economy, with systemic implications for the economy's capacity to efficiently raise and allocate the

financial resources needed to support productive investment and sustainable growth. Romania further ranks last among EU Member States in terms of bank assets-to-GDP ratio, i.e. 49.3 percent in 2025 Q3, well below the EU average of 210.2 percent. This gap highlights not only a relative underdevelopment of the financial sector, but also a limited capacity to support the real sector, with wider differences as compared to those recorded by regional peer economies, such as Poland (93 percent), Bulgaria (96.6 percent) and Hungary (110.5 percent). The low degree of financial intermediation is also closely correlated with a modest level of financial inclusion, which affects disproportionately the vulnerable categories, i.e. low-income individuals, with lower education or living in rural areas. Although in recent years there has been gradual progress in increasing access to financial services (71 percent of the population aged over 15 had an account at a bank or a similar financial institution in 2024, up from 69 percent in 2021), Romania still stands below the European average in terms of financial inclusion (71 percent versus the EU average of 94 percent), with persistent significant structural gaps among various socio-demographic groups. These disparities exclude a relevant part of the population from the formal economic circuit, reduce the saving and investment capacity, and amplify the risks of social and financial exclusion, weighing on the long-term growth potential.

In 2024, non-financial corporations in Romania faced significant challenges arising mainly from the increase in costs, especially staff costs, whereas turnover grew more moderately. Against this background, the financial health measure, although staying outside the risk area, worsened slightly, irrespective of the company size. The sectoral analysis shows that agriculture and real estate, as well as utilities, remain in the risk area. Firms' funding model continues to be an important vulnerability, as trade debt accounts for a large share of liabilities (17 percent) and is the main source of funding after equity, despite being costlier and riskier than bank financing. Loan-based financing by local financial institutions (banks and NBFIs) further holds a small share, i.e. 8.8 percent of liabilities, similar to that recorded in 2023. Firms' capacity to cover their interest expenses deteriorated, as the ICR (Interest Coverage Ratio, EBIT/interest expenses) fell to 602 percent, while the share of vulnerable firms rose to 37 percent (Chart 2.8), with high values being reported in segments, such as utilities and real estate (51 percent and 49 percent respectively).

Chart 2.8. Distribution of the number of firms by interest coverage ratio (ICR)



Source: MF, NBR calculations

Capital shortfalls of local firms widened in 2024, with 282.1 thousand or 32.6 percent of total active firms having equity below the regulatory threshold. The recapitalisation needs resumed an upward path in 2022, being estimated at lei 160.5 billion in 2024 (up 9.2 percent against 2023), the equivalent of more than 9 percent of GDP. Even though these firms play a relatively marginal part in the economy, making a 7.1 percent contribution to gross value added, undercapitalised

companies pose high risks, holding 27 percent of non-financial corporations' debt (lei 412 billion). These vulnerabilities could be mitigated by measures on the activity of firms in Romania[12], including the increase in and the differentiation of capital requirements based on turnover, the obligation to have a payment account opened in Romania, stricter regulations on inactive firms and their winding-up, limitation of deductibility of expenses with affiliates and the selling of equity conditional on the payment of overdue tax obligations.

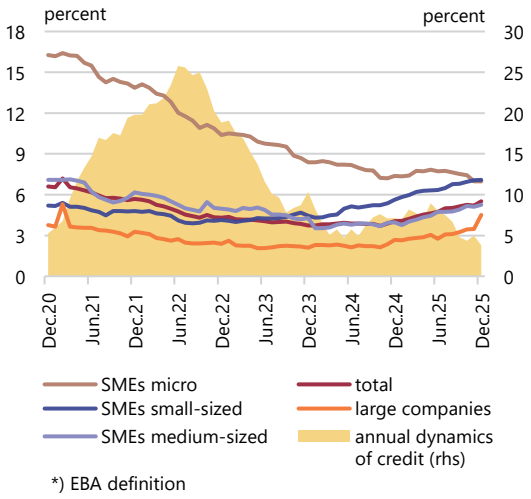
The annual growth rate of bank loans to non-financial corporations slowed down further in 2025 to 3.8 percent (December 2025) against 7.1 percent in 2024, 10.3 percent in 2023 and 18.8 percent in 2022. The dynamics of new loans re-entered positive territory in March 2025 (12-month cumulative flows), accelerating to 16.7 percent in November 2024 – December 2025 versus the same year-earlier period. The debt servicing capacity of non-financial corporations continued its worsening trend that started at end-2024, the non-performing loan ratio reaching 5.5 percent in December 2025 (+1.5 percentage points annually, Chart 2.9). Credit risk continues to be higher for certain loan segments, namely loans to SMEs (6 percent versus 4.5 percent for large companies, December 2025), especially those to micro- and small-sized SMEs (7 percent each), exposures to the commercial real estate sector (6.2 percent) and government-backed loans (9.9 percent, December 2025). Another loan category requiring closer monitoring is that of foreign currency loans to non-financial corporations. In terms of volume, these loans account for half of banks' corporate loan portfolio and, although this portfolio presently posts a better performance than that in domestic currency (NPL ratio of 4.1 percent versus 7 percent for leu-denominated loans, December 2025), only a small share of these companies' exposures are hedged against currency risk.

The household sector is in the low-risk area in terms of vulnerabilities, being characterised by a robust financial situation and high resilience. This was underpinned by the improvement in debt servicing capacity and the sustainable level of indebtedness, also as a result of the NBR's borrower-based macroprudential measures. However, vulnerabilities can be amplified in the period ahead by the slower increase or even the decline in real disposable income, amid high inflation and as a result of fiscal measures, as well as by the modest developments in economic activity. A factor that can reduce the impact of some potential negative shocks on income or general economic conditions is the increase in net wealth, which helps strengthen the resilience of the household sector.

The decline in households' appetite for consumption, stemming from the erosion of purchasing power, amid the fiscal consolidation measures adopted by the authorities, reflected in the slower dynamics of new loans. Against this backdrop, the annual growth rate of new consumer loans granted by banks to households moderated significantly, going down to 4.6 percent in December 2025 (based on 12-month cumulative flows), compared to over 50 percent in the latter part of 2024. This was due to the worsening consumer

[12] Law No. 239 of 15 December 2025 establishing measures for the recovery and efficient use of public resources, as well as amending and supplementing some legal acts

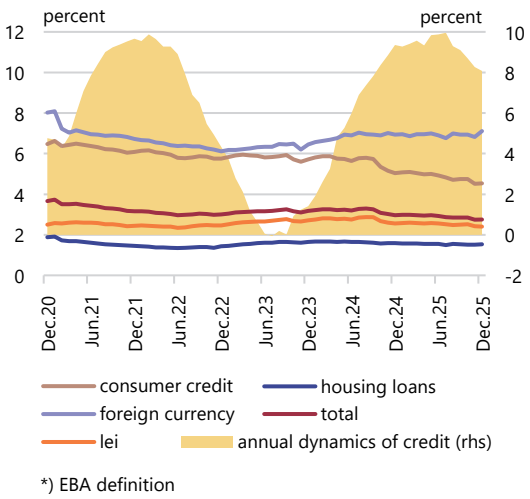
Chart 2.9. NPL ratio* of non-financial corporations by size



*) EBA definition

Source: NBR

Chart 2.10. NPL ratio* of households by loan type and currency



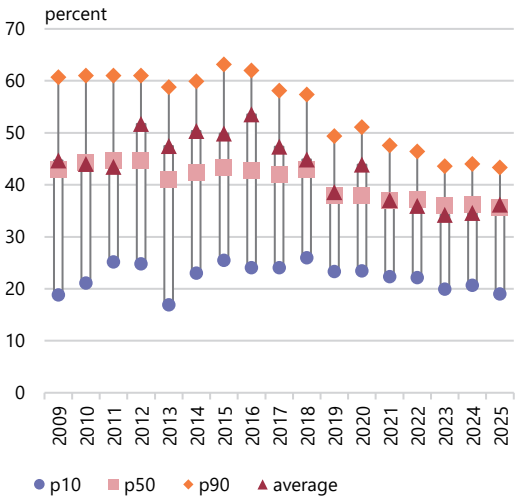
*) EBA definition

Source: NBR

confidence and the decline in real net wage dynamics. At the same time, new housing loans continued to expand, albeit at a slower pace, yet the dynamics remained above those of consumer credit (10.3 percent in December 2025, based on 12-month cumulative flows). The favourable performance of housing loans was supported by the pick-up in real estate transactions at mid-year, in anticipation of VAT rate change applicable to new houses starting August 2025.

The debt servicing capacity of households continued to improve in 2025, the NPL ratio reaching 2.76 percent in December 2025 (Chart 2.10). The favourable contribution came mainly from consumer credit, whose NPL ratio declined from 5.7 percent at end-2023 and 5 percent at end-2024 to 4.5 percent in December 2025. This was driven by several incidental factors, including the concentration of a large volume of new consumer loans, an average period of over 3 years before becoming non-performing and the consolidation of the banking system, which led to an increase in sold consumer loans. The quality of housing loans is further adequate, with an NPL ratio of 1.5 percent. Although the interest rate risk decreased markedly, as only 34 percent of housing loans and 7 percent of consumer credit have a variable interest rate over the entire term of the loan, a large part of housing loans (42 percent, December 2025) have an initial rate fixation period between 1 and 5 years. These loans require close monitoring once the rates have been recalculated in line with market conditions after the fixation period ends.

Chart 2.11. DSTI-O distribution by percentile, by origination year



Source: NBR

The borrower-based macroprudential measures implemented by the National Bank of Romania proved effective and helped enhance households'

resilience to successive shocks, such as the COVID-19 pandemic, the global economic, trade and geopolitical turmoil, as well as the high inflation episode and the recent fiscal adjustments. As a result, the median debt service-to-income at origination gradually fell to 35.7 percent for the loans granted in 2025 (Chart 2.11). This trend also mirrors the smaller share of loans granted with a DSTI higher than 40 percent, from 67 percent in December 2018 (prior to introducing the cap) to below 29 percent at end-2025.

Residential property prices grew at a brisker tempo in 2025 Q4 (6.7 percent versus 4.7 percent at mid-2025). These changes place Romania above the averages for the EU (5.5 percent) and the euro area (5.1 percent), but below the levels recorded by its regional peers (Hungary: 21.2 percent, Bulgaria: 14.5 percent, Czechia: 8.5 percent), except for Poland (4.3 percent). In real terms, house price dynamics remain in negative territory, amid elevated inflation, with Romania posting the third-largest decline (-2.6 percent), after Finland (-4.3 percent) and Luxembourg (-3.1 percent). Despite a significant advance in July 2025 (+17 percent in annual terms), the number of real estate transactions shrank in 2025 (-5.4 percent year on year), under the impact of the fiscal changes that became effective as of August, namely the hike in the standard VAT rate from 19 percent to 21 percent and the removal of the tax break concerning the reduced VAT rate on real estate transactions made by first-time buyers. The banking sector's exposure to the residential real estate market remained significant, 62 percent (December 2025) of the household loan portfolio being secured by mortgages on residential property. In the event of adverse market conditions, the loan-to-value (LTV) ratio plays a key role in mitigating the risks associated with housing loans. As a result of the borrower-based macroprudential measures implemented by the NBR, the median LTV ratio for new loans stood at 72 percent (December 2025), from over 95 percent ten years ago.

Even though investment activity in the commercial real estate market showed resilience in 2025 H1, as investment volume neared EUR 390 million, in 2025 Q3 the total volume of transactions amounted to merely EUR 31 million, posting one of the lowest levels in recent years[13]. Thus, in 2025 Q1-Q3, the investment volume stood at EUR 423 million, down 35 percent versus the same year-earlier period. The sluggish activity points to the increasingly selective nature of the market and the increased dependence on local capital, given the reduced presence of institutional and international investors. In 2025 as a whole, the investment volume totalled EUR 532 million, down 27 percent in annual terms[14]. The banking sector's exposure to the commercial real estate sector, i.e. commercial real estate loans (CRE loans) remained significant, around 53 percent of the corporate portfolio being direct exposures (to the construction and real estate sectors) or indirect exposures (non-financial corporations' loans secured by real estate) to the commercial real estate market. The quality of CRE loans is lower than that of the total loan portfolio to non-financial corporations and is slightly worsening (+1.4 percentage points in annual terms, December 2025), reflecting the developments seen at aggregate level (NPL ratio of 6.2 percent versus 5.5 percent for the entire portfolio, December 2025). The breakdown

[13] *CBRE, Romania Real Estate Investment Volumes Q3 2025*

[14] *Avison Young Real estate market overview 2025*

shows that the non-performing loan ratio is higher for indirect exposures, standing at 7.7 percent (+2.5 percentage points in annual terms, December 2025) versus 4 percent for direct exposures to construction and real estate sectors. A relevant indicator for monitoring the risks from the commercial real estate market is the loan-to-value (LTV) ratio. Approximately 31 percent (December 2025) of CRE loans for which the LTV ratio was reported (Treasury loans excluded) have an LTV ratio above 100 percent and a higher NPL ratio (8.4 percent versus 3.6 percent for loans with an LTV ratio below 100 percent). The National Bank of Romania monitors on a continuous basis the developments in and risks from the real estate sector, in line with the recommendations of the European Systemic Risk Board (ESRB), to ensure the early identification of potential vulnerabilities and implement the adequate measures for reducing them.

2.2.1. Banking sector

Banking sector

Romania's banking sector proved further robust throughout 2025, maintaining its capacity to manage potential shocks stemming from domestic macroeconomic imbalances, in an environment marked by high uncertainty, including from a geopolitical perspective. This is also supported by the recent results of the solvency stress test for credit institutions. The adequate levels of the main prudential indicators continue to ensure an increased loss absorbing capacity associated with traditional financial risks or with potential financial shocks. Nevertheless, the fast evolution of emerging threats – such as cyber risk, climate risk, etc. – calls for the continued improvement in risk assessment and management methods.

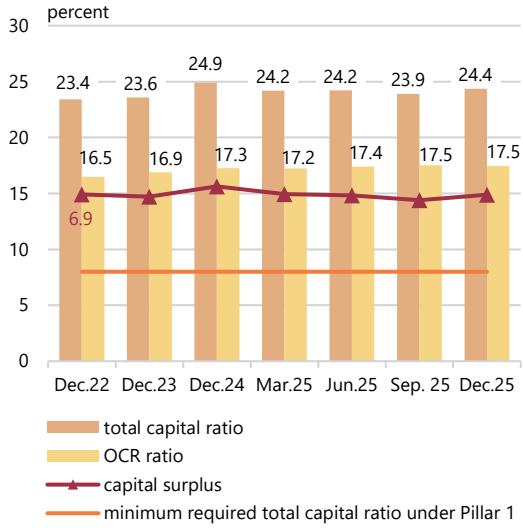
Looking at the financial soundness indicators, the local banking sector falls within the low-risk buckets in terms of solvency (total capital ratio: 24.4 percent, December 2025), asset quality (NPL ratio: 2.7 percent and NPL coverage by provisions: 62.6 percent, December 2025), liquidity (liquidity coverage ratio – LCR: 257 percent and net stable funding ratio – NSFR: 193.9 percent, December 2025), profitability (return on assets – ROA: 1.7 percent and return on equity – ROE: 17.6 percent, December 2025), as well as of operational efficiency (cost-to-income ratio: 48.9 percent, December 2025).

Throughout 2025, the local banking sector was characterised by adequate solvency levels, which stayed above both the EU average and the applicable overall capital requirements. The entry into effect of the CRR III/CRD VI legislative package as of January 2025 had a moderate impact on capital requirements for credit risk, leading to a mild increase in risk-weighted assets by portfolio under the standardised approach (see Box A). Specifically, the total capital ratio posted a marginal decline in the first months of 2025, stabilising at around 24.4 percent at end-2025 (slightly on the wane compared to 24.9 percent at end-2024) (Chart 2.12). The robust performance of the banking sector in terms of profitability over the past few years underpinned a steady rise in own funds, due to the partial retention of the profit (*inter alia* to ensure compliance with the minimum requirement for own funds and eligible liabilities). More recently, the growth rate of the total capital ratio exceeded

that of risk-weighted assets, given the low overall risk ratio, on account of credit institutions' preference for government securities, retail loans, and government-backed loans. However, the legislative changes introduced by the CRR III/CRD VI package led to a small increase in the overall risk ratio throughout 2025, up to 29.4 percent in September 2025. Subsequently, at end-2025, the ratio decreased somewhat to 27.8 percent (standing slightly above the 27.4 percent reading at end-2024).

The results of the latest solvency stress test, covering the 2025-2027 period, confirm the resilience of the banking sector. This is attributable both to the high level of capital reserves available at the beginning of the period under review – ensuring substantial room for the absorption of severe shocks –, and to robust operational efficiency, especially among large banks, which have a good profit-making capacity even in a challenging macroeconomic environment. A low number of small-sized banks might record capital shortfalls in the adverse scenario, but these results are unlikely to generate systemic risks.

Chart 2.12. Total capital ratio



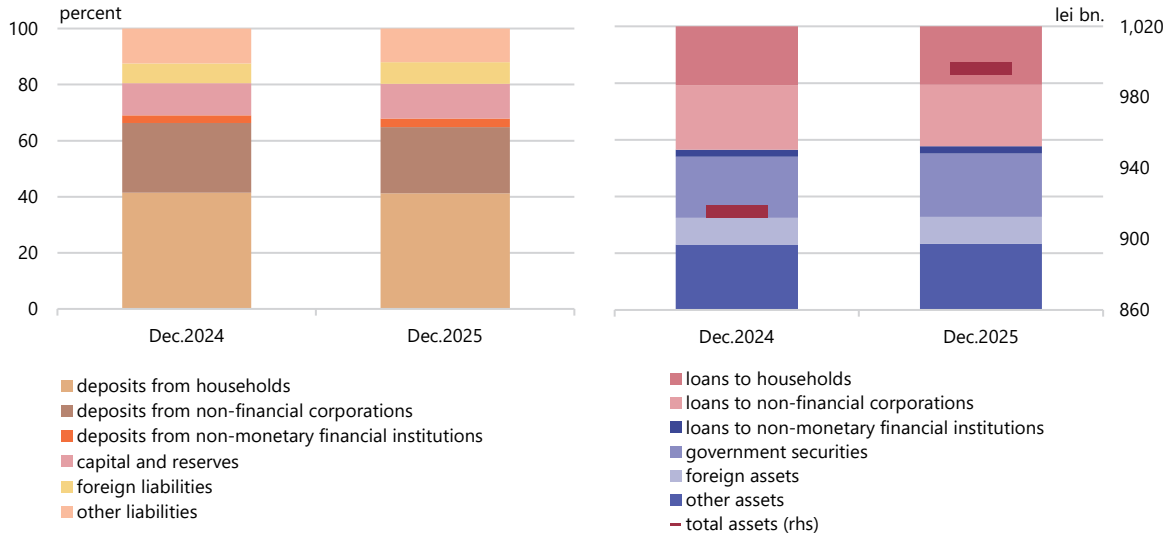
Source: NBR calculations

The profitability of the Romanian banking sector remained robust throughout 2025, the aggregate net profit of credit institutions reaching approximately lei 15.5 billion, amid improved operational efficiency and further banking sector consolidation. The ROA stood at 1.7 percent (similarly to the previous year), whereas the ROE dropped to 17.6 percent (from 18.4 percent in 2024), both indicators staying above the EU averages. The market share of loss-making banks at end-2025 increased from 0.3 percent to 1.4 percent, with foreign bank branches posting greater losses.

The annual dynamics of operating income were faster (6.9 percent, December 2025) than those of operating expenses (4.9 percent), given the relatively unchanged staff costs (+0.2 percent) and the hike in the tax on banks' turnover from 2 percent to 4 percent as of 1 July 2025 for credit institutions with a market share of over 0.2 percent. The total tax on banks' turnover is estimated to generate lei 2.1 billion in 2025[15]. The sector's profitability was primarily supported by net interest income (annual increase of 3.3 percent) – the main component of operating income, net fee and commission income (+14.6 percent), and exchange rate differences (+32.6 percent). Administrative expenses, which include the tax on banks' turnover, posted a slower increase (+11.6 percent) compared to the previous year. On the other hand, losses from impairment of financial assets not measured at fair value through profit or loss went up significantly (+51.9 percent), which was associated with

[15] The amount of the tax on banks' turnover was estimated based on the credit institution's market share in December 2024 and the turnover in 2025.

Chart 2.13. Main assets and liabilities in credit institutions' balance sheet



Source: NBR calculations

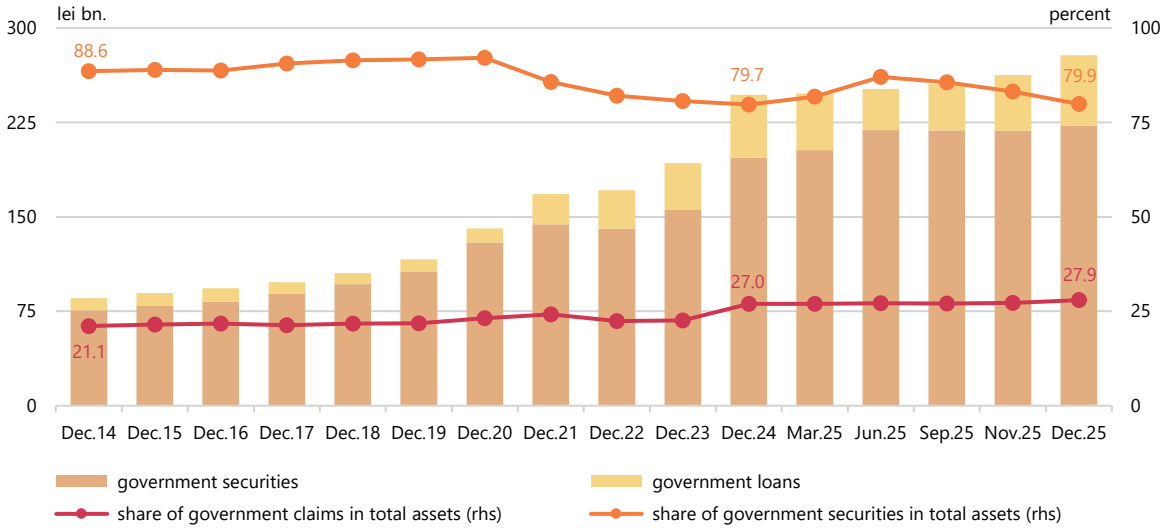
the deterioration in bank asset quality, especially in the case of exposures to non-financial corporations.

The structural developments during 2025 allowed banks to maintain adequate solvency and liquidity ratios, as well as their profit-making capacity. Despite an uncertain macroeconomic environment, local banks showed strong resilience, their funding model based on raising deposits chiefly from the real sector and the large share of overnight deposits contributing to the stability of funding sources and to obtaining higher net interest margins than those associated with wholesale funding. However, there are several recurring vulnerabilities of the banking sector, among which: (i) the stronger sovereign-bank nexus, due to significant holdings of claims on the government sector – especially government securities – and (ii) the yet untapped potential for lending to the real sector, *inter alia* reflected by a loan-to-deposit ratio (LTD) ratio below one, i.e. 67.3 percent as at December 2025. In terms of financial intermediation, the Romanian banking sector is significantly below the EU average (LTD of 105.8 percent, September 2025), with only Greece, Malta, Cyprus, and Lithuania posting lower values.

The aggregate assets of the Romanian banking sector further strengthened during 2025, reaching approximately lei 996.2 billion in December 2025 (Chart 2.13). The December 2025 data show that the main components are loans to the real sector (44.9 percent of assets), government securities (22.3 percent), and foreign assets (9.3 percent). Looking at the composition of lending, 45.9 percent are loans to households and 48.3 percent are loans to non-financial corporations. Household lending rose at a swift pace, the loan stock increasing by 8.3 percent in December 2025 compared to end-2024. Household loans are primarily housing loans (57.1 percent) and consumer credit (41.5 percent). Loans to non-financial corporations witnessed more moderate dynamics, rising by 3.5 percent.

Turning to the composition of liabilities, more than two thirds are deposits from the real sector, of which 41.2 percent are taken from households and 23.6 percent from

Chart 2.14. Claims on the government sector in the aggregate balance sheet of credit institutions



Source: NBR calculations

non-financial corporations. The expansion of the deposit base is mainly ascribable to household deposits, which recorded an annual increase of 8.1 percent. There was also a significant rise in deposits from non-monetary financial institutions, i.e. 16.3 percent, although their share in total liabilities remains modest (around 3 percent). The composition of deposits shows that, in December 2025, households' and non-financial corporations' time deposits accounted for 48.6 percent of total deposits taken from these segments. In the case of large banks[16], overnight deposits continue to prevail (53.6 percent), contributing favourably to operational efficiency. Foreign liabilities accounted for 7.7 percent of the total in December 2025, posting a significant hike of 21.2 percent from the same year-ago period.

As for funding costs, the interest rates on outstanding leu-denominated time deposits from households and non-financial corporations were less volatile in the first months of 2025, staying at around 5 percent. In May 2025, interest rates on corporate deposits posted however a steep rise of 47 basis points. Subsequently, they continued to follow an upward trend, although the increases were marginal. Thus, in December 2025, the average interest rate on households' outstanding deposits was 5.28 percent, while that on non-financial corporations' deposits was 5.57 percent.

Government securities are a major component of bank assets, holding a 22.3 percent share of total assets at end-2025. Compared to 2024, their stock in banks' portfolios picked up by 13 percent, reaching lei 222.4 billion (Chart 2.14). Local banks have a high appetite for this asset class, given their contribution to strengthening both net interest income and the liquidity position. In spite of these benefits, the considerable size of government securities holdings highlights one of the Romanian banking sector's structural vulnerabilities: the strong sovereign-bank nexus. With regard to the accounting treatment of these debt instruments, in December 2025, approximately 47 percent were measured at

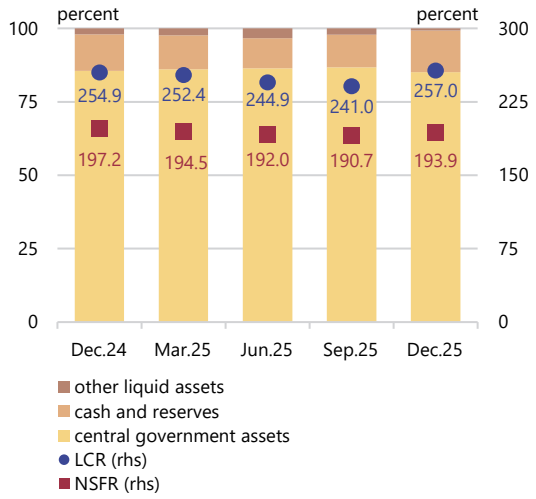
16 Banks with a market share of more than 5 percent of total assets were included.

fair value through other comprehensive income, whereas 49.9 percent were measured at amortised cost.

The Romanian banking sector generally maintained an adequate liquidity position throughout 2025, despite the existing macroeconomic imbalances. However, in May 2025, the disruptive events at national level exerted pressure on the liquidity position, leading to a significant decline in the excess liquidity on the market. The central bank intervened by providing liquidity to the banking sector via repo transactions. The fiscal consolidation packages that were announced and adopted in 2025 did not have a notable impact on the local banking sector, although, over the medium term, they may put additional pressures on credit institutions.

During 2025, the liquidity indicators (LCR – the liquidity coverage ratio and NSFR – the net stable funding ratio) performed well in comparison with EU averages.

Chart 2.15. Key liquidity indicators and the composition of the liquidity buffer



Source: NBR calculations

The aggregate liquidity coverage ratio (LCR) was 257 percent in December 2025 (Chart 2.15). In 2025, the LCR stood below the level seen at end-2024 (254.7 percent), witnessing an improvement at the end of 2025. Nevertheless, the indicator constantly stood significantly above the regulatory thresholds and European averages. The composition of the liquidity buffer shows the prevalence of exposures to the central government (85.1 percent of the total buffer in December 2025), followed by exposures to central banks (7.2 percent), and currency (7.1 percent).

The net stable funding ratio (193.9 percent, December 2025) followed a slightly downward path throughout 2025 (from 197.2 percent at end-2024, Chart 2.15). However, the indicator remains at comfortable levels, well above the regulatory thresholds and EU averages. The high NSFR shows a balanced financing structure by maturity and in terms of stability, the historical volatility of retail deposits being generally low.

The liquidity risk may be viewed generally as low, but its constant monitoring is mandatory. The current environment, marked by protracted geopolitical tensions, the fast-paced digitalisation of banking services and the increasing use of artificial intelligence, has the potential to change financing and liquidity conditions more rapidly.

Thus, cybersecurity incidents could go beyond limited operational disruptions and trigger acute episodes of pressure on liquidity, by way of bank runs sparked by the loss of confidence or operational disturbances. Consequently, refining the methods to assess and monitor liquidity is essential for reducing and managing potential disruptive events.

Box A. Developments in the European prudential framework amid the implementation of the CRD VI/CRR III package

The year 2025 marked an important stage in continuously adapting the prudential regulatory framework applicable to the banking sector in the European Union, via the entry into effect of the CRD VI/CRR III legislative package adopted in 2024, which completes the transposition of the Basel III international standards into the EU's regulatory framework. These legal changes were aimed at enhancing the resilience of credit institutions and increasing banks' shock-absorbing capacity, in a context marked by persistent macroeconomic uncertainties and higher complexity of risk profiles. The new legislative framework introduces significant adjustments in risk assessment and quantification methodologies, with direct implications for capital requirements. The amendments have major implications for the banking sector in Romania as well.

Specifically, a core element is the revision of the standardised approach for credit risk, which has been recalibrated to increase risk sensitivity. In this vein, the risk weights applicable to various exposure classes were differentiated more granularly, also for exposures secured by real estate, in order for capital requirements to more adequately reflect the risk profile of portfolio assets. In the case of exposures secured by immovable property, the applicable risk weights rely on factors such as collateral type, borrower characteristics, loan-to-value (LTV) ratio, the income producing feature of the immovable property, the purpose of the immovable property/loan, denomination and natural currency hedge, with penalties to riskier exposures. As for exposures secured by mortgages on residential property, a 20 percent risk weight may be assigned to the part of the exposure treated as fully secured (representing a fraction of the collateral value), while the remaining part of the exposure shall be risk weighted depending on the above-mentioned criteria. Additionally, land acquisition, development and construction (ADC) exposures receive a particular treatment, being assigned a risk weight that may be 100 percent or 150 percent. For exposures with a currency mismatch, the new applicable treatment implies that the applicable risk weight be multiplied by a factor of 1.5 where the conditions for natural currency hedge are not met. Moreover, a transitional treatment taking into account the issuer's rating shall be applied to exposures to the central and local government or to the central bank denominated in the domestic currency of another Member State. In Romania's case, the applicable weights are of 10 percent during 2025, 25 percent in 2026 and 50 percent starting in 2027.

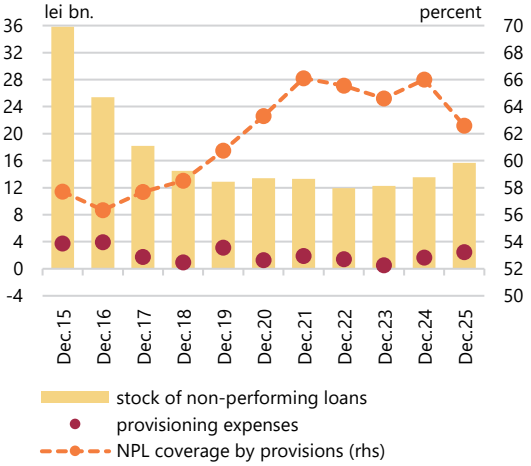
In parallel, the CRD VI/CRR III package introduces a so-called "output floor", i.e. a mechanism for the limitation of the variability in the amount of risk-weighted assets resulting from the use of internal models. This mechanism sets a lower limit on the capital requirements that are determined in relation to the standardised approach, with a view to preventing the excessive reduction of capital requirements via internal models. The implementation of the output floor helps increase comparability among credit institutions and narrow the variability in the own funds requirements across banks with relatively similar portfolios.

Among others, the legislative package introduces the standardisation of the operational risk approach (by eliminating the possibility of calculating internally the capital requirements for operational risk), the concept of "expected shortfall" in market risk tests (ensuring compliance with Basel requirements for the measurement of this risk), as well as explicit requirements on the identification, assessment, reporting and management of environmental, social and governance (ESG) risks.

Overall, the legislative changes implemented in 2025 are part of a more comprehensive process of consolidating the European prudential framework, with a view to ensuring adequate capitalisation and strengthening financial system stability. By better aligning capital requirements with the risk profile and by improving the comparability among credit institutions, the CRD VI/CRR III package helps with the transition to a more robust banking sector, better prepared to withstand adverse economic developments in the medium and long run.

In 2025, there was a slight worsening trend in asset quality, i.e. from 2.5 percent (December 2024) to 2.9 percent (October 2025), in contrast with the evolution at EU level, where a marginal improvement was observed until end-2025 Q4 (-0.1 percentage points to 1.8 percent[17]). The gradual deterioration in the NPL ratio in this period was due to developments in the portfolio of non-financial corporations, whereas the indicator saw an improvement in the household sector. Starting with November 2025, the NPL ratio resumed a downward path, reaching 2.7 percent at end-2025.

Chart 2.16. The stock of non-performing loans, provisioning expenses and NPL coverage by provisions



Source: BNR calculations

The stock of non-performing loans (lei 15.7 billion, December 2025) is distributed relatively equally on the basis of the two criteria defining non-performing exposures, i.e. the days past due criterion for loans overdue for more than 90 days (54.7 percent of total), and the "unlikely to pay" criterion (45.3 percent). Compared with the period prior to 2017, the total non-performing loan stock remained much lower, due both to a broad-based balance sheet clean-up and increased borrower resilience, *inter alia* as a result of the prudential measures to mitigate risks (Chart 2.16).

The banking sector in Romania maintains a prudent approach to credit risk management, the NPL coverage by provisions being further adequate (62.6 percent, December 2025), above the EU average of 41.4 percent (December 2025). Provisioning expenses in 2025 amounted to lei 2.5 billion, exceeding by far the average for the 2020-2024 period (annual average of lei 1.4 billion).

17 According to the EBA's Risk Dashboard, 2025 Q3

Over the medium term, uncertainty continues to surround the evolution of asset quality indicators, which are expected to be influenced in the coming period by the measures adopted by the government to address the structural deficit. Looking at households, there are factors that may offset these negative effects, namely households' net wealth, which further strengthened over the past years, as well as the borrower-based macroprudential measures implemented by the National Bank of Romania. These measures facilitated a sustainable level of household indebtedness and proved efficient in increasing resilience to shocks for both borrowers and credit institutions. The period ahead calls for banks maintaining a prudent approach, including with regard to dividend distribution policies, given the persistence of macroeconomic and geopolitical tensions.

2.2.2. Non-bank financial markets

Non-bank financial markets

Romania's capital market indices fared well at end-2025 against end-2024. The benchmark index (BET), which captures developments in the most heavily traded companies on the BSE regular market, stood 46 percent higher as at 31 December 2025 compared to end-2024.

At end-2025 Q4, on the BSE regulated market there were 27 intermediaries, of which 16 financial investment services companies, four local credit institutions and seven entities licensed in other EU Member States.

At 31 December 2025, 24 insurance companies and 15 foreign branches operated in Romania. Gross premiums written totalled lei 25.8 billion in 2025, up 10 percent from a year earlier. Solvency ratios, i.e. the Solvency Capital Requirement (SCR) and the Minimum Capital Requirement (MCR) ratios, of the insurance market went up slightly from end-2024. Total investments of insurance companies amounted to lei 38.5 billion (up 19 percent versus 2024), mainly in government securities (62.4 percent of total). Gross compensations paid came in at lei 12.3 billion, up 16 percent year on year.

In terms of interconnectedness and credit risk, the insurance companies licensed and supervised by the FSA invest chiefly in fixed-income financial instruments, with a high exposure to government bonds. Most of them are government securities issued by the Ministry of Finance. Therefore, insurance companies in Romania are more cautious in this respect, having no high direct exposures to either sophisticated financial instruments or alternative assets. The significant investments in government securities by insurance companies in Romania show an exposure of portfolios to interest rate risk, while the risk of falling share prices would have a weaker impact on the local insurance market, given the limited holdings in this asset class.

At end-December 2025, 17 private pension funds (of which seven in Pillar II and ten in Pillar III) were registered with the Electronic Register of the Financial Supervisory Authority. Private pension funds in Romania held assets worth lei 209.03 billion at end-December 2025,

up 34 percent from end-2024. In terms of profitability, the weighted average rate of return of all private pension funds was 8.66 percent in December 2025, up 6.19 percent versus end-2024.

Capital market

Romania's stock market indices fared well at end-2025 against end-2024. The BET benchmark index (Table 2.1.), which captures developments in the most heavily traded companies on the BSE regular market, stood 46 percent higher on 31 December 2025 compared to end-2024.

Table 2.1. Capital market yields

BSE indices (%)	12M	9M	6M	3M
BET	46.16	39.55	30.44	14.54
BETAeRO	5.56	7.63	7.27	-2.99
BET-BK	53.89	48.50	36.94	17.35
BET-EF	46.58	39.30	30.34	14.74
BET-FI	46.11	49.42	48.97	20.04
BET-NG	49.62	41.64	33.10	14.75
BETPlus	43.60	37.46	29.11	13.82
BET-TR	55.21	48.19	32.22	15.56
BET-TRN	54.25	47.27	32.03	15.45
BET-XT	45.94	40.72	32.17	15.13
BET-XT-TR	54.11	48.60	33.75	15.97
BET-XT-TRN	53.25	47.77	33.59	15.89
ROTX	47.85	40.79	32.24	15.33

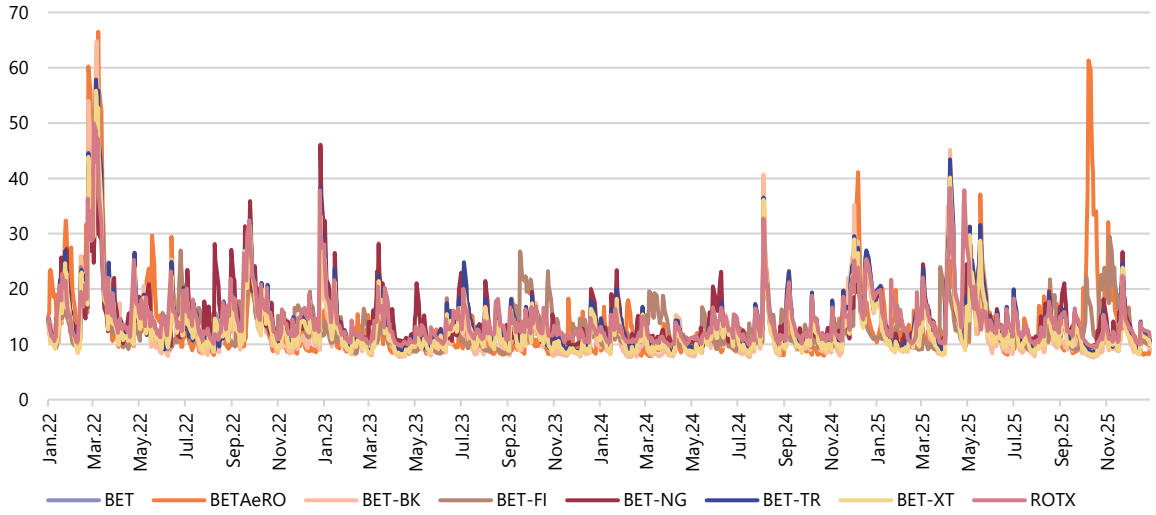
Source: BSE, FSA calculations

Volatility is used to measure risk and gauge the uncertainty considered by investors when buying/selling financial assets. In times of uncertainty, market volatility increases, along with contagion effects on financial markets, and correlations between financial assets are much higher (Chart 2.17.).

In the course of 2025, volatility of the Bucharest Stock Exchange indices remained generally moderate, with brief episodes of sharp growth, especially in the first part of the year and during the autumn months. The most severe shock occurred around October-November, when the BET-AeRO index reached a significant peak, highlighting the higher sensitivity of the AeRO segment. Overall, the movements are indicative of volatility episodes concentrated over time, as well as of swings among indices driven mainly by liquidity differences.

Total turnover on the BSE regulated market and through the multilateral trading system (MTS) reached lei 43.8 billion at the end of 2025, up 18 percent year on year. Conversely, the total number of trades conducted on the BSE in 2025 contracted by 9 percent from

Chart 2.17. Volatility of BSE indices, GJR-GARCH model (1,1)



Source: BSE, FSA calculations

the prior year. Hence, 98.5 percent of the total value of trades was recorded on the BSE regulated market, the remainder being carried out via the MTS.

In 2025, the value of trades in government securities increased year on year, amounting to approximately lei 10.73 billion. Stock dealings totalled lei 17.3 billion, becoming the prevailing class of financial assets, with a share of 39.4 percent of the total value traded on the BSE in the year under review. Furthermore, market capitalisation related to the regulated market reached lei 579.5 billion, up almost 65.4 percent against end-2024.

At the end of 2025, topping the list of the most liquid companies traded on the BSE regulated market were Banca Transilvania (TLV), making up roughly 32 percent of total value traded. Next came OMV Petrom (SNP), Hidroelectrica (H2O), Romgaz (SNG) and Fondul Proprietatea (FP).

In the course of 2025, 365 thousand transactions in fixed-income instruments (other bonds, EUR-BOND, EUR-TBILLS, EUR-TBONDS and government securities) were conducted on the regulated market, amounting to approximately lei 25.3 billion, up about 37 percent over the year before. The number of transactions in debt securities surged from a year earlier. However, the average value per transaction (lei 69.33 thousand) decreased from that recorded in 2024 (lei 92.74 thousand).

As at end-2025 Q4, trading on the BSE regulated market were 27 intermediaries, of which 16 financial investment services companies, four local credit institutions and seven entities licensed in other EU Member States.

Turning to the MTS, as at end-2025, trading was accounted for by 21 intermediaries, of which 15 financial investment services companies, four local credit institutions and two entities licensed in other EU Member States.

Financial investment services companies recorded the heaviest trading on the BSE (regulated market and MTS), with a total turnover of approximately lei 51.6 billion. Local intermediaries (financial investment services companies and credit institutions) made up about 94 percent of the total value of trades. Of the intermediaries licensed in other EU Member States that conducted trades on spot markets, investment firms reported the heaviest trading, with a 6 percent market share.

Assets of undertakings for collective investment (UCIs) in Romania amounted to approximately lei 58.3 billion as at 31 December 2025, up almost 31 percent from end-2024.

At the same time, operating in Romania were 20 administrators, of which five were licensed solely as investment management companies, six were licensed solely as alternative investment fund managers, and nine were dual licenced. Moreover, as at 31 December 2025, licences were granted to 94 undertakings for collective investment in transferable securities (UCITS), 39 alternative investment funds (AIFs) including the seven financial investment companies (FICs) and Fondul Proprietatea. Depository services for the 133 UCIs were provided by four depositories.

As at end-2025 Q4, similarly to the previous periods, banking groups remained the largest category of managers, controlling the bulk of the assets managed by the investment management companies. The first five investment management companies ranked by the value of assets under management are entities affiliated to the banking sector, and the assets they managed amounted to approximately lei 32.8 billion at end-2025, accounting for 93.6 percent of total assets of investment funds, except for the FICs and Fondul Proprietatea.

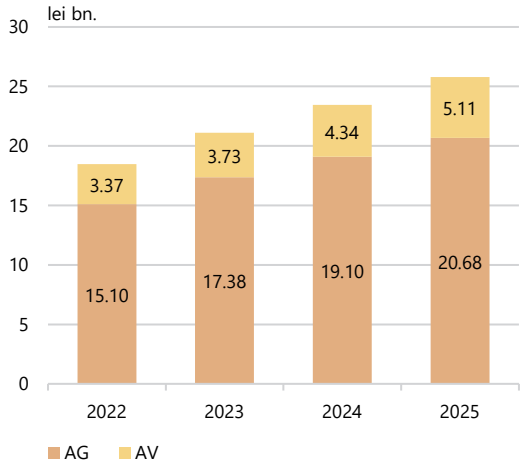
Insurance market

On the insurance market in Romania, 24 insurance companies are licensed by the FSA to operate, whereas 15 branches carry out activities based on the freedom of establishment (FoE) as at 31 December 2025.

The total underwriting volume (including branches) amounted to approximately lei 25.8 billion in 2025, of which 80 percent were gross premiums written for non-life insurance. Underwriting recorded positive dynamics in 2025 compared to 2024, up by 10 percent, driven mainly by the advance in gross premiums written by insurance companies licensed by the FSA (+11 percent). Gross premiums written by branches operating on the territory of Romania increased by 7 percent in 2025 compared to the previous year.

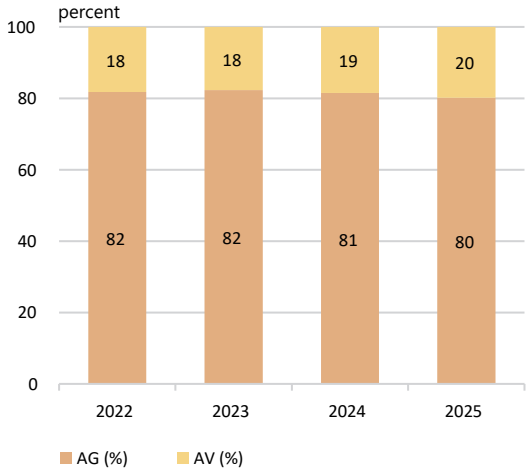
The total value of gross premiums written for compulsory motor third party liability insurance (RCA) by insurance companies licensed and regulated by the FSA, branches and companies operating under the freedom of services (FoS) amounted to approximately lei 10.9 billion in 2024, up by 9 percent from 2024.

Chart 2.18. Volume of gross premiums written by life and non-life insurance (FSA-authorised companies and branches)



Source: FSA, *Insurance market report* (January -September 2025)

Chart 2.19. Breakdown of the volume of gross premiums written by life and non-life insurance (FSA-authorised companies and branches)



Source: FSA, I*nsurance market report* (January -September 2025)

The solvency ratios of insurance companies licensed and regulated by the FSA in the insurance market stood above one at end-December 2025. Compared to end-2024, the SCR and MCR solvency ratios went up slightly.

The liquidity ratio for non-life insurance stood at 2.95 at end-December 2025, slightly higher than at end-September, yet below the values recorded in the other periods under review. Compared to the end of 2024, the value of liquid assets rose by approximately 19 percent, while short-term liabilities increased by about 25 percent.

The liquidity ratio for life insurance came in at 3.6 at 31 December 2025, down from the end of 2024 (3.76). This occurred amid the 11 percent pick-up in liquid assets, while short-term liabilities increased at a higher pace (+17 percent) compared to end-December 2024.

The total volume of gross claims paid (including branches) amounted to around lei 12.3 billion in 2025, i.e. up by 16 percent versus the previous year, of which 83 percent accounted for gross claims paid for non-life insurance and 17 percent for life insurance.

Investments of insurance companies (including assets backing unit-linked products) totalled lei 38.5 billion, up 19 percent from end-2024. Insurance companies in Romania primarily invest in fixed-income instruments, mainly government bonds, holding an approximately 62.4 percent share in total investments at end-2025.

In 2025, there were no significant changes in the investment portfolio compared to end-2024. The share of investment in government bonds decreased by 2 percentage points in total investment. Cash and cash equivalent holdings amounted to RON 2.8 billion, accounting for 7.2 percent of the total value of investments of insurance companies licensed and supervised by the FSA at the end of 2025.

At end-2025, the value of technical reserves under Solvency II was lei 27 billion, up 22 percent from the previous year. The positive dynamics were driven by the higher values of technical

reserves for both non-life insurance (+24 percent) and life insurance (+20 percent). Out of the total, 60 percent were technical reserves for non-life insurance and 40 percent for life insurance.

The premiums distributed by brokers for Romanian insurers and branches (non-life and life insurance) came in at lei 17.6 billion at end-2025, up by about 9 percent amid the increase in the volume of premiums distributed for both segments (non-life insurance: +9 percent and life insurance: +15 percent) compared to 2024.

In 2025, brokers distributed approximately 68 percent of the total volume of gross premiums written for the insurers licensed by the FSA and the branches operating in Romania. The level of intermediation was 82 percent for non-life insurance and 13 percent for life insurance.

Private pension market

At end-December 2025, 17 private pension funds (of which seven in Pillar II and ten in Pillar III) were registered with the Electronic Register of the Financial Supervisory Authority. These funds are managed by ten administrators, while their assets are entrusted for safekeeping to three banks in Romania acting as depositaries.

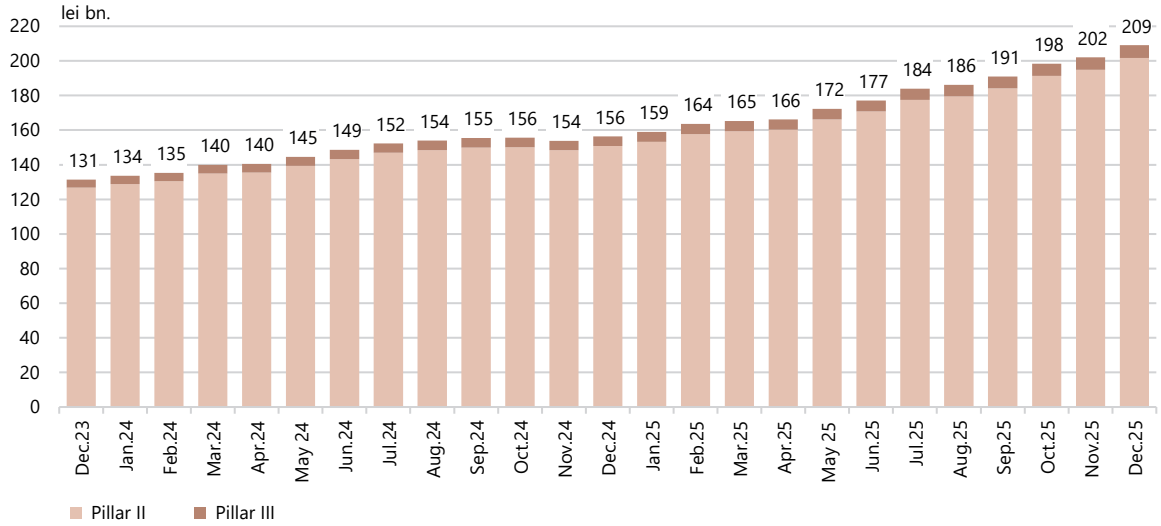
Private pension funds in Romania totalled assets worth lei 209.03 billion at end-December 2025, up 34 percent from end-2024. Compared to June 2025, total assets of private pension funds increased by 18 percent. Specifically, at end-2025, total assets of privately administered pension funds (Pillar II) and of voluntary pension funds (Pillar III) amounted to lei 201.61 billion and lei 7.42 billion respectively, up by 34 percent and 18.5 percent compared to the same period of the previous year. As a share of GDP, total assets of the private pension system stood at 10.94 percent at end-December 2025[18].

Financial instruments in private pension fund portfolios traded on financial markets are subject to mark-to-market valuation, regardless of the duration they are expected to be held in portfolios. Consequently, the evolution of the net asset value per share of private pension funds may be affected by short-term episodes of volatility. Nevertheless, private pension funds have a long-term investment horizon and have demonstrated good resilience to past shocks affecting financial markets.

As at 31 December 2025, the 17 private pension funds had 9.46 million participants, compared to 9.12 million at end-2024. The number of participants in privately managed pension funds came in at 8.46 million versus 8.29 million in December 2024, while that of participants in voluntary pension funds stood at 999 thousand against 832 thousand as at 31 December 2024.

[18] GDP was calculated as the sum of the past four quarters (2025 Q1 – 2025 Q4), gross series, current prices.

Chart 2.20. Total assets of the private pension system



Source: FSA, FSA calculations

In 2025, contributions to the privately managed pension system (Pillar II) totalled lei 22.3 billion, up by approximately 25 percent from a year earlier. For Pillar III, cumulative gross contributions amounted to lei 946 million, up 26 percent from 2024.

At end-December 2025, government securities and equities remained the main financial instruments in which privately managed pension funds invested. Investments by privately managed pension funds in government securities accounted for 65 percent, down from 67.1 percent as at 31 December 2024. Furthermore, equity investments accounted for 26 percent of the total assets of Pillar II pension funds, with shares in OMV Petrom S.A., Banca Transilvania S.A., Romgaz S.A., Hidroelectrica S.A. and BRD – Groupe Société Générale S.A. among the largest holdings. Significant shares of the portfolio were also invested in corporate bonds (3.93 percent), investment fund units (3.78 percent) and current accounts and bank deposits (1.03 percent).

The weighted average rate of return on all privately managed pension funds was 8.66 percent in December 2025, up from 6.19 percent at end-2024.

At end-December 2025, the average value of a participant's assets in the privately managed pension system stood at lei 24,063, i.e. up by 31 percent year on year. In 2025, net personal asset payments totalling lei 2.73 billion were made to 77,503 participants and beneficiaries.

The weighted average rate of return on all high-risk voluntary pension funds was 9.55 percent in December 2025, while the weighted average rate of return on all medium-risk voluntary pension funds came in at 7.27 percent.

At end-December 2025, the average account value in the voluntary pension system stood at lei 7,412, 11 percent higher than a year earlier. In 2025, net personal asset payments totalling lei 242 million were made to 15,842 participants and beneficiaries.

3. Measures implemented for achieving national macroprudential objectives

3.1. Capital buffers

Based on the review of the overall macroprudential policy framework across EEA countries at end-2025, almost all countries made changes that either took effect over the previous two years or were announced for the period ahead, with a view to recalibrating or operationalising macroprudential instruments in order to strengthen the resilience of banking and financial systems in the EEA.

According to the Governing Council statement released following the Macroprudential Forum meeting of 25 June 2025, the ECB called on national macroprudential authorities to maintain the current resilience of the banking system. The ECB noted that, despite elevated risks, banking sector conditions remained favourable in terms of capital headroom and profitability, with no indication of credit supply constraints related to capital requirements. The recommendation reflected the need to safeguard banking sector resilience in an environment marked by elevated risks and heightened geopolitical and economic uncertainty. The statement further stressed that maintaining existing capital buffer requirements was essential to ensure adequate capitalisation, enabling banks to absorb potential financial shocks without constraining their lending capacity. The ECB also stressed the importance of maintaining existing borrower-based measures, where feasible under national legislation, to preserve sound lending standards and prevent a deterioration in bank asset quality. Moreover, the Governing Council expressed full support for those national authorities still planning to increase capital buffer requirements, as the current capital headroom and profitability of their banking sectors limited the risk of procyclicality of such measures.

The adjustment of the macroprudential toolkit targeted both capital buffers and borrower-based measures (Table 3.1). In addition to the common developments and uncertainties identified at European level, national authorities also took into account the vulnerabilities specific to their jurisdictions.

Table 3.1. Summary of macroprudential measures taken in 2025

Country	Capital buffers				Borrower-based measures		
	CCoB	CCyB	O-SIIs	SyRB	LTV	DSTI	DTI
Austria							
Belgium							
Bulgaria							
Croatia							
Cyprus							

– continued –

Country	Capital buffers				Borrower-based measures		
	CCoB	CCyB	O-SIIs	SyRB	LTV	DSTI	DTI
Czechia							
Denmark							
Estonia							
Finland							
France							
Germany							
Greece							
Hungary							
Ireland							
Iceland							
Italy							
Latvia							
Liechtenstein							
Lithuania							
Luxembourg							
Malta							
Netherlands							
Norway							
Poland							
Portugal							
Romania							
Slovakia							
Slovenia							
Spain							
Sweden							

Note: The Table is based on ESRB information available as at 31 December 2025 and shows the decisions to adjust the macroprudential instruments applied or announced in 2025, as well as the increases resulting from phase-in decisions adopted in previous years and applicable in 2025 or planned to take effect in 2026. As for the CCyB rate, phase-in decisions were also considered for countries where at least two successive measures were taken to raise the buffer rate.

Legend:
the instrument is not applicable in that country or its rate is zero
the instrument's rate and scope have remained unchanged
the instrument's rate and scope have been adjusted to strengthen the requirements
the instrument's rate and scope have been adjusted to ease the requirements or replace it with another measure
the instrument has an uncertain impact from the perspective of the macroprudential policy stance

Source: ESRB, NBR adaptation

The main macroprudential instrument used by national authorities in recent years was the countercyclical capital buffer (CCyB), with nine countries adopting decisions to raise the buffer rate, implemented in 2025 or planned to take effect in 2026. The CCyB has been used with increasing frequency in recent years, both in terms of decisions to raise the buffer rate taken by EEA countries and the magnitude of the applicable rates. Specifically, countries such as Germany activated this instrument for the first time, while others, such as Iceland, Denmark and Norway, announced a buffer rate of 2.5 percent, i.e. the standard threshold set by European regulations. This trend reflects, on the one hand, the strengthening of the economic cycle, accompanied by the pick-up in lending and the build-up of vulnerabilities,

and, on the other hand, the need to build macroprudential policy space in the event of cyclical or exogenous risks materialising, amid elevated uncertainty both globally and regionally.

As regards the buffer for other systemically important institutions (O-SII buffer), according to ESRB data available as at 31 December 2025 concerning the annual identification of systemically important institutions and the related O-SII buffer, 14 countries adjusted the applicable rates or the number of institutions identified as systemically important, mainly as a result of mergers and acquisitions. The macroprudential authorities in several countries acted to strengthen this buffer, either by increasing the number of O-SIIs or by raising the minimum or maximum rates applicable in their countries, as follows: Austria (increase in the minimum buffer rate), Czechia (increase in the number of O-SIIs), Denmark (increase in the minimum buffer rate), Estonia (increase in the minimum buffer rate), Italy (increase in the minimum buffer rate) and Malta (increase in the minimum buffer rate). In Germany, Slovakia and Slovenia, the O-SII buffer can be considered to have been eased, as the number of systemically important institutions declined by one. On the other hand, the stance adopted by some countries was mixed, as is the case with Cyprus, Iceland, Latvia and Romania, where higher buffer rates applied to some banks were accompanied by removals from the list of systemically important institutions following mergers and acquisitions. Ireland may also be considered to have adopted a mixed stance; however, in this case, both the number of systemically important institutions and the maximum applicable buffer rate increased, indicating that some institutions moved to a higher buffer bucket. At the same time, the minimum rate applicable to O-SIIs was lowered.

Following the operationalisation of the CRD V legislative framework, two trends emerged in the recalibration of the systemic risk buffer (SyRB), namely: (i) the adjustment of the buffer where it had previously been used to address risks stemming from an institution's systemic importance; or (ii) the introduction of sector-specific capital requirements (Austria, Denmark, Germany, Italy, Liechtenstein, Lithuania, Malta, Portugal, Slovenia and Hungary). Over recent years, this buffer has gained considerable importance, as Member States have been increasingly using it, due to its inherent flexibility and the possibility of targeting specific exposures. In 2025, Austria, Italy and Hungary were among the countries that tightened the requirements for this buffer. Austria introduced a 1 percent sectoral systemic risk buffer for exposures to companies operating in the construction and real estate sectors, while Italy completed in June 2025 the phased-in implementation of a 1 percent sSyRB rate applicable to all credit institutions, Italian legal entities, with exposures to the private sector, and Hungary introduced a 1 percent sectoral buffer targeting both residential and commercial real estate exposures. Conversely, Germany eased capital requirements by reducing the sSyRB rate from 2 percent to 1 percent as of 1 May 2025; France deactivated the sSyRB on the grounds that the specific risks which prompted the introduction of the sectoral buffer had diminished and that the costs arising from the complexity of the measure outweighed the benefits of the additional capital built up; and Belgium announced at end-2025 that, from July 2026, it would deactivate the 6 percent sectoral buffer applying to retail exposures secured by immovable property.

Borrower-based measures, although governed by national rather than EU legislation, are in place in most EEA countries, whether in the form of loan-to-value (LTV) ratio, debt service-to-income (DSTI)/debt-to-income (DTI) ratios, or both. In 2025, one country raised the LTV ratio (Iceland), while no country changed the limits applicable to the DSTI ratio.

The decisions to tighten the macroprudential instruments adopted in recent years for the Romanian banking sector are in line with the European trends in the macroprudential policy stance. Moreover, Romania has activated macroprudential instruments in both categories, namely all four capital buffers laid down in the European regulatory framework, alongside borrower-based measures implemented under national legislation.

Box B. Interaction between capital buffers and other minimum requirements applicable to credit institutions

European banking legislation establishes three parallel regulatory frameworks that pursue complementary objectives but draw, to some extent, on the same own funds components. These frameworks refer to: (i) risk-weighted capital requirements, (ii) leverage ratio, and (iii) recovery and resolution.

The framework for risk-weighted capital requirements aims to align the level of own funds with the risks incurred by credit institutions. It includes both minimum capital requirements (Pillar 1 and Pillar 2) and capital buffers, which serve a macroprudential purpose and are intended to strengthen the resilience of the financial system, especially during periods of risk build-up.

The leverage ratio framework operates as a complementary, non-risk-based measure aimed at limiting the excessive build-up of leverage. The leverage ratio is calculated as Tier 1 capital divided by the total exposure measure, which includes both on- and off-balance-sheet items, without applying risk weights. It is intended to act as a backstop against potential underestimation of risk under the risk-weighted framework.

The recovery and resolution framework introduces the minimum requirement for own funds and eligible liabilities (MREL), with the aim of ensuring that institutions have sufficient capacity to absorb losses and be recapitalised in the event that resolution tools are applied and resolution powers are exercised. These requirements are set so as to allow financial distress to be managed in an orderly manner, minimising the likelihood of recourse to public support.

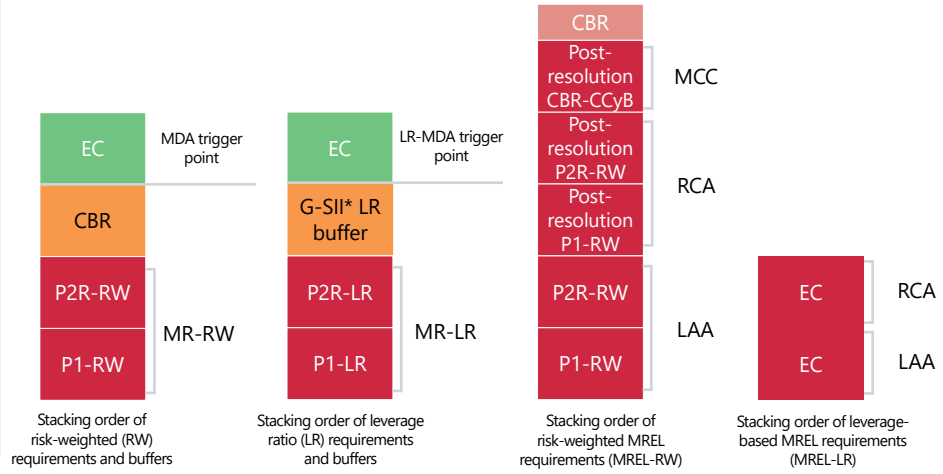
These three frameworks interact because the same capital components, in particular Common Equity Tier 1 (CET1) capital, can contribute to meeting several types of requirements simultaneously. While requirements under the risk-based framework are cumulative, with capital buffers added on top of minimum requirements, there is no strict separation in the use of capital across the three regimes. This conceptual overlap is particularly relevant to the functioning of capital buffers, whose effectiveness depends

on their effective availability and on their ability to be drawn down or released to absorb losses or support lending during periods of stress.

Although, in principle, there can be no overlap between MREL-RW requirements and capital buffers, since the latter must be maintained on top of MREL, cases of overlap may arise in practice, for example: (i) as a result of financial distress that erodes banks' capital base or a sudden decline in the value of eligible liabilities, in which case part of the capital initially held to meet buffer requirements may be reallocated to meet MREL-RW requirements (which take precedence under the BRRD); or (ii) because the setting of MREL-RW targets and of structural and cyclical capital buffer levels follows different timelines. In such circumstances, the resolution authority has the power to prohibit certain distributions (pursuant to Article 91^1 *et seq*. of Law No 312/2015 on the recovery and resolution of credit institutions and investment firms and amending and supplementing certain legislative acts in the financial field).

A schematic overview of the capital requirements under the different regulatory frameworks is shown in Figure B.1, with the mandatory minimum requirements under each framework highlighted in red.

Figure B.1. Risk-based capital requirements, leverage ratio requirements and MREL – stylised example



*) The stylised example corresponds to the prudential requirements applicable to a G-SII. Although Romania currently has no such institutions, G-SIIs were considered in light of discussions on extending the leverage ratio buffer requirement to other systemically important institutions (O-SIIs) as well.

Note: Own funds used to meet risk-weighted MREL (MREL-RW) cannot be used simultaneously to meet the combined buffer requirement (CBR). The stacking order between MREL-RW and the CBR requires institutions to meet MREL before they can meet the CBR.

Legend:
G-SII – global systemically important institution; RW – risk-weighted; LR – leverage ratio; EC - excess capital; P2R – Pillar 2 requirement; MDA – maximum distributable amount; CBR – combined buffer requirement

Source: adapted from *Interaction between regulatory minimum requirements and capital buffers*, Banco de Portugal, June 2020

Accordingly, a coherent analysis of capital requirements calls for an integrated approach to the three frameworks, taking into account both the complementarity of their objectives and the potential interactions arising from the use of the same own funds components.

To ensure a common understanding at European level of the interaction between capital buffers and the other minimum requirements applicable to credit institutions, a dedicated report on this topic was developed during 2025 by a working group established at ESRB level. This initiative sought to promote a consistent and comparable approach across the European Union, so that overlaps between the different capital requirements could be analysed on a harmonised methodological basis, thereby enhancing transparency and the effectiveness of the macroprudential framework.

The report defines the key concepts of buffer usability, releasability, capital headroom and loss-absorption capacity and provides a methodology for assessing and quantifying them.

Moreover, the analytical tool previously developed by the ESRB, the buffer usability simulation tool (USIT), was updated. The tool can be used by authorities to implement measures effectively and to assess the impact of different policy options.

3.1.1. The countercyclical capital buffer

Implementation framework of the macroprudential instrument

In response to the global financial crisis, the authorities have developed a framework of macroprudential measures and instruments aimed at strengthening the resilience of banks to pro-cyclical shocks and their pass-through to the real economy.

The initial idea was that the countercyclical capital buffer (CCyB) is built up during financial booms, marked by excessive increases in lending and assets affecting the risk profile. By contrast, during downturns, characterised by credit contraction, the CCyB is reduced or released to support the financing capacity of the economy. However, recent experience has shown that EU Member States started to build up this buffer without necessarily identifying signs of excessive credit growth, in order to strengthen the resilience of the banking sector (for further details, see Box B. The use of the positive neutral countercyclical capital buffer rate approach in the European Economic Area in the previous *Report*).

With a view to anchoring the calibration of the countercyclical capital buffer in an internationally comparable analytical framework, the Basel Committee on Banking Supervision (BCBS) has developed a benchmark credit-to-GDP methodology. The indicator is used as a common benchmark for assessing the build-up of cyclical risks, providing national authorities with a rationale for making decisions, without, however, implying an automated determination of the buffer rate or a mechanical obligation to apply it.

The BCBS methodology is based on the credit-to-GDP gap, which captures the excessive credit growth relative to the dynamics of the real economy. A significant positive gap suggests the build-up of cyclical systemic vulnerabilities, signalling the need to set or increase the countercyclical capital buffer. Conversely, the reduction or reversal of the gap may indicate the materialisation of risks and warrants the release of the buffer to support the banking sector's lending capacity.

However, the conceptual framework developed by the BCBS underlines the gap's indicative nature. Macroprudential authorities are encouraged to complement the quantitative credit-to-GDP analysis with a broader set of information, including additional indicators on housing market dynamics, private sector indebtedness, credit standards, macroeconomic developments or financial conditions. This approach reflects the need for expert judgement in order to adequately calibrate the CCyB rate based on the specifics of each economy.

The CCyB rate can range between 0 percent and 2.5 percent, calibrated in steps of at least 0.25 percentage points, possibly exceeding this level in exceptional circumstances characterised by high cyclical systemic risks. The countercyclical capital requirement is calculated by applying the rate to the total risk-weighted exposures of the credit institution.

The intensity of the cyclical systemic risk and the adequacy of the countercyclical capital buffer rate are assessed on a quarterly basis, the rate being calibrated whenever developments in the financial environment warrant it. The decisions taken are accompanied by the publication of an extended set of relevant information, including the applicable buffer rate, the credit-to-GDP gap, the benchmark used in the calibration process, the justification for the measure, and the implementation timetable.

In the event of an increase in the CCyB rate, the change usually becomes applicable at least 12 months after its announcement, except in exceptional circumstances which may account for the shortening of that period. Should the CCyB rate be reduced, the decision shall be notified alongside an indicative period when no further increases are anticipated.

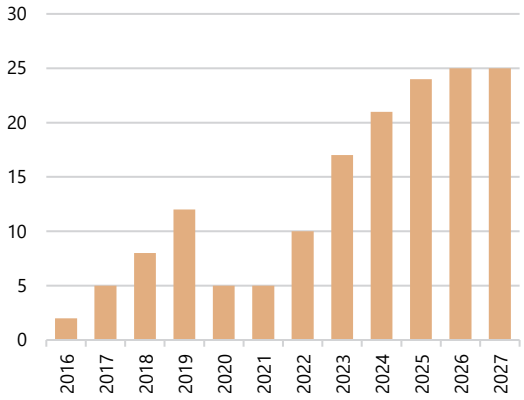
This mechanism makes the implementation of the countercyclical capital buffer highly predictable: increases are pre-announced and gradually implemented to allow credit institutions to adapt to new capital requirements and to provide authorities with additional decision-making flexibility, while reductions may take effect immediately after the announcement, facilitating the rapid easing of capital requirements and supporting the financing capacity of the economy.

The experience across the EU

In 2025, the number of European Economic Area (EEA) countries applying a positive countercyclical capital buffer rate continued to go up. At the same time, considering the

measures already announced for 2026, the outlook points to a further expansion of this group in the near future. The historical analysis of the CCyB implementation across the EU shows two distinct periods marked by a general trend to set the CCyB buffer at European level. The first period started at the close of 2016 and ended in late 2019, when 12 countries applied positive CCyB rates. Subsequently, amid the COVID-19 pandemic effects, this trend reversed temporarily, with only 5 countries still maintaining a positive CCyB rate at the end of 2020. The buffer rates were again raised starting in 2022 and this trend continued for three years. Thus, at the end of 2025, 24 EEA countries applied CCyB rates higher than 0 percent, and, according to the information provided by the European macroprudential authorities, the number of countries would increase to 25 by the end of 2026 (Chart 3.1).

Chart 3.1 Number of countries applying a CCyB rate higher than 0 percent



Note: For 2026 and 2027, the information refers to the measures announced by EU Member States by 1 March 2026.

Source: ESRB

Another relevant aspect refers to the countercyclical capital buffer rate applied in EEA countries. At end-2020, amid the COVID-19 pandemic effects, the maximum CCyB rate applicable in Member States was 1 percent (Chart 3.2). Following the measures implemented in the last period, at end-2025, three countries applied the maximum CCyB rate of 2.5 percent: Denmark, Iceland and Norway (Chart 3.3). Moreover, the average CCyB rate in the EEA countries applying positive buffer rates rose significantly from 0.65 percent at end-2020 to 1.36 percent at end-2025.

Chart 3.2. CCyB rates in EEA countries at end-2016

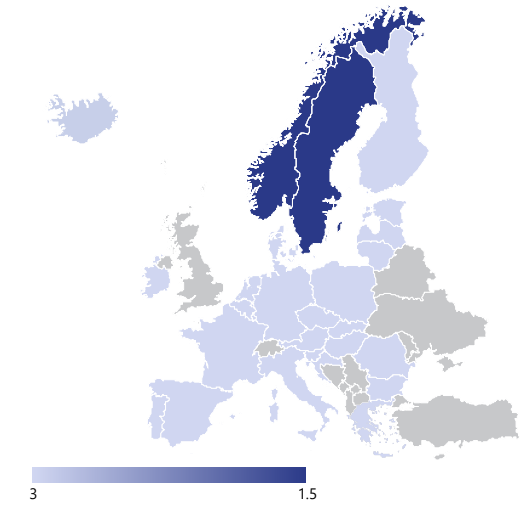
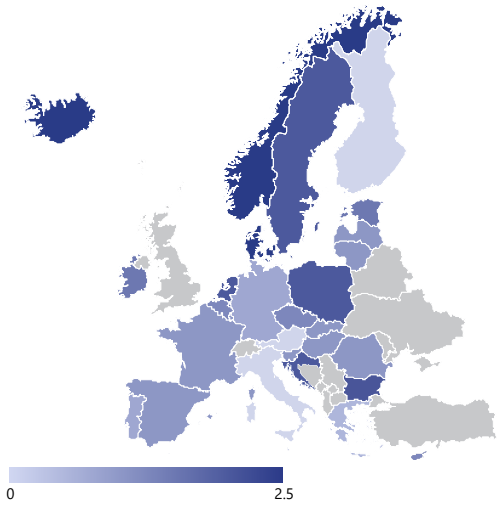
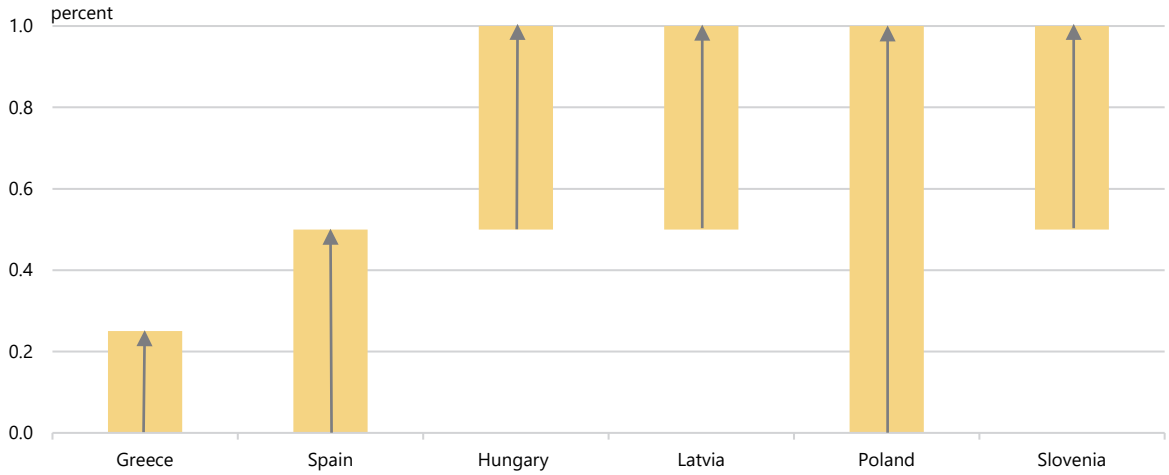


Chart 3.3. CCyB rates in EEA countries announced for end-2026



Source: ESRB

Chart 3.4. Measures to increase the CCyB rate during 2025



Note: The arrow base shows the CCyB rate at end-2024, while the arrow tip indicates the CCyB rate at end-2025.

Source: ESRB

During 2025, six countries adopted measures to raise the CCyB rate. The most significant increase was implemented by the Polish authorities, in which case the CCyB rate was raised by one percentage point. Four other countries, namely Hungary, Latvia, Slovenia and Spain, increased the buffer rate by 0.5 percentage points each, while Greece raised it by 0.25 percentage points. It is worth noting that three of these countries (Poland, Spain and Greece) decided to rise the CCyB rate for the first time in 2025 since the implementation of this macroprudential instrument.

At the end of 2025, 24 EEA countries applied positive CCyB rates, their number being expected to climb to 25 by the end of 2026 (Table 3.2), according to the measures already announced.

The increases announced during 2025 and effective starting with 2026 are applied by countries such as Belgium, Greece, Cyprus, Poland, Portugal and Spain. The size of adjustments differs significantly across Member States. Thus, Belgium, Greece and Cyprus announced increases of 0.25 percentage points, while Spain will raise the CCyB rate by 0.5 percentage points. The adjustment is higher in Poland, where the CCyB rate will rise by one percentage point.

At the same time, Portugal decided to start applying a CCyB rate of 0.75 percent as of 2026, thus activating the buffer for the first time since its implementation into national law.

Table 3.2. CCyB rates applicable in EEA countries as at 31 December 2025 and CCyB rates announced for 2026

Country	CCyB rate as at 31 December 2025	CCyB rate announced for 2026
Austria	0	0
Belgium	1	1.25
Bulgaria	2	2

– continued –

Country	CCyB rate as at 31 December 2025	CCyB rate announced for 2026
Croatia	1.5	1.5
Cyprus	1	1.25
Czechia	1.25	1.25
Denmark	2.5	2.5
Estonia	1.5	1.5
Finland	0	0
France	1	1
Germany	0.75	0.75
Greece	0.25	0.5
Hungary	1	1
Iceland	2.5	2.5
Ireland	1.5	1.5
Italy	0	0
Latvia	1	1
Liechtenstein	0	0
Lithuania	1	1
Luxembourg	0.5	0.5
Malta	0	0
Netherlands	2	2
Norway	2.5	2.5
Poland	1	2
Portugal	0	0.75
Romania	1	1
Slovakia	1.5	1.5
Slovenia	1	1
Spain	0.5	1
Sweden	2	2

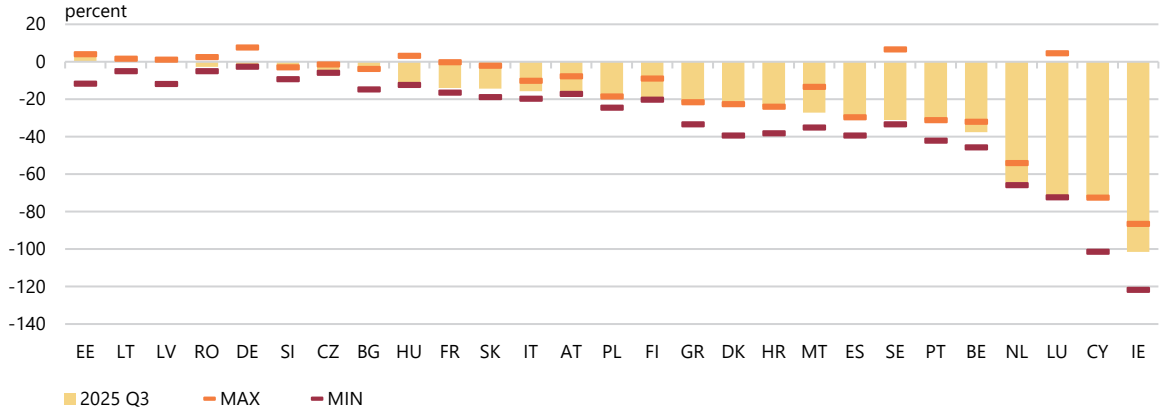
unchanged 0.25 pp increase 0.50 pp increase 0.75 pp increase 1 pp increase

Source: ESRB

As for the rationale behind the measures to raise the CCyB rates, most states cited the implementation of a positive neutral countercyclical capital buffer rate. However, they apply different CCyB rates. While the positive neutral CCyB rate is 1 percent in Spain, following the implementation of two successive measures, in Greece, the positive neutral CCyB rate is only 0.5 percent.

Although none of the countries that are to raise CCyB rates reported credit-to-GDP gaps above the signalling threshold (Chart 3.5), the macroprudential authorities nevertheless took measures to increase the CCyB rates, basing their decision on other indicators.

Chart 3.5. Credit-to-GDP gap in EU Member States (2025 Q3)



Note: The values calculated by the ESRB may differ from those calculated by the national macroprudential authorities, due to different calculation methodologies.
The MAX variable represents the maximum credit-to-GDP gap during 2022 Q4 – 2025 Q3.
The MIN variable represents the minimum credit-to-GDP gap during 2022 Q4 – 2025 Q3.

Source: ECB, ESRB

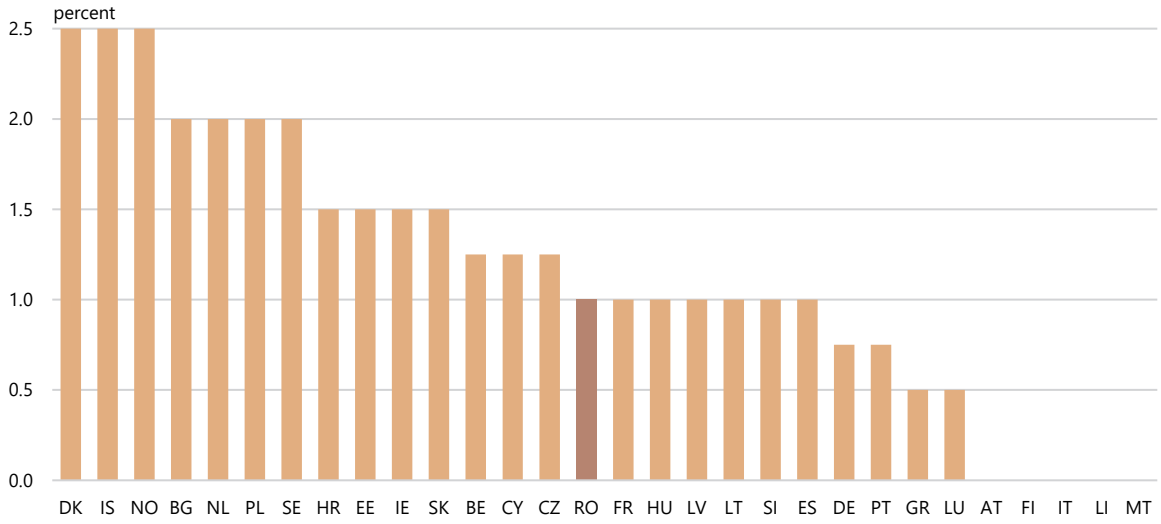
Implementation of the countercyclical capital buffer in Romania

Starting with 2016, the countercyclical capital buffer (CCyB) has been implemented in 28 EEA countries, including Romania, where the CCyB rate was kept at 0 percent since its implementation until 2021, as the regular recalibration analyses did not reveal a build-up of cyclical systemic risks to warrant its activation.

The NCMO General Board decided to raise the CCyB rate for the first time during its meeting of 14 October 2021. According to the regulations in force, the decisions to adjust the buffer rate usually become applicable at least 12 months after their announcement. Hence, the CCyB rate was increased from 0 percent to 0.5 percent starting with 17 October 2022. According to NCMO Recommendation No. R/7/2021 on the countercyclical capital buffer in Romania, among the reasons behind this measure were: (i) the fast increase in lending; (ii) the widening of macroeconomic imbalances, especially amid growing twin deficits; (iii) the high levels of voluntary capital reserves built up by the banking sector and of liquidity indicators, exceeding the EU averages; as well as (iv) the continued access to funding for eligible borrowers, given that credit institutions anticipated credit standards to remain relatively unchanged.

The NCMO General Board decided to raise the CCyB rate for the second time, i.e. from 0.5 percent to 1 percent, during its meeting of 20 October 2022. Similarly to the previous decision, the measure was implemented one year after its adoption, the new CCyB rate becoming applicable as from 23 October 2023. In line with NCMO Recommendation No. R/3/2023 on the countercyclical capital buffer in Romania, the decision to increase the CCyB was taken given that: (i) the consolidation trend of banking sector profitability continued; (ii) the liquidity and solvency levels remained adequate, indicating neither constraints with regard to meeting prudential requirements nor downside risks to the loan supply to eligible borrowers; (iii) geopolitical tensions and global uncertainty were on the rise, and (iv) Romania continued to rank among the top EU countries regarding twin deficits. During 2025, the four recalibration analyses of the countercyclical capital buffer

Chart 3.6. CCyB rates in EEA countries[19]



Source: ESRB

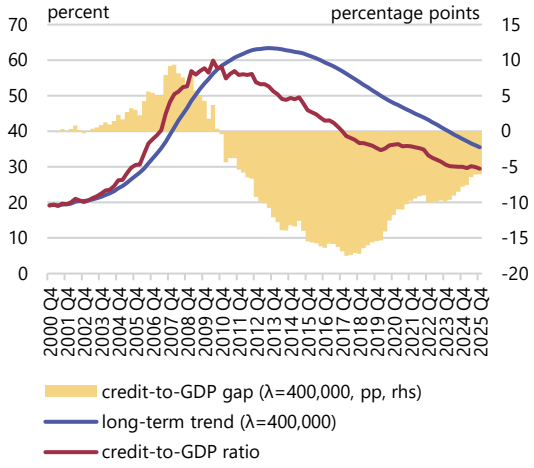
were presented at the quarterly meetings of the NCMO General Board. Based on these analyses, the NCMO General Board issued recommendations to the NBR to maintain the CCyB rate unchanged. Thus, with a countercyclical capital buffer of 1 percent, Romania is in the mid-range of EEA countries in terms of the CCyB rate (Chart 3.6).

The analysis on the recalibration of the countercyclical capital buffer (CCyB) is conducted on a quarterly basis, by using an extensive set of indicators. They include lending indicators, both at aggregate and sectoral level, developments in the real estate market, financial soundness indicators of the banking sector, credit standards (including DSTI and LTV ratios for new consumer and housing loans), as well as relevant macroeconomic variables. One of the indicators used to substantiate the decisions on setting the CCyB rate is the standard Basel indicator that measures the credit-to-GDP gap, being especially relevant for developed economies, in particular. The indicator is among the benchmarks recommended by the European Systemic Risk Board to steer the decision-making process on the recalibration of the CCyB, in line with Recommendation ESRB/2014/1 on guidance for setting countercyclical buffer rates. However, in order to better reflect the specifics of each national financial system, the ESRB also recommends the use of an alternative indicator for the assessment of the financial cycle. It complements the Basel standard indicator and is included in the quarterly analysis for substantiating decisions on the CCyB rate.

The recalibration exercises carried out during 2025 showed that neither the Basel standard indicator nor the additional indicator signalled the need for measures to raise the CCyB rate. Assuming a lengthy financial cycle, the credit-to-GDP gap stood at -6.05 percentage points in 2025 Q4, showing the further convergence of the series towards the trend (Chart 3.7). The alternative indicator for assessing the financial cycle posted positive values throughout 2025, but ran significantly below the 2 percentage point signalling threshold (Chart 3.8), and therefore did not indicate the build-up of cyclical risks warranting a positive adjustment of the buffer rate.

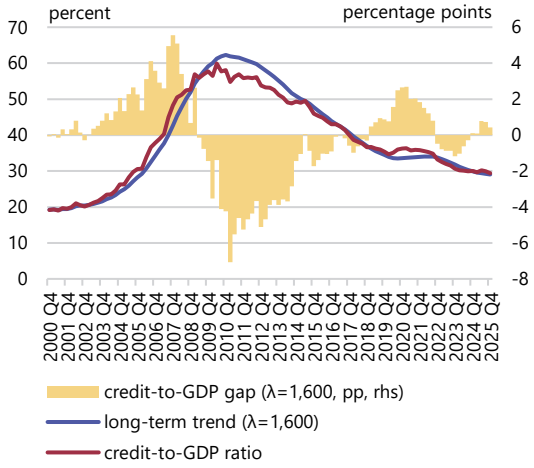
[19] The CCyB rate taken into account is that announced for end-2026.

Chart 3.7. Analysis of the countercyclical capital buffer in Romania (2000 Q4 – 2025 Q4), assuming a long financial cycle (Basel indicator)



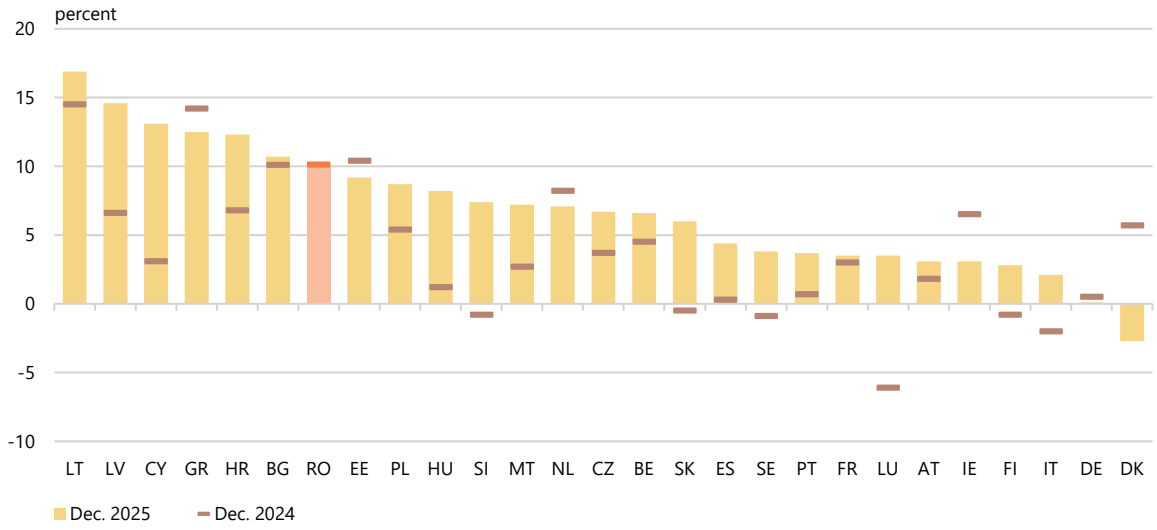
Source: NBR, NIS, NBR calculations

Chart 3.8. Analysis of the countercyclical capital buffer in Romania (2000 Q4 – 2025 Q4), assuming a short financial cycle[20] (alternative indicator)



Source: NBR, NIS, NBR calculations

Chart 3.9. Annual growth rates of outstanding loans to non-financial corporations

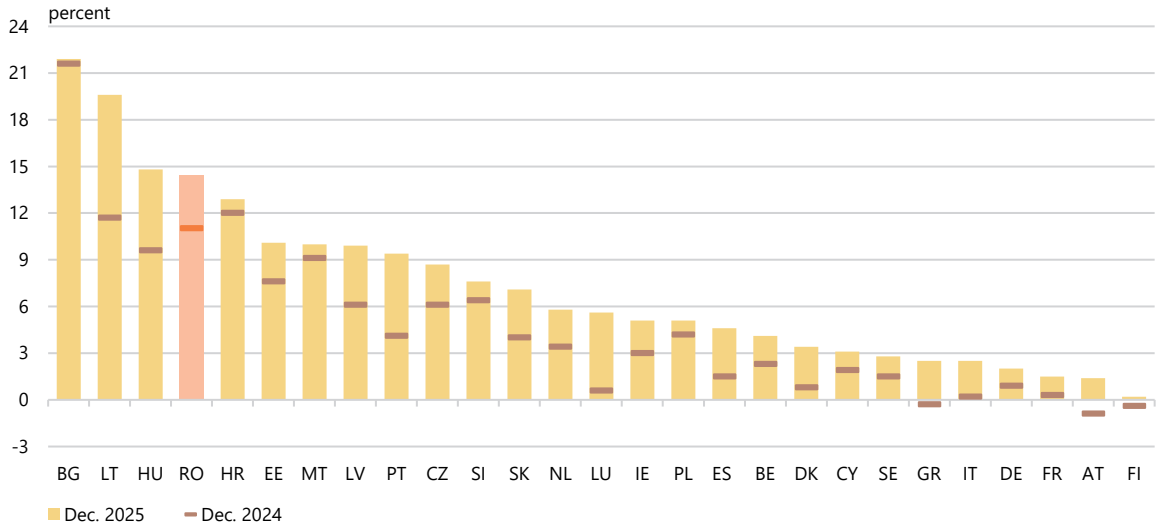


Source: ECB

The analysis on lending dynamics is essential for calibrating the CCyB rate. End-2025 data show that Romania ranked seventh among EU Member States in terms of the annual growth rate of loans to non-financial corporations (Chart 3.9). The level recorded in December 2025 was close to that recorded at the end of 2024. However, while at the end of 2024 only three Member States posted higher growth rates, subsequent developments led to a relative change in ranking, amid the faster lending dynamics in other European economies.

[20] The value of smoothing parameter, i.e. λ=1,600, is used for cycles similar in length to business cycles, referred to in the literature as short cycles (less than 8 years).

Chart 3.10. Annual growth rates of outstanding loans to households



Source: ECB

In the last months, lending to households gained significant momentum in Romania. According to end-2025 data, that Romania ranked fourth among EU Member States in terms of the annual growth rate of outstanding loans to households, after Bulgaria, Lithuania and Hungary. Moreover, the annual change in December 2025 is considerably higher year on year, reflecting a pick-up in the dynamics of lending in this segment. The composition of loans to households shows that the main contributor to this evolution was the robust advance in consumer credit over the course of the year.

The breakdown by component of outstanding loans to households is particularly relevant from a macroprudential perspective, considering that the evolution of housing loans has traditionally been an early signal of a build-up of vulnerabilities in the financial system. In this context, an in-depth analysis of housing loans is essential for assessing the risks associated with the real estate market and for substantiating the decisions on the calibration of macroprudential instruments, with many EU Member States basing their decisions on capital buffers, *inter alia*, on the risks and vulnerabilities stemming from this sector. Box C provides further information on the link between the developments in the real estate market and macroprudential policy measures.

Box C. Role of macroprudential measures amid real estate market developments

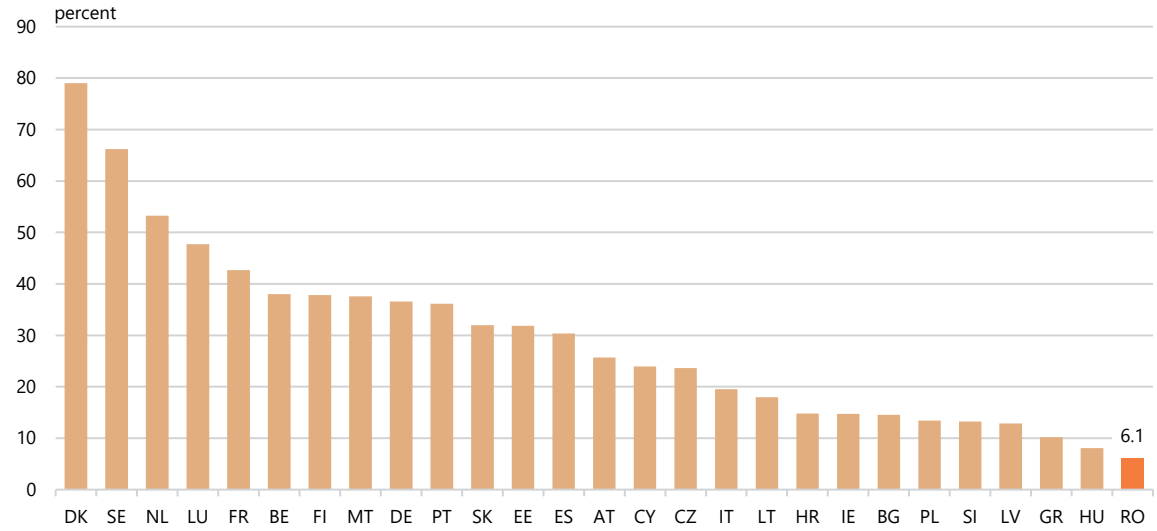
The real estate market made a significant contribution to the outbreak and the deepening of the latest financial crisis, given that the swift increase in house prices, followed by their steep decline, amplified financial system imbalances. Under the circumstances, the European Systemic Risk Board (ESRB) and the national macroprudential authorities pay particular attention to monitoring real estate market developments. Over time, the ESRB has issued several recommendations to EU Member States concerning the vulnerabilities in the residential real estate market, such as Recommendation ESRB/2019/4 for Belgium[21],

[21] Recommendation of the European Systemic Risk Board of 27 June 2019 on medium-term vulnerabilities in the residential real estate sector in Belgium (ESRB/2019/4)

Recommendation ESRB/2019/5 for Denmark[22], Recommendation ESRB/2019/6 for Luxembourg[23], Recommendation ESRB/2019/7 for the Netherlands[24], Recommendation ESRB/2019/8 for Finland[25] and Recommendation ESRB/2019/9 for Sweden[26]. National macroprudential authorities are encouraged, through these recommendations, to take measures designed to prevent households from taking out excessive mortgage debt, which may lead to unsustainable increases in house prices.

The dynamics of housing loans are a relevant indicator of the link between the real estate market and the banking sector. Even though the value of housing loans has risen steadily in nominal terms in Romania, with their stock at end-2025 standing approximately 6.5 percent higher than in December 2024, the share of these loans in GDP remains one of the lowest in the EU. The available data for end-2025 show that Romania boasts a housing loan-to-GDP ratio of 6.1 percent, markedly below the EU average of 29.2 percent and even lower than the level posted by Central and Eastern European (CEE) countries, which was 13.1 percent. Denmark and Sweden rank among the countries with the highest housing loan-to-GDP ratios, namely approximately 79 percent and 66.2 percent (Chart C.1).

Chart C.1. Share of housing loans in GDP (2025)



Source: ECB, Eurostat, NBR calculations

22 Recommendation of the European Systemic Risk Board of 27 June 2019 on medium-term vulnerabilities in the residential real estate sector in Denmark (ESRB/2019/5)

23 Recommendation of the European Systemic Risk Board of 27 June 2019 on medium-term vulnerabilities in the residential real estate sector in Luxembourg (ESRB/2019/6)

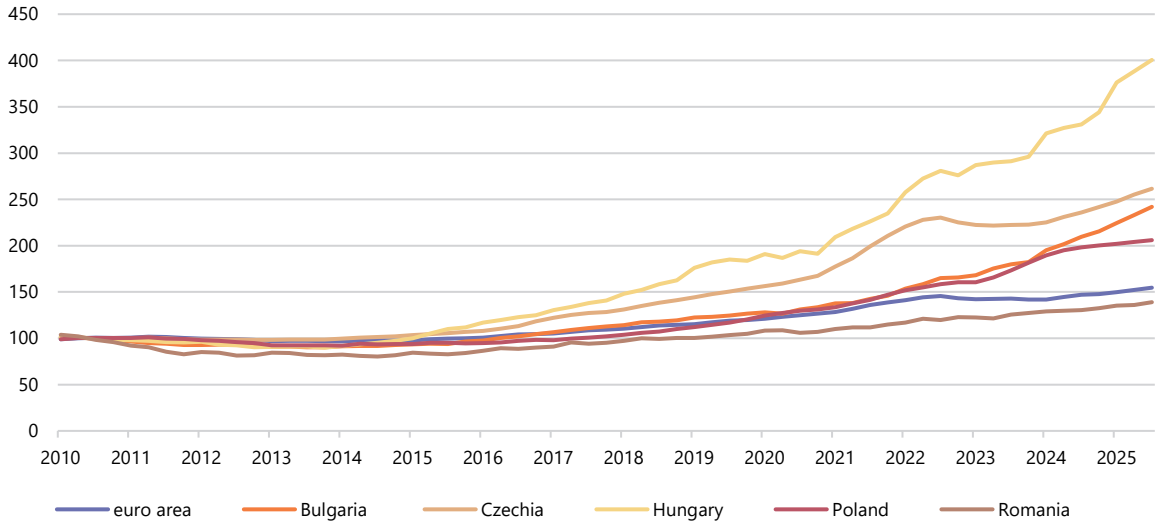
24 Recommendation of the European Systemic Risk Board of 27 June 2019 on medium-term vulnerabilities in the residential real estate sector in the Netherlands (ESRB/2019/7)

25 Recommendation of the European Systemic Risk Board of 27 June 2019 on medium-term vulnerabilities in the residential real estate sector in Finland (ESRB/2019/8)

26 Recommendation of the European Systemic Risk Board of 27 June 2019 on medium-term vulnerabilities in the residential real estate sector in Sweden (ESRB/2019/9)

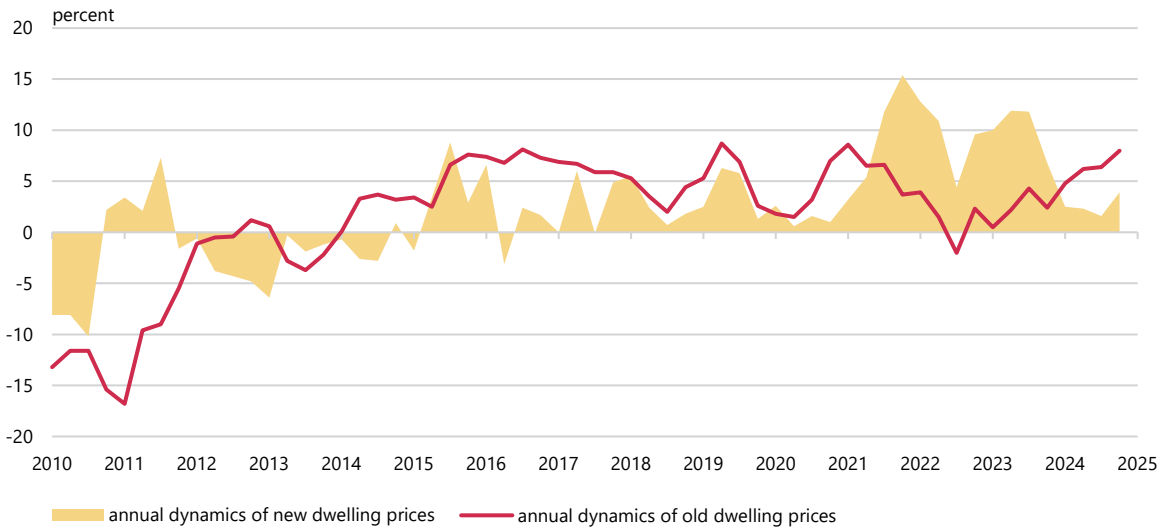
The dynamics of property prices, which have followed an upward path over the past years, have been an important driver of the rise in the stock of housing loans. Compared to 2010, the real estate market has reported increases in all the countries in the region, yet the pace of growth differed significantly across countries. The average annual growth rate of property prices in Romania was around 5 percent during the past decade, whereas in Poland it came in at about 8 percent and in Hungary it exceeded 13 percent. Romania stands out for the lowest cumulative rise in prices (Chart C.2) as compared with its regional peers.

Chart C.2. Dynamics of property prices in CEE countries and the euro area (2010=100)



Source: Eurostat

Chart C.3. Annual dynamics of property prices by type of building



Source: Eurostat, EC, NBR calculations

Prices of both new and old dwellings increased, yet their dynamics differed over time. Specifically, in 2022-2024, on the back of the post COVID-19 economic recovery, new dwelling prices recorded a faster growth rate. In 2025 however there was a change in these trends, old dwelling prices posting a swifter pace of increase, in line with market demand over this period (Chart C.3).

The dynamics of housing loans are a significant element for assessing real estate market risks and their implications for financial stability. Therefore, macroprudential authorities closely monitor the potential risks associated with this sector. In response to the above-mentioned developments, an increasing number of EU Member States introduced macroprudential measures such as the sectoral systemic risk buffer (sSyRB). For instance, Germany implemented this instrument to reduce residential real estate sector vulnerabilities, while Hungary used it to mitigate the risks related to the commercial real estate sector. Thus, each country decided to implement the said tool depending on the real estate market segment where risks were deemed to be the highest. At the same time, there are also countries such as Austria that apply this buffer directly to the exposures of credit institutions to non-financial corporations based in this country operating in construction and the real estate sector.

An increasing number of countries deciding to raise the countercyclical capital buffer also mention the vulnerabilities stemming from real estate market developments among the reasons substantiating these decisions. For instance, Croatia highlighted also the hike in residential property prices when justifying the latest decision to increase the CCyB rate. In a similar way, Cyprus underlined, in the case of the same decision, strong signs of higher risks related to soaring residential property prices, which translated into the sustained dynamics of the residential property price index, which exceeded 2008 levels in almost all regions of the country.

The risks stemming from real estate market developments may be mitigated through both macroprudential measures (capital buffers), which have a direct impact on the capital requirements of credit institutions, and borrower-based measures. According to the reports of national authorities, capping the debt-service-to-income (DSTI) and setting a minimum LTV ratio are two of the most frequently used instruments. These measures contribute to lowering the risk of households taking on excessive debt, to strengthening debtor resilience should shocks materialise and to reducing the magnitude of the financial cycle. At end-2025, LTV measures were in place in 22 EU Member States, Romania included, while DSTI measures were enforced in 19 EU Member States, including Romania. The analysis shows that the number of national authorities using such instruments has increased over time, the rise being more pronounced in recent years.

In this European context, the analysis of the real estate market in Romania is carried out from a macroprudential perspective, given both the relatively low financial intermediation and the potential for a build-up of risks during the expansion phase of the business

cycle. In pursuing its mandate, the National Committee for Macroprudential Oversight permanently monitors the indicators on housing price dynamics, households' level of indebtedness, credit standards and the banking sector's exposure to the residential real estate market.

Thus, the assessment of the real estate market is integrated into the calibration of national macroprudential instruments – borrower-based measures and capital buffers included – with a view to preventing the build-up of systemic risks and strengthening the resilience of the financial system, hence ensuring a cautious and proportional approach, in line with European good practices and the objective of safeguarding financial stability.

3.1.2. Buffer for other systemically important institutions

Implementation framework of the macroprudential instrument

Following the global financial crisis, the international authorities made efforts to identify the procyclical mechanisms that triggered the outbreak of crisis and aggravated its effects. The Financial Stability Board (FSB), the Basel Committee for Banking Supervision (BCBS) and G-20 issued recommendations to mitigate the procyclical effects of financial regulations. In December 2010, the BCBS published new international regulatory standards on bank capital adequacy (Basel III), including rules imposing the build-up of capital buffers to mitigate specific bank risks. In 2016, the European CRD IV regulatory framework establishing the capital buffers that credit institutions should apply for the proper management of structural or cyclical risks came into force. In order to prevent the build-up of systemic risks generated by the misaligned incentives and moral hazard implied by systemically important institutions, the ESRB recommends national authorities to use, as a dedicated macroprudential instrument, the capital buffers applicable to O-SIIs in the national financial system[27] or G-SIIs at international level[28].

During the implementation of the new macroprudential instruments, national authorities in the EU identified certain limitations in the initial set-up of the O-SII buffer. In this context, they made several proposals to increase the flexibility of this instrument, so as to enable the adequate coverage of risks that systemically important institutions could have transferred to the national financial sector and the real economy. Specifically, according to the CRD V regulatory framework, the O-SII buffer rate that Member States' competent authorities can impose in the country of origin on banks with domestic capital was increased to 3 percent of the total risk exposure amount (as compared to the previous threshold of 2 percent). The maximum amount the authorities in host countries may set for foreign bank subsidiaries

[27] Other Systemically Important Institutions

[28] Global Systemically Important Institutions

was also raised[29]. Moreover, the CRD V regulatory framework reset the implementation of O-SII and SyRB buffers, stipulating that the systemic risk buffer may be cumulative with the O-SII buffer in the case of systemically important banks subject to a systemic risk buffer, given that the two instruments are meant to cover different risks. Where Member States intend to impose on systemically important banks an O-SII buffer higher than 3 percent or where the sum of the O-SII buffer rate and the SyRB rate is higher than 5 percent, competent/designated national authorities shall request the European Commission's approval before the measure becomes effective. The authorities should ensure that this approach does not entail disproportionate adverse effects on the whole or parts of the financial system in other Member States or in the Union as a whole, forming or creating an obstacle to the functioning of the single European market.

According to the literature, the objectives to impose additional capital requirements on systemically important institutions are as follows: (i) enhance their loss-absorption capacity, with positive effects on mitigating the systemic risk generated by the size of institutions, (ii) lower the likelihood of financial difficulties for systemic banks, (iii) reduce the severity of the potential impact of financial stress episodes that large banks could face, (iv) build up capital reserves that can ensure the continued financial intermediation during the downturn of business and financial cycles and (v) correct the advantages of "too big to fail" institutions as a result of implicit government guarantees, promoting a level playing field in the market for all credit institutions.

The experience across the EU

In order to ensure a level playing field in the EU banking market with regard to identifying and designating systemically important institutions, the European Banking Authority (EBA) developed a common methodology (Guidelines EBA/GL/2014/10[30]), with the help of national authorities. The Guidelines specify the adequate methodology to make a standardised assessment of systemically important institutions, while also leaving room for manoeuvre to the national authorities, given the significant differences in the specificities of Member States' financial systems in terms of banking sector concentration, size relative to GDP and business models.

The methodology comprises two steps. In the first step (which is common at EU level), 10 indicators are calculated based on the following criteria: (a) size, (b) importance for

[29] In accordance with the CRD V regulatory framework, where an O-SII is a subsidiary of either a G-SII or an O-SII which is either an institution or a group headed by an EU parent institution, and subject to an O-SII buffer on a consolidated basis, the buffer that applies on an individual or sub-consolidated basis shall not exceed the lower of: (a) the sum of the higher of the G-SII or the O-SII buffer rate applicable to the group on a consolidated basis and 1 percent of the total risk exposure amount; and (b) 3 percent of the total risk exposure amount or the rate the Commission has authorised to be applied to the group on a consolidated basis. According to CRD IV, the buffer that applies to systemically important subsidiaries of foreign banks in host countries could not exceed the higher of: (a) 1% of the total risk exposure amount calculated in accordance with Article 92(3) of Regulation (EU) No 575/2013; and (b) the G-SII or O-SII buffer rate applicable to the group at consolidated level.

[30] Guidelines on the criteria to determine the conditions of application of Article 131(3) of Directive 2013/36/EU (CRD) in relation to the assessment of other systemically important institutions – https://www.eba.europa.eu/documents/10180/930752/964fa8c7-6f7c-431a-8c34-82d42d112d91/EBA-GL-2014-10%20(Guidelines%20on%20O-SIIs%20Assessment).pdf

Chart 3.11. Number of O-SIIs in EEA countries in 2025

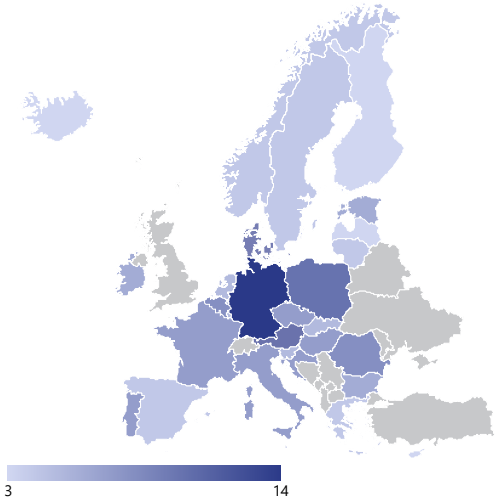
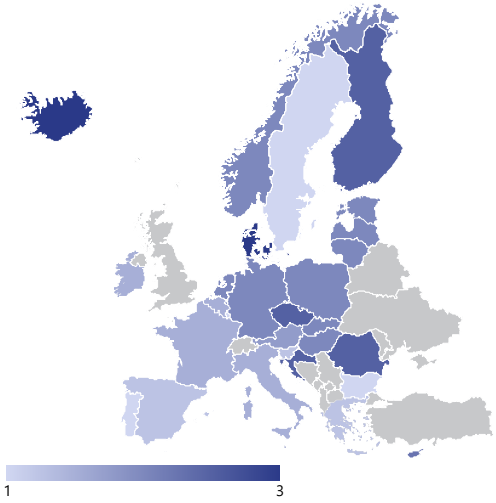


Chart 3.12. Maximum O-SII buffer rate in EEA countries in 2025



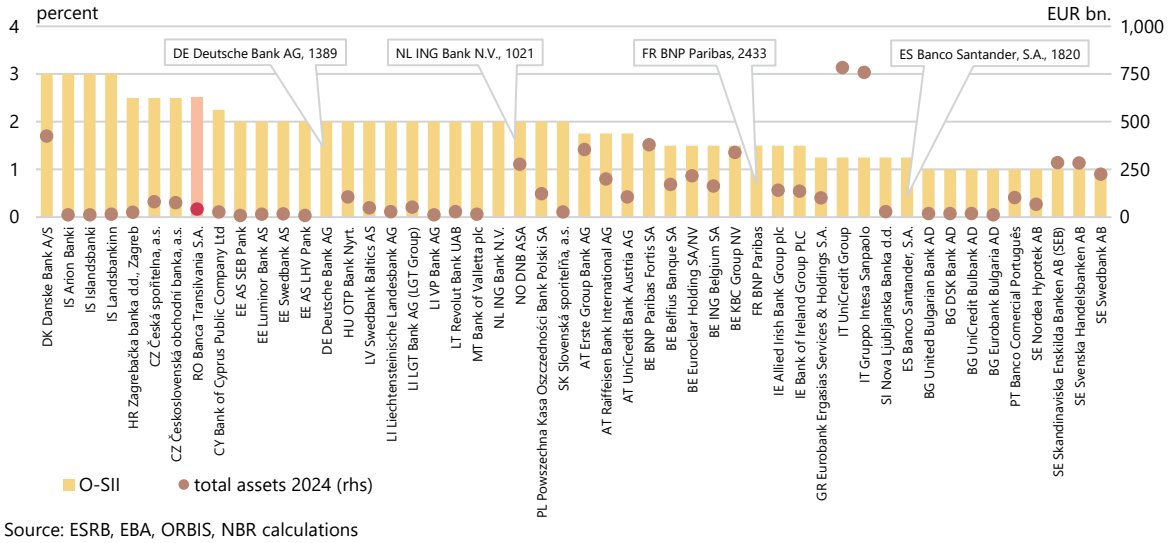
Source: ESRB

the economy of the relevant Member State, capturing substitutability and the financial institution infrastructure, (c) complexity of cross-border activity and (d) interconnectedness of the institution or group with the financial system. The indicators are calculated based on standardised definitions, the information being extracted from credit institutions' financial reports, in a harmonised template at EU level. This step ensures comparability and transparency in the assessments to designate systemically important institutions at the level of Member States. In the second step, the specificities of the national financial systems are taken into account and a set of optional indicators may be used to capture other relevant aspects of the banking sector, which have not been identified in the first stage of assessment. The nominal list of optional indicators that national authorities can use in the second stage of assessment is included in Guidelines EBA/GL/2014/10, allowing the selection of the appropriate scope (Member State, EU, a certain region, worldwide). Following the annual assessments to identify systemically important institutions, all EU Member States submit the results to the ESRB.

In 2025, 178 systemically important institutions were identified in EEA countries (Chart 3.11), down from the year before, when 185 entities were classified as O-SIIs. The countries that reported a larger number of systemically important institutions were Ireland (+3 O-SIIs) and Czechia (+1 O-SII). Conversely, unlike the 2024 identification exercise, the number of O-SIIs decreased in seven countries, the most significant changes being reported by Iceland (-3 O-SIIs), Latvia and Cyprus (-2 O-SIIs), whereas in Germany, Romania, Slovakia and Slovenia the number of O-SIIs dropped by one in each case. The number of O-SIIs varies across EEA countries, from a maximum of 14 in Germany to a minimum of 3 in countries such as Cyprus, Finland, Iceland, Latvia and Liechtenstein, depending on the specificities of each banking sector and the level of concentration, as well as on the business strategy of institutions and the negotiated takeovers/mergers.

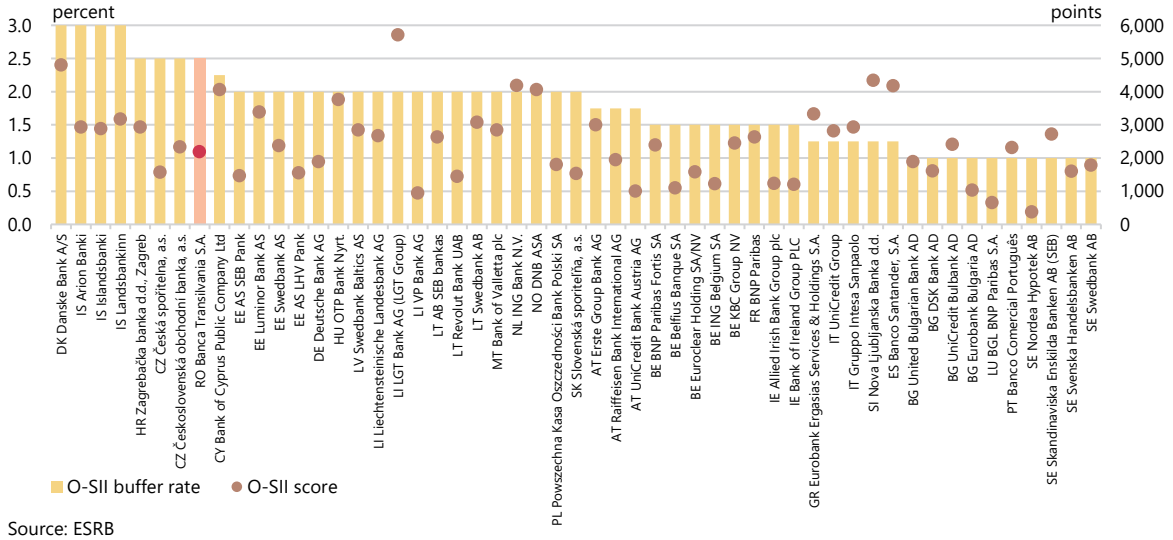
As regards the calibration of the O-SII buffer in 2025, Cyprus, Iceland and Romania decided to raise the maximum buffer rate, with Iceland recording the highest increase (+1.5 percentage points to 3 percent), Chart 3.12. Ireland increased the minimum buffer

Chart 3.13. Credit institutions applying the maximum O-SII buffer rate in the country where they operate in 2025 and total assets in 2024



Source: ESRB, EBA, ORBIS, NBR calculations

Chart 3.14. Credit institutions applying the maximum O-SII buffer rate in the country where they operate in 2025 and the score based on which they were identified in 2025



Source: ESRB

rate by 0.5 percentage points to 1.5 percent. The minimum buffer rate was raised in Austria, Denmark, Estonia, Iceland, Ireland, Italy, Latvia and Malta, with Denmark, Iceland and Latvia making the largest adjustments, i.e. +1 percentage point. In 2025, no country decided to lower the minimum O-SII buffer rate.

Moreover, in 2025, seven global systemically important banks (G-SIIs) were identified in Europe, similarly to the year before. These institutions are based in France (4), Germany (1), the Netherlands (1) and Spain (1). The four Member States apply different buffer rates, as follows: (i) between 1 percent and 1.5 percent in France, (ii) 1.5 percent in Germany and (iii) 1 percent in the Netherlands and Spain.

While the identification of systemically important banks is harmonised at European level according to Guidelines EBA/GL/2014/10 (as all Member States have to apply the scoring methodology based on the calculation of mandatory indicators), setting the O-SII buffer rate falls within the scope of national authorities in Member States, given the significant differences in the specificities of national banking sectors (the share of the banking sector in the national financial system, the volume of bank assets as a share of GDP, banking sector concentration, banking sector structure by size of institutions, etc.). Therefore, the aim was to make a comparison among EEA countries between the assets of systemically important banks that apply the maximum O-SII buffer rate and the score based on which they were identified. There are significant differences in terms of total assets (the indicator used for the criterion to determine the size of O-SIIs) among banks that apply a similar O-SII buffer rate (Chart 3.13), as well as in terms of identification scores resulting from the implementation of EBA Guidelines (Chart 3.14).

In comparison with other European countries, the bank in Romania with the highest O-SII buffer rate in 2025, Banca Transilvania S.A. (2.5 percent) is in the same group with two credit institutions in Czechia and one in Croatia. The O-SII buffer rate applicable to Banca Transilvania S.A. is the second highest among EU countries, after the group of systemically important institutions, in which case a buffer rate of 3 percent is applied (three banks in Iceland and one in Denmark). In terms of total assets, the bank in Romania ranks 31st (total assets worth EUR 41.6 billion in 2024) out of 50 institutions identified as being systemically important in EU countries and to which the maximum buffer rate is applied in the country they belong to. The ranking of banks by total assets is dominated by G-SIIs, namely those in France, Spain, Germany and the Netherlands.

As regards the heterogeneity of the scores obtained in the first identification stage based on the EU-wide harmonised methodology through the EBA Guidelines, Banca Transilvania S.A. (2,187 basis points) is in the group of institutions with a buffer rate of 2.5 percent. This category includes only one bank in Czechia which recorded a lower score. In the analysed sample of banks, Banca Transilvania ranks 31st, similarly to the situation of total assets in 2024. The assessment shows the existing differences in terms of macroprudential policy across EU countries.

Implementation in Romania

The analyses on the identification of systemically important banks and the recalibration of additional capital requirements for other systemically important institutions in Romania (O-SII buffer) are carried out on a yearly basis[31]. In Romania, the National Committee for Macroprudential Oversight (NCMO) is tasked with identifying the financial institutions and

[31] Art. 24 para. (2) of Regulation NCMO No. 2/2017 on the methodology and procedures used for setting capital buffers and the scope of these instruments, as subsequently amended and supplemented: (2) The Committee shall revise annually the identified O-SIIs and shall report the result to institutions concerned and the ESRB [...]. Art. 23^2 para. (6) of the same Regulation: (6) The O-SII buffer must be reviewed by the Committee at least annually.

structures that are systemically relevant[32], while also acting as a designated authority within the meaning of provisions contained in Sections I and II, Chapter 4, Title VII of Directive 2013/36/EU with regard to capital buffers. The National Bank of Romania, in its capacity as sectoral supervisory authority, implements the O-SII buffer at the level of systemically important banks, following the recommendations issued by the NCMO.

A methodology to recalibrate O-SII buffer rates, which implements the provisions of the European regulatory framework (CRD V)[33] has been used since 2022. Given that the recalibration uses the scores calculated based on the EBA's mandatory indicators included in Guidelines EBA/GL/2014/10, the O-SII buffer rate is correlated with the systemic footprint of institutions, based on the bucketing approach. The six buckets have 500 basis points each, which are assigned O-SII buffer values in ascending order based on systemic importance, in equal increments of 0.5 percentage points.

According to this methodology, the O-SII buffer can have values between 0.5 percent and 3 percent (Table 3.3).

Table 3.3. O-SII buffer calibration methodology based on the bucketing approach

Bucket	Limits (minimum – maximum) (basis points)	O-SII buffer rate (% of total risk-weighted exposures)
1	275-500	0.5
2	501-1,000	1.0
3	1,001-1,500	1.5
4	1,501-2,000	2.0
5	2,001-2,500	2.5
6	above 2,500	3.0

Note: The first bucket has a minimum threshold of 275 basis points, from which banks are automatically designated as being systemically important, according to the national methodology. Where a bank is assessed as being systemic based on additional indicators, but its score assigned by the mandatory indicators stands below the 275 basis point threshold, then the institution falls within the first bucket.

Source: NBR

Mention should be made that, during the assessments made in 2024 to prepare a list of systemically important banks applicable in 2025, systemically important institutions were

[32] Art. 3 para. (1) letter c) of Law No. 12/2017 on the macroprudential oversight of the national financial system: (1) With a view to achieving the fundamental objective laid down in Art. 2(1), the Committee shall carry out the following tasks: [...] c) identifying the systemically important financial institutions and financial system structures [...].

[33] The provisions of CRD V on the O-SII buffer were implemented via NCMO Regulation No. 1 of 18 December 2020 amending and supplementing NCMO Regulation No. 2/2017 on the methodology and procedures used for setting capital buffers and the scope of these instruments. As regards the O-SII buffer rate, Art. 23 para. (1) of the Regulation stipulates that: "Based on the criteria for the identification of O-SIIs, the Committee may recommend the national sectoral financial supervisory authorities to require O-SIIs to maintain an O-SII buffer of up to 3 percent of the total risk exposure amount [...]". The NCMO may recommend the national sectoral financial supervisory authorities to require systemically important banks to maintain an O-SII buffer rate higher than 3 percent of the total risk exposure amount, subject to approval by the European Commission (Art. 2^{31} of the Regulation).

identified in the Romanian banking sector in the first stage (the score was calculated based on the EBA's mandatory indicators), as well as in the second stage (calculation of optional indicators)[34].

NCMO Recommendation No. R/6/2024 on the capital buffer for other systemically important institutions in Romania[35] is applicable from 1 April 2025 to 31 March 2026. The National Bank of Romania is recommended to impose, starting 1 April 2025, a capital buffer for other systemically important institutions (O-SII buffer), on an individual or consolidated basis, as applicable, calculated based on the total risk exposure amount for all the credit institutions identified as systemically important based on the data reported as at 30 September 2024, as follows: (i) 2.5 percent for Banca Transilvania S.A. (consolidated level), (ii) 1.5 percent for UniCredit Bank S.A. (consolidated level), Banca Comercială Română S.A. (consolidated level), BRD – Groupe Société Générale S.A. (consolidated level), (iii) 1 percent for Raiffeisen Bank S.A. (consolidated level), CEC Bank S.A. (individual level) and (iv) 0.5 percent for Exim Banca Românească S.A. (individual level). The identified systemically important institutions, the scores obtained during the assessment based on the reports available as at 30 September 2024 and the O-SII buffer rate applied as of 1 April 2025 are presented in Table 3.4.

Table 3.4. O-SIIs and the O-SII buffer rate applicable from 1 April 2025 to 31 March 2026

Credit institution	Score based on mandatory/additional indicators	O-SII requirement (% of the total risk exposure amount)	Applicability of O-SII buffer
A. Credit institutions in the first assessment stage, having recorded a score above the threshold of 275 basis points, based on the mandatory indicators recommended by the EBA			
Banca Transilvania S.A	2,187 basis points	2.5	consolidated level
UniCredit Bank S.A.	1,450 basis points	1.5	consolidated level
Banca Comercială Română S.A.	1,392 basis points	1.5	consolidated level
BRD – Groupe Société Générale S.A.	1,300 basis points	1.5	consolidated level
Raiffeisen Bank S.A.	833 basis points	1	consolidated level
CEC Bank S.A.	624 basis points	1	consolidated level

[34] According to the national methodology, the optional indicators used for the in-depth review of systemically important banks are as follows: a) the contribution of the credit institution to finance the real economy, calculated based on the volume of loans granted to non-financial corporations and the substitutability of non-financial corporations' lending activity; b) the contribution of the credit institution to financial intermediation, calculated based on the volume of deposits from households and non-financial corporations; c) the activity of the credit institution on the interbank market and quantifying the contagion effects; d) the assessment of systemically important institutions in the ReGIS payment system; e) the vulnerability to contagion as regards the relationship between parent undertakings and their affiliates via the common lender channel (country of origin of capital).

[35] NCMO Recommendation No. R/6/2024 on the capital buffer for other systemically important institutions in Romania is published on the NCMO website (https://www.cnsmro.ro/res/ups/NCMO-Recommendation-No.-R-6-2024.pdf)

– continued –

Credit institution	Score based on mandatory/additional indicators	O-SII requirement (% of the total risk exposure amount)	Applicability of O-SII buffer
B. Credit institutions identified in the second assessment stage, implying the calculation of additional indicators – the threshold from which credit institutions are classified as O-SIIs is 2.75 percent			
EXIM Banca Românească S.A.	A – The contribution of the credit institution to finance the real economy, calculated based on the volume of loans granted to non-financial corporations and the substitutability of non-financial corporations' lending activity: 5.63% B – The contribution of the credit institution to financial intermediation, calculated based on the volume of deposits from households and non-financial corporations: 2.98%	0.5	individual level

Source: NCMO

The NBR implemented NCMO Recommendation No. R/6/2024 on the capital buffer for other systemically important institutions in Romania by issuing Order No. 1/2025 on the buffer for credit institutions authorised in Romania and identified as other systemically important institutions (O-SIIs)[36].

In 2025, a new analysis was made to identify systemically important banks using the reports with the reference date of 30 September 2025[37]. The assessment was made at the highest consolidation level, according to the applicable European framework, and showed there are seven systemically important banks that recorded, in the first assessment stage, scores above the 275 basis point threshold, used for the automatic designation of systemically important institutions, as follows: Banca Transilvania S.A. (2,163 basis points), UniCredit Bank S.A. (1,587 basis points), Banca Comercială Română S.A. (1,330 basis points), BRD – Groupe Société Générale S.A. (1,290 basis points), Raiffeisen Bank S.A. (881 basis points), CEC Bank S.A. (641 basis points) and EXIM Banca Românească S.A. (295 basis points). In the step of calculating additional indicators, the results obtained in the first stage were confirmed and no other systemically important institutions were identified in the analysed markets.

The assessment was analysed in the NCMO General Board meeting of 11 December 2025, when NCMO Recommendation No. R/6/2025 on the capital buffer for other systemically important institutions in Romania was issued. The National Bank of Romania is recommended to impose, starting 1 April 2026, a capital buffer for other systemically important institutions

[36] NBR Order No. 1/2025 on the buffer for credit institutions authorised in Romania and identified by the National Bank of Romania as other systemically important institutions (O-SIIs) was published in *Monitorul Oficial al României*, Part I, No. 168 of 25 February 2025.

[37] The reports available as at 30 September 2025 include the significant change in the composition of the Romanian banking sector, namely the takeover of Alpha Bank România by UniCredit Bank România.

(O-SII buffer), on an individual or consolidated basis, as applicable, calculated based on the total risk exposure amount for all the credit institutions identified as systemically important based on the data reported as at 30 September 2025, as follows: (i) 2.5 percent for Banca Transilvania S.A. (consolidated level), (ii) 2 percent for UniCredit Bank S.A. (consolidated level), (iii) 1.5 percent for Banca Comercială Română S.A. (consolidated level), BRD – Groupe Société Générale S.A. (consolidated level), (iv) 1 percent for Raiffeisen Bank S.A. (consolidated level), CEC Bank S.A. (consolidated level) and (v) 0.5 percent for Exim Banca Românească S.A. (individual level).

The systemically important institutions and the O-SII buffer rate applied as of 1 April 2026, as well as the scores obtained during the assessment based on the reports available as at 30 September 2025 are presented in Table 3.5.

Table 3.5. O-SIIs and the O-SII buffer applicable as of 1 April 2026

Credit institutions included in the group of systemically important banks as of 1 April 2026	Score obtained for the reference date of 30 September 2025	O-SII buffer rate applicable as of 1 April 2026	The consolidation level at which the O-SII buffer is to be applied
A. Credit institutions in the first assessment stage, having recorded a score above the threshold of 275 basis points, based on the mandatory indicators recommended by the EBA			
Banca Transilvania S.A	2,163 basis points	2.5	consolidated level
UniCredit Bank S.A.	1,587 basis points	2	consolidated level
Banca Comercială Română S.A.	1,330 basis points	1.5	consolidated level
BRD – Groupe Société Générale S.A.	1,290 basis points	1.5	consolidated level
Raiffeisen Bank S.A.	881 basis points	1	consolidated level
CEC Bank S.A.	641 basis points	1	consolidated level
EXIM Banca Românească S.A.	295 basis points	0.5	individual level

Source: NCMO

With regard to the list of systemically important banks, the assessment relying on the reports available as at 30 September 2025 had identical results to those recorded in the previous analysis, supported by the information available as at 30 September 2024, based on which systemically important banks were identified and the O-SII buffer rate, applicable as of 1 April 2025, was set.

Moreover, the O-SII buffer requirements recommended to be implemented as of 1 April 2026 are similar to those applicable in the period from 1 April 2025 to 31 March 2026, except for the O-SII buffer applied to UniCredit Bank, which would be raised from 1.5 percent to 2 percent, following the takeover of Alpha Bank România.

Three out of the seven banks identified in the latest assessments as having systemic importance have domestic capital (CEC Bank and EXIM Banca Românească) or majority domestic capital (Banca Transilvania). The remaining four credit institutions are subsidiaries of foreign banks in other EU Member States (Austria – BCR, Raiffeisen; Italy – UniCredit; France – BRD), which are O-SIIs in their home countries or global systemically important

institutions (G-SIIs) and need to maintain additional capital requirements at a consolidated level, as follows:

- according to the notification sent to the ESRB by the Austrian Financial Market Authority in December 2024, banking groups Erste Group Bank AG and Raiffeisen Bank International AG need to meet a capital requirement for other systemically important institutions (O-SII buffer), on a consolidated level, of 1.75 percent of the total risk-weighted exposure amount as of 1 January 2025;

- the Autorité de Contrôle Prudentiel et de Résolution (ACPR) in France declared that the Société Générale banking group ranks among global systemically important institutions (G-SIIs) and is applied a capital requirement (G-SII buffer) of 1 percent of the total risk-weighted exposure amount during 2026 and 2027. At the same time, the ACPR notified the ESRB that Société Générale was identified as a systemically important institution at national level, in which case it is subject to an O-SII buffer of 1 percent of the total risk-weighted exposure amount in the 2025-2027 period. According to the provisions of the European regulatory framework, systemic banks are applied the higher of the G-SII or O-SII buffer rate, therefore Société Générale has to hold an additional capital buffer of 1 percent of the total risk-weighted exposure amount, in view of its systemic importance;

- according to the latest notification submitted by Banca d'Italia, the UniCredit banking group does no longer fulfil the conditions to be identified as a G-SII starting in 2025[38]. At the same time, Banca d'Italia identified the UniCredit banking group as an other systemically important institution authorised to operate in Italy, being required to maintain an O-SII buffer of 1.25 percent in 2026, down from the 1.5 percent rate applied in 2025.

The O-SII buffer applicable as of 1 April 2026 to other systemically important institutions in Romania that are subsidiaries of the aforementioned foreign banks was set considering the limits established by the European legislation (CRD V) effective at national level[39].

The recalibration of the O-SII buffer, which was approved in the NCMO meeting of 11 December 2025, was subject to prior notification to the ESRB[40], a 30-day process, in

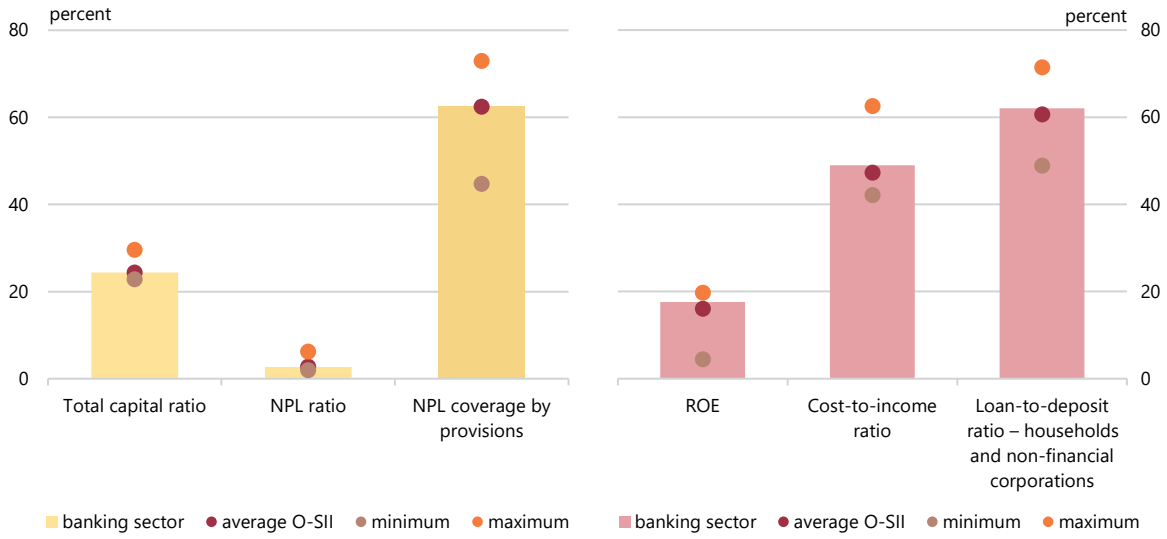
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38 Until 31 December 2024, the UniCredit banking group was identified as a global systemically important institution, being applied a G-SII buffer of 1 percent of the total risk-weighted exposure amount.

39 The national macroprudential authority implemented the CRD V European framework by way of NCMO Regulation No. 1/2020 amending and supplementing NCMO Regulation No. 2/2017 on the methodology and procedures used for setting capital buffers and the scope of these instruments.

40 Article 131(7) of Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures sets forth the following: "(7) Before setting or resetting an O-SII buffer, the competent authority or the designated authority shall notify the ESRB one month before the publication of the decision referred to in paragraph 5 [...]. The ESRB shall forward such notifications to the Commission, to EBA and to the competent and designated authorities of the Member States concerned without delay". CRD V provisions were implemented by way of Article 23 para. (2) of NCMO Regulation No. 2/2017 on the methodology and procedures used for setting capital buffers and the scope of these instruments, as amended by NCMO Regulation No. 1 of 18 December 2020 (https://www.cnsmro.ro/res/ups/Regulament-CNSM-1_2020_EN.pdf)

Chart 3.15. Prudential and efficiency indicators of systemically important institutions (December 2025)



Source: NBR, prudential reports

line with the applicable provisions. No observations or comments were made by the ESRB, the European Commission, the European Supervisory Authorities or national competent or designated authorities in the home countries of parent banks having subsidiaries in Romania with regard to the implementation of the O-SII buffer at national level.

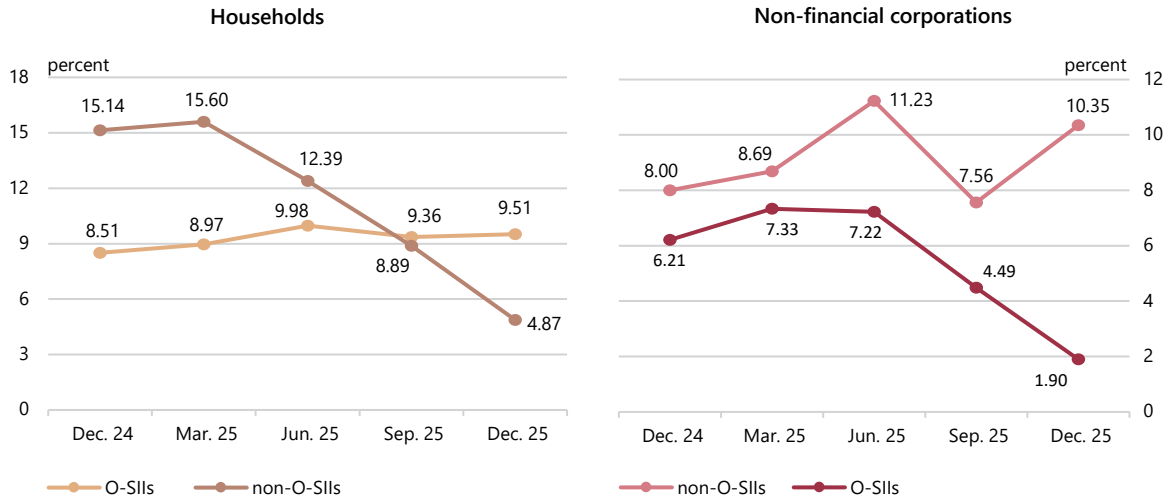
In this context, the NBR took the necessary steps to implement NCMO Recommendation No. R/6/2025 on the capital buffer for other systemically important institutions in Romania, which resulted in the issue of NBR Order No. 1/2026 on the buffer for credit institutions authorised in Romania and identified by the National Bank of Romania as other systemically important institutions (O-SIIs)[41].

The credit institutions identified as systemically important for 2026 play a decisive role for the Romanian banking sector, as shown by a number of indicators: (i) they hold 80.5 percent of bank assets as at 30 September 2025; (ii) they provide a significant part of financial services to the real economy, i.e. 80.0 percent of loans in stock, 78.8 percent of deposits taken, and 61.1 percent of payments made; (iii) in terms of complexity, they conduct 92.3 percent of transactions in OTC derivatives, they invest 96.0 percent of foreign assets and raise 79.1 percent of foreign liabilities, while (iv) in terms of interconnectedness with the other undertakings conducting financial activities, they provide 80.7 percent of intra-financial assets, they use 74.2 percent of intra-financial liabilities and hold 99.1 percent of bonds issued.

The analysis of credit institutions from a macroprudential perspective shows that the capitalisation of systemically important banks rose only marginally from the year before (24.39 percent at end-2025 versus 23.9 percent in the same year-ago period), while the capitalisation of the banking sector saw a significant improvement in the same period (24.36 percent versus 20.9 percent). The asset quality of systemically important institutions

[41] NBR Order No. 1/2026 on the buffer for credit institutions authorised in Romania and identified by the National Bank of Romania as other systemically important institutions (O-SIIs) was published in *Monitorul Oficial al României*, Part I, No. 108 of 10 February 2026.

Chart 3.16. Annual growth rate of loans and advances granted to households and non-financial corporations by O-SIIs and non-O-SIIs



Source: NBR, prudential reports

(as indicated by the NPL ratio) saw a slight deterioration from the previous year (2.7 percent versus 2.5 percent), but remained in the green "best bucket" of the EBA classification (NPL ratio below 3 percent). This is similar to the performance of the banking sector, where the NPL ratio reached 2.7 percent in December 2025 (compared to 2.5 percent at end-2024), remaining, however, below the 3 percent threshold. The NPL coverage by provisions fell slightly from 2024 (62 percent versus 67 percent) in the banking sector as a whole and at the level of systemically important banks, but the level of this indicator significantly exceeded the EU average (41.4 percent as at 31 December 2025).

In terms of profitability and efficiency, analysing the return on equity (ROE), the position of systemically important institutions worsened, reaching 16 percent in December 2025 (compared to 18 percent in the previous year), whereas the sector average stood at 17.6 percent. The cost-to-income ratio was 47.25 percent as compared to 47.76 percent in the year before for O-SIIs and 48.95 percent sector-wide. These indicators are in the EBA's green "best bucket" and above the EU average (ROE: 10.4 percent, cost-to-income ratio: 53.3 percent, 31 December 2025). The analysis of the loan-to-deposit ratio for households and non-financial corporations shows a marginal increase in this indicator at the level of O-SIIs, i.e. from 60 percent in December 2024 to 60.6 percent in December 2025. This is in contrast to the banking sector, where the loan-to-deposit ratio decreased by 0.4 percentage points, i.e. from 62.4 percent in December 2024 to 62 percent in December 2025. The loan-to-deposit ratio of banks in Romania is in the best bucket, according to the EBA-defined thresholds (below 100 percent – green area), while also reflecting the need to improve strategies to increase financial intermediation and inclusion.

Turning to lending to the real sector, in 2025 the growth rates of loans granted by O-SIIs rose for households and decreased for non-financial corporations. As compared to the year before, when systemically important banks contributed primarily to the advance in loans to non-financial corporations, in 2025, the rates of increase of loans granted by non-O-SIIs were higher, the differential versus O-SIIs widening towards the year-end

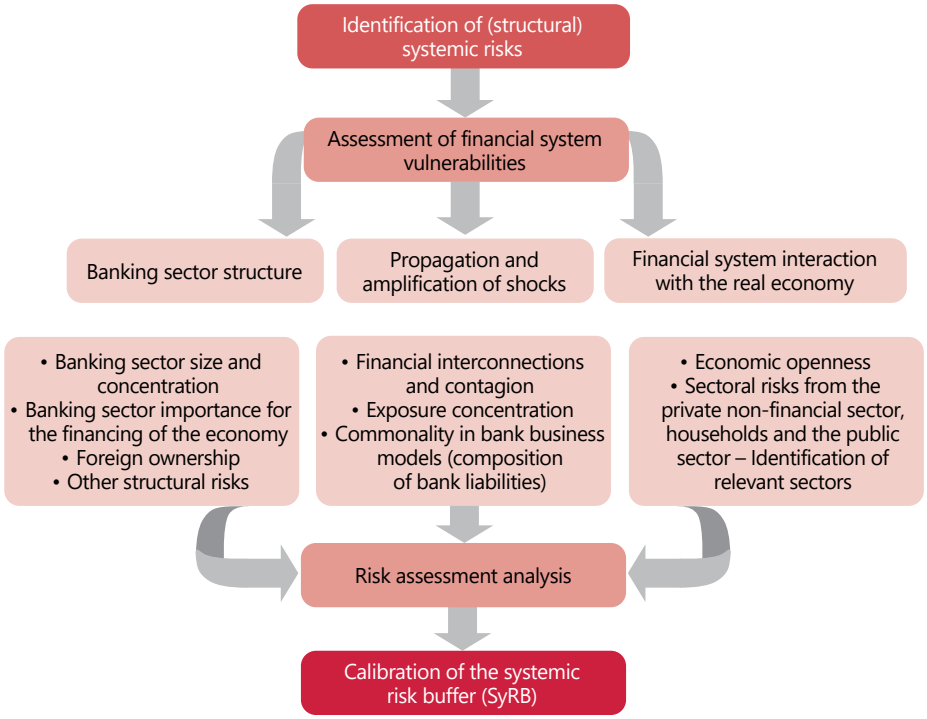
(10.35 percent versus 1.9 percent). One likely explanation for these developments may be that large, systemically important banks channelled their resources primarily towards the government sector financing. Foreign currency loans further played a major role in supporting lending dynamics, particularly in the corporate segment, given the significant interest rate differential and the specific activity (import-export). Moreover, the growth rates of non O-SII loans to households were also higher, albeit on the wane; in 2025 H2, the trend reversed in favour of systemically important banks (9.51 percent for O-SIIs).

3.1.3. The systemic risk buffer

Implementation framework of the macroprudential instrument

The systemic risk buffer (SyRB) is the instrument available to macroprudential authorities in order to prevent and mitigate structural systemic risks, as well as to achieve the intermediate objective of macroprudential policy, i.e. enhancing the resilience of the financial infrastructure. The SyRB stands out among the other buffers laid down in the European regulatory framework through a high degree of flexibility, enabling its calibration depending on the particulars of the national banking sector and the specific systemic risk sources identified.

Figure 3.1. Indicators used in the SyRB calibration



Source: adapted from the ESRB

For the calibration of the systemic risk buffer, the ESRB recommends a set of indicators that capture structural vulnerabilities and the propagation mechanisms of shocks within the financial system, as well as the buffer's interaction with the real economy. These indicators can be grouped under three main categories: (i) indicators reflecting structural characteristics of the banking sector, (ii) indicators of propagation and amplification of shocks within the financial system, and (iii) indicators of risks to the banking sector stemming from the real economy (Figure 3.1).

The SyRB rate can apply to all exposures or to subsets of exposures, as well as to all credit institutions or one or more subsets of those institutions, including one or more subgroups, where the latter have similar risk profiles in their business models. This flexibility enables the use of the SyRB both to consolidate financial system resilience and to moderate excessive credit growth in certain segments.

The adoption of the CRD V legislative package has brought about a reconfiguration of the implementation framework of macroprudential policy, extending the buffer flexibility. Thus, the buffer may be cumulatively applied both to total exposures and to several types of exposures or at the level of total and sectoral exposures located in other Member States. In this context, the value of the systemic risk buffer applicable to an institution is determined as the sum of individual requirements corresponding to each exposure type (Article 133(2) of CRD V):

$$B_{SR} = r_T * E_T + \sum_i r_i * E_i$$

where B_{SR} is the combined buffer requirement applicable to an institution, $r_T * E_T$ is the requirement applied to total exposures (calculated as the product of the buffer rate and the total exposure amount), while $r_i * E_i$ is the requirement applied to a subset of exposures i (calculated similarly to the requirement for total exposures).

The methodology for the sectoral implementation of the systemic risk buffer has been set at European level via Guidelines of the European Banking Authority on the appropriate subsets of sectoral exposures to which competent or designated authorities may apply a systemic risk buffer in accordance with Article 133(5)(f) of Directive 2013/36/EU – EBA/GL/2020/13. They set forth the implementation principles, the eligibility criteria and the types of exposures that may come under the scope of applying a systemic risk buffer by competent or designated authorities.

The experience at European level

At end-2025, 19 countries either applied the systemic risk buffer or announced their intention to apply it in the following year. Member States display a high degree of heterogeneity in terms of both buffer rate and exposures depending on which the decisions on the calibration of this buffer are taken (Table 3.6). However, the national authorities use primarily the systemic risk buffer with a view to mitigating the vulnerabilities generated by the structural characteristics of the banking sector, followed by the risks stemming from

the real economy. The latter category of risk is flagged by most CEE countries (Romania, Czechia and Croatia), considering that higher domestic macroeconomic volatility or the emergence of external shocks can have a significant impact on banking sectors in this region.

Table 3.6. SyRB calibration in EEA countries

Country	SyRB rate (%), December 2025	Exposures to which it applies	Rationale	Indicators used for calibration
Austria	0.5 - 1	All exposures	Systemic vulnerability, systemic cluster risk	Several indicators such as: total assets at institution level, volume of secured deposits, public ownership, CESEE exposure
	1	Sectoral exposures	Vulnerabilities associated with the commercial real estate sector	Several indicators such as: losses from the identified sector in a stress scenario that are not covered by risk absorbing capacities and the number/size of banks with CET1 levels that would in the stress scenario fall below the two relevant regulatory thresholds
Bulgaria	3	Domestic exposures	Structure of the banking sector and its activities	Several indicators pertaining to bank assets and liabilities, degree of concentration, capital adequacy, profitability and macroeconomic developments
Croatia	1.5	All exposures	Volume of government debt, exposure of banks to the government, macroeconomic vulnerabilities	Several indicators such as: public/private/external debt, banks' degree of concentration, unemployment rate, total bank assets (individual level)
Czechia	0.5	Domestic exposures	Vulnerabilities to structural systemic risks, such as high economic openness, concentration of foreign trade and of production, vulnerability to the transformation of the energy-intensive domestic economy, growth in cyber risk and technological change, compounded by geopolitical tensions	Stress tests and expert judgement
Denmark	7	Sectoral exposures	Vulnerabilities associated with exposures to non-financial corporations involved in real estate activities, construction or development of building projects	Several indicators, among which the volume of exposures secured by commercial and residential properties, the growth rate of non-performing exposures secured by commercial and residential properties, the evolution of prices on the real estate market
	3	Domestic exposures (Faroe Islands)	Vulnerabilities associated with a small open economy	Five indicators, among which the export of some fish species, economic growth and banks' exposure to certain sectors

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Country	SyRB rate (%), December 2025	Exposures to which it applies	Rationale	Indicators used for calibration
Finland	1	All exposures	Structural vulnerabilities of the economy and of the financial system	Ten indicators on banks' exposure to certain sectors, as well as household and corporate debt
Germany	1	Sectoral exposures	Vulnerabilities associated with exposures secured by residential property	Several indicators, among which the overvaluation of residential real estate, high rates of residential property price increases, mortgage loan growth, household debt ratio
Iceland	2	Domestic exposures	Vulnerabilities associated with a small open economy	Several indicators such as: the volatility of GDP growth, consumption, interest rate, inflation rate, credit institutions' exposures to a limited range of domestic based industries and consumer markets, the concentration of exports
Italy	1	Sectoral exposures	Vulnerabilities associated with domestic credit and counterparty credit risks exposures	Several indicators, among which the share of private sector credit in total credit, NPL ratio (for households and companies), ROE, capital ratio
Liechtenstein	1	Sectoral exposures	Vulnerabilities associated with exposures to natural persons secured by residential property and exposures to legal persons secured by commercial immovable property	Several indicators, including mortgage loan volume, mortgage loan growth, household debt ratio, price dynamics of residential real estate, building activity
Lithuania	2	Sectoral exposures	Vulnerabilities associated with retail exposures secured by residential property	Several indicators pertaining to: the structural characteristics of the banking sector, other financial system components or specific sectors of the real economy that would affect the banking sector
Malta	1.5	Sectoral exposures	Vulnerabilities associated with retail exposures secured by residential property and exposures to legal persons secured by commercial immovable property	The main indicators are: annual growth in resident mortgage lending, share of resident mortgage lending in overall resident loans, household debt-to-GDP, household debt-to-disposable income, annual growth in property prices, advertised property price-to-per capita income ratio, house price misalignment index
Norway	4.5	Domestic exposures	Structural vulnerabilities of the economy and of the financial system	Ten indicators, among which the funding structure of credit institutions, households' debt burden, and total banking sector assets as a percentage of GDP
Portugal	4	Sectoral exposures	Vulnerabilities associated with IRB retail exposures secured by residential immovable property for which the collateral (immovable property) is located in Portugal	Main indicators used: house prices; average probability of default (PD); loss given default (LGD); average risk weights under the IRB approach of RRE exposures in Portugal; expected RRE losses under an adverse macroeconomic scenario
Romania	0-2	All exposures	Non-performing loans	NPL ratio and NPL coverage by provisions (coverage ratio)

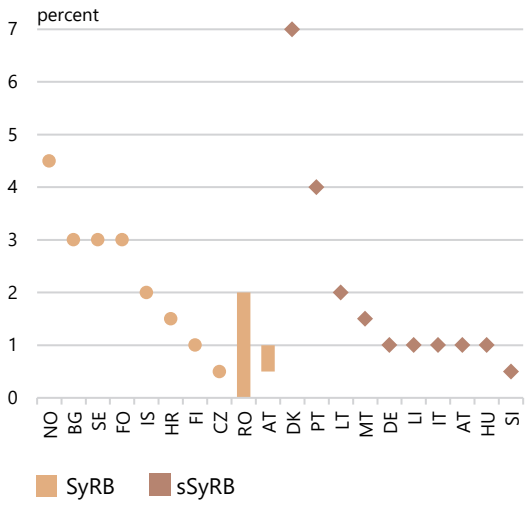
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Country	SyRB rate (%), December 2025	Exposures to which it applies	Rationale	Indicators used for calibration
Slovenia	0.5	Sectoral – Retail exposures secured by residential property or other exposures to natural persons	Vulnerabilities associated with retail exposures secured by residential property or other exposures to natural persons	Several indicators, among which: the overvaluation indicator of residential real estate, price dynamics of residential real estate, mortgage loan growth, household debt, the ratio of real estate prices to disposable income, exposure of banks to the real estate market, distribution of LTV for new housing loans
Sweden	3	All exposures	Large, interconnected banks	Several indicators such as the largest banks' exposures and financing, the share of total assets in GDP
Hungary	1	Sectoral exposures	Vulnerabilities associated with the residential and commercial real estate market	Several indicators, among which the volume of commercial real estate loans, growth rate of non-performing commercial real estate exposures, developments in commercial real estate loans by purpose

Source: ESRB, websites of designated national authorities

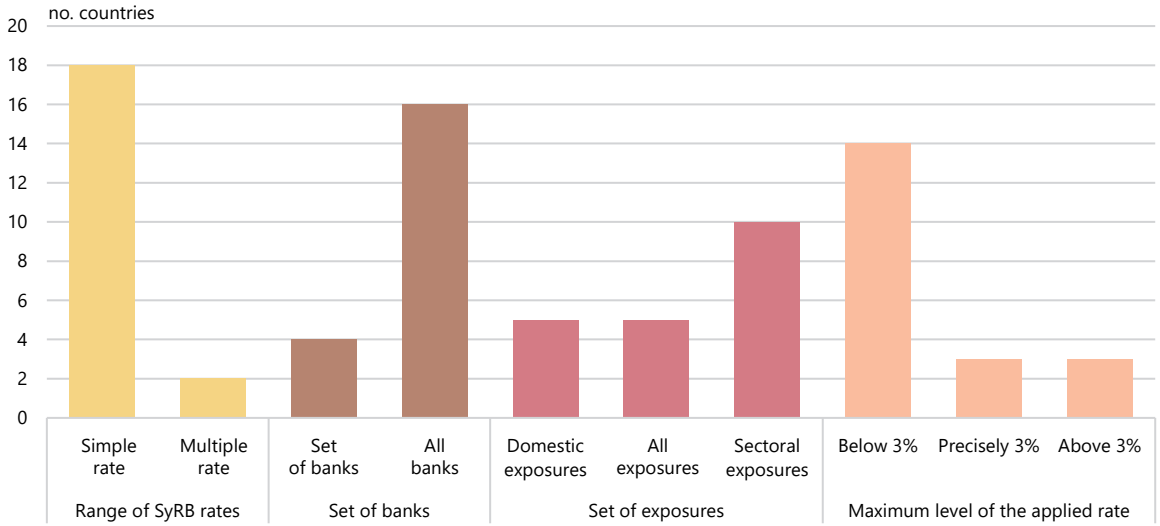
Over the course of 2025, France – which had implemented a 3 percent rate starting August 2023 – notified the deactivation of this measure, the rationale being that the specific risks that led to the introduction of the sectoral buffer had receded and the costs generated by the complexity of the measure outweighed the benefits of the additional capital. The buffer applied to the seven systemically important banks (O-SIIs) in France under two cumulative conditions: (i) the total amount of the final exposures of the group of connected clients (non-financial corporations) at the highest level of consolidation, as defined in the CRR large exposures framework, exceeded 5 percent of its Tier 1 capital, and (ii) NFC's group total debt to EBITDA ratio was negative or greater than 6. Moreover, in November 2025, Belgium notified the deactivation starting July 2026 of the 6 percent sSyRB that had applied to IRB retail exposures secured by residential immovable property. Germany also notified a change during 2025. Specifically, the authorities lowered the sSyRB rate from 2 percent to 1 percent as of May 2025, following the stabilisation of the German residential real estate market and the reduction of risks related to the portfolio exposed to this market. As regards the activation of these buffers, the central bank of Italy decided in 2024 on the gradual implementation of a 1 percent sectoral SyRB for domestic credit and counterparty credit risks exposures, completing the phase-in process in June 2025. Austria introduced,

Chart 3.17. Current and pending SyRB and sSyRB rates across the EEA as at end-2025



Source: ESRB, websites of designated national authorities

Chart 3.18. Breakdown of EEA countries by the specifics of implementing the SyRB as at end-2025



Source: ESRB, websites of national macroprudential authorities

starting July 2025, a 1 percent sectoral SyRB for exposures to commercial real estate companies, applicable both to institutions authorised in Austria and to subsidiaries whose parent is established in another Member State. In December 2025, Hungary notified the activation of a 1 percent sSyRB starting January 2026, applicable to exposures on both residential and commercial real estate market.

Looking at the rates applicable to sectoral exposures, they range between 0 and 6 percent (Chart 3.17). In all these cases, except for Italy, the common trait is that the purpose of the buffer is to strengthen banking sector resilience to systemic risks that may arise from real estate markets. Austria is the only Member State that applies both an sSyRB rate for residential real estate exposures and an SyRB rate for all exposures.

The European experience points to a keen interest among Member States in using the systemic risk buffer, given the high flexibility in implementing and calibrating it. In terms of implementation, of the 19 countries that notified/activated the SyRB (Austria being considered twice, since it implemented both the SyRB and the sSyRB), five apply the buffer to all exposures, five to domestic exposures, and 10 to sectoral exposures. In 16 states, the buffer applies to all credit institutions, whereas in four countries it is limited to a subset of banks (Chart 3.18). The SyRB flexibility derives from the possibility of using specific indicators, as each country may decide on the criteria for setting the actual buffer rate.

Implementation in Romania

In Romania, the SyRB in its current setup was introduced on 30 June 2018, based on NCMO recommendations, aiming to: (i) ensure adequate management of credit risk from a macroprudential perspective and (ii) safeguard financial stability, amid the tensions surrounding domestic macroeconomic equilibria and the potentially lingering regional and global uncertainties.

In terms of calibration methodology, the buffer level is determined based on the NPL ratio and the coverage ratio. Thus, depending on the averages recorded by the two indicators over a 12-month period prior to application, the SyRB rate may be set at 0 percent, 1 percent or 2 percent, in relation to the reference thresholds (Table 3.7).

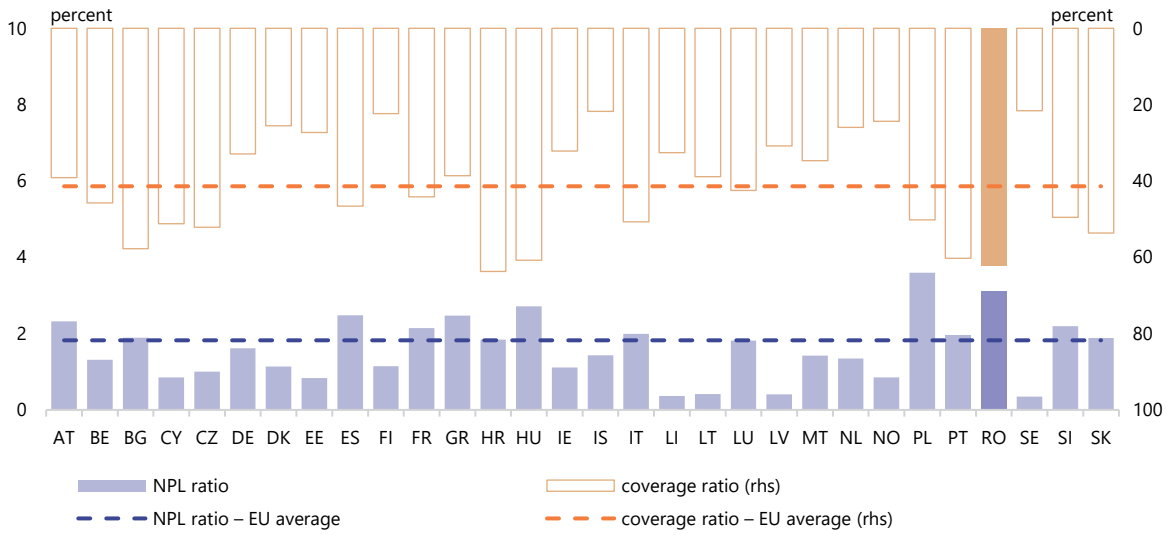
Table 3.7. Calculation methodology of the systemic risk buffer

NPL ratio	NPL coverage by provisions	Buffer rate[42]
<5%	>55%	0
>5%	>55%	1
<5%	<55%	1
>5%	<55%	2

Source: NCMO

In spite of credit institutions' sustained efforts to clean up their balance sheets and of the favourable dynamics of the NPL ratio, Romania still stands above the EU average (Chart 3.19). Starting 2022, the NPL ratio calculated for the banking sector in Romania has stayed in the EBA-defined best prudential range, i.e. below 3 percent. However, Romania ranks among the best performing EU countries in terms of NPL coverage by provisions. In December 2025, the coverage ratio reached 62.3 percent (according to EBA data using a narrow sample of banks for Romania), well above the EU average of 41.4 percent. The indicator calculated for the banking sector in Romania stood at 62.6 percent, close to the level reported for the top three banks by size and well above the EU average, reflecting the effectiveness of the macroprudential tool implemented in Romania.

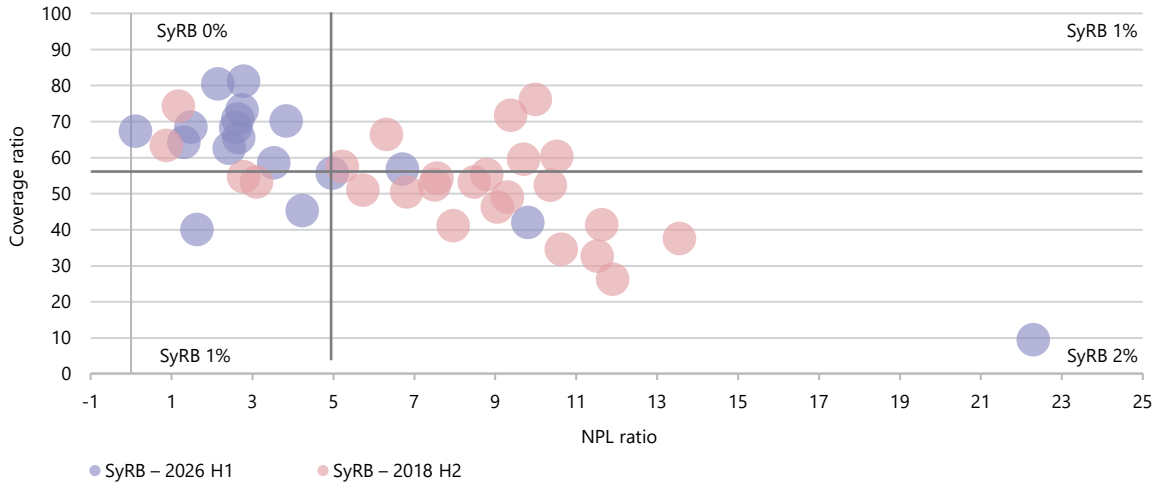
Chart 3.19. NPL ratio and coverage ratio in EEA countries (December 2025)



Source: EBA

[42] The buffer rates are applied to all exposures of the credit institution, at the highest consolidation level.

Chart 3.20. Breakdown of credit institutions from the perspective of the two indicators used to determine the SyRB rate in Romania



Source: NBR

Compared to end-2024, when only one credit institution was to apply a 2 percent SyRB, at the end of 2025 two credit institutions would apply the 2 percent SyRB rate, due to the worsening of the indicators used. The analysis of developments since the introduction of the SyRB in the second half of 2018 shows a migration of credit institutions from a 2 percent to a 0 percent rate. The number of institutions with a 0 percent SyRB rate has risen from 2 in 2018 to 13 in 2026 H1 (Chart 3.20).

Even though developments across the banking sector point to the curbing of the NPL ratio and to an increase in the coverage ratio, at an individual level there is still room for further efforts in the credit institutions' balance sheet clean-up process, especially in the case of banks to which a 2 percent or 1 percent SyRB rate is applicable.

3.2. Other instruments with an impact on financial stability

The instruments described below are implemented by the NBR at the recommendation of the NCMO and are applicable to the banking sector. They provide important information in the implementation of measures, but are not macroprudential tools per se. Moreover, they help enhance financial system resilience via other channels than the previously described instruments.

3.2.1. Implementation through voluntary reciprocity of macroprudential policy measures taken by other Member States

The implementation of macroprudential policy measures can improve the stability of the financial system as a whole and thus reduce the likelihood and severity of financial crises.

The EU's financial system shows strong interconnectedness and cross-border financial intermediation is high. As a result, the adoption of macroprudential measures at national level can also exert negative cross-border financial effects. Thus, the macroprudential measures that may be circumvented via banks that are not targeted by the relevant measure are a case in point. To ensure a level playing field, the concept of voluntary reciprocity was introduced in the EU's macroprudential policy framework with a view to increasing the efficiency of the measures taken, via Recommendation ESRB/2015/2 on the assessment of cross-border effects of and voluntary reciprocity for macroprudential policy measures. At the same time, reciprocation implies extending the applicability of macroprudential measures also to the exposures of non-resident banks in that Member State to mitigate the risk of cross-border externalities and regulatory arbitrage.

At end-2025, the list of active measures recommended by the ESRB for reciprocation consisted of the measures taken by 11 EU Member States (Table 3.8).

Table 3.8. Measures recommended for reciprocation in Recommendation ESRB/2015/2

Country	Measure	Materiality threshold[43]	Reciprocating countries
Austria	A sectoral systemic risk buffer (sSyRB) rate of 1 percent as of 1 July 2025 for all exposures located in Austria to non-financial corporations in the construction and real estate sectors (CRE exposures). Exposures to limited-profit housing associations are exempted from the measure.	EUR 100 million, at credit institution level	By the end of 2025, no country had expressed its intention to reciprocate the macroprudential measure implemented by Austria
Italy	A systemic risk buffer (SyRB) rate of 0.5 percent on all credit risk exposures and counterparty credit risk exposures located in Italy, applicable from 31 December 2024 until 29 June 2025; increasing to a 1 percent systemic risk buffer rate on all credit risk exposures and counterparty credit risk exposures located in Italy, applicable from 30 June 2025.	EUR 25 billion, at credit institution level	Belgium, France, Germany, Spain and Lithuania
Denmark	A sectoral systemic risk buffer (sSyRB) rate of 7 percent for all types of exposures located in Denmark to non-financial corporations engaged in real estate activities and construction projects identified in compliance with the statistical classification of economic activities in the European Community (NACE), stipulated in Regulation (EC) No 1893/2006, except for the fact that the part of each exposure in the 0 to 15 percent loan-to-value range is excluded from the exposures to which the sectoral systemic risk buffer (sSyRB) rate is applied.	EUR 200 million, at credit institution level	Belgium, Lithuania and Sweden
Portugal	A 4 percent sectoral systemic risk buffer (sSyRB) rate on all IRB retail exposures to natural persons secured by residential immovable property for which the collateral is located in Portugal.	EUR 1 billion, at credit institution level	Belgium, Lithuania and Spain
Belgium*	A 6 percent systemic risk buffer rate on all IRB retail exposures to natural persons secured by residential immovable property for which the collateral is located in Belgium.	EUR 2 billion, at credit institution level	France, Lithuania and the Netherlands

[43] As proposed by the designated national authority requesting the measure. If the NCMO reciprocates a measure, it may set a lower threshold for credit institutions in Romania, depending on the materiality of exposures.

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Country	Measure	Materiality threshold	Reciprocating countries
Sweden	(i) A credit institution-specific, exposure-weighted average risk weight floor of 25 percent for the portfolio of retail exposures to obligors residing in Sweden secured by immovable property; (ii) A credit institution-specific, exposure-weighted average risk weight floor of 35 percent for certain corporate exposures secured by commercial properties located in Sweden and a credit institution-specific, exposure-weighted average risk weight floor of 25 percent for certain corporate exposures secured by residential properties located in Sweden.	SEK 5 billion, at credit institution level	(i) Belgium, Finland, France and Lithuania (ii) Finland, France and Lithuania
Norway	(i) A 4.5 percent systemic risk buffer rate for all exposures located in Norway, as applicable to all credit institutions authorised in Norway; (ii) A 25 percent floor for (exposure-weighted) average risk weights for exposures to residential real estate located in Norway, as applicable to credit institutions authorised in Norway using the IRB approach for calculating regulatory capital requirements; (iii) A 35 percent floor for (exposure-weighted) average risk weights for exposures to commercial real estate located in Norway, as applicable to credit institutions authorised in Norway using the IRB approach for calculating regulatory capital requirements.	(i) NOK 5 billion, at credit institution level (ii) NOK 37.8 billion (iii) NOK 9.3 billion	(i) Belgium, France, Finland, Italy, Spain, Denmark, Germany, Ireland, Lithuania, the Netherlands and Sweden (ii) Sweden and Finland (iii) Sweden and Finland
Germany	Resetting a 1 percent systemic risk buffer (SyRB) rate on all (retail and non-retail) exposures to natural persons and all exposures to legal persons which are both secured by residential property located in Germany and where that collateral is considered to reduce supervisory own funds requirements.	EUR 10 billion, at credit institution level	By the end of 2025, no country had expressed its intention to reciprocate the macroprudential measure implemented by Germany
Lithuania	A 2 percent sectoral systemic risk buffer (sSyRB) rate on all retail exposures secured by residential immovable property.	EUR 50 million, for the amount of exposures arising from loans granted to borrowers in Lithuania	Belgium, Estonia, France, Norway and Sweden
Netherlands	A minimum average risk weight of 12 percent applied in relation to exposures to natural persons secured by residential property located in the Netherlands that is assigned to the portion of the loan not exceeding 55 percent of the market value of the property that serves to secure the loan and a 45 percent minimum average risk weight that is assigned to the remaining portion of the loan.	EUR 5 billion, at credit institution level	Germany, France, Lithuania and Norway
Luxembourg	Legally binding loan-to-value (LTV) limits for new mortgage loans on residential real estate located in Luxembourg, with different LTV limits applicable to different categories of borrowers: (i) LTV limit of 100 percent for first-time buyers acquiring their primary residence; (ii) LTV limit of 90 percent for other buyers, i.e. non first-time buyers acquiring their primary residence; (iii) LTV limit of 80 percent for other mortgage loans (including the buy-to-let segment).	• EUR 350 million (1 percent of the total residential real estate mortgage market in Luxembourg) or • EUR 35 million (institution-specific materiality threshold for the total cross-border mortgage lending to Luxembourg)	Belgium, Germany, France, Lithuania, Norway and Portugal

*) As at 26 January 2026, the ESRB removed the Belgian measure from the list of macroprudential policy measures which are recommended to be reciprocated. The sectoral systemic risk buffer (sSyRB) will be deactivated from 1 July 2026.

Source: ESRB

In 2025, the NCMO examined, at national level, the macroprudential policy measures taken by Austria, Norway, Germany and Sweden to assess the appropriateness of reciprocating them on a voluntary basis (the other measures included in Table 3.8 were discussed in the previous years)[44].

During the meeting of 10 April 2025, the NCMO General Board issued NCMO Decision No. D/2/2025 on not applying through voluntary reciprocity the macroprudential measure of Norway, consisting in a 4.5 percent systemic risk buffer (SyRB) rate for all exposures located in Norway. Based on the data available as at 31 December 2024, 10 credit institutions, Romanian legal entities, had total exposures to Norway worth lei 19 million (NOK 45.3 million), accounting for 0.91 percent of the materiality threshold suggested for a single credit institution. Most of these exposures (93.7 percent) were to the financial sector.

During the meeting of 19 June 2025, the NCMO General Board issued NCMO Decision No. D/4/2025 on not applying through voluntary reciprocity the macroprudential measures of Sweden, given that the exposures of the Romanian banking sector to this country are immaterial. The measures consisted of: (i) a credit institution-specific, exposure-weighted average risk weight floor of 25 percent for the portfolio of retail exposures to obligors residing in Sweden secured by immovable property and (ii) a credit institution-specific, exposure-weighted average risk weight floor of 35 percent for certain corporate exposures secured by commercial properties located in Sweden and a credit institution-specific, exposure-weighted average risk weight floor of 25 percent for certain corporate exposures secured by residential properties located in Sweden. Based on the data available as at 30 April 2025, credit institutions, Romanian legal entities, had total exposures to Sweden worth approximately lei 34 million (EUR 6.9 million), accounting for around 1.52 percent of the materiality threshold suggested for a single credit institution. The relevant exposures, namely loans secured by residential immovable property, amounted to about lei 2.4 million (EUR 0.48 million), making up 0.11 percent of the materiality threshold associated with this measure.

During the meeting of 9 October 2025, the NCMO General Board issued another decision on the voluntary reciprocity for macroprudential measures. Thus, NCMO Decision No. D/5/2025 referred to not applying through voluntary reciprocity the macroprudential measure of Germany on resetting a 1 percent sectoral systemic risk buffer (sSyRB) rate previously imposed on all (retail and non-retail) exposures to natural persons and all exposures to legal persons which are both secured by residential property located in Germany and where that collateral is considered to reduce supervisory own funds requirements. Based on the data available as at 31 July 2025, 15 credit institutions, Romanian legal entities, had total exposures to Germany worth lei 8.7 billion (EUR 1.7 billion), accounting for 17.12 percent of the materiality threshold suggested, at credit institution level (EUR 10 billion).

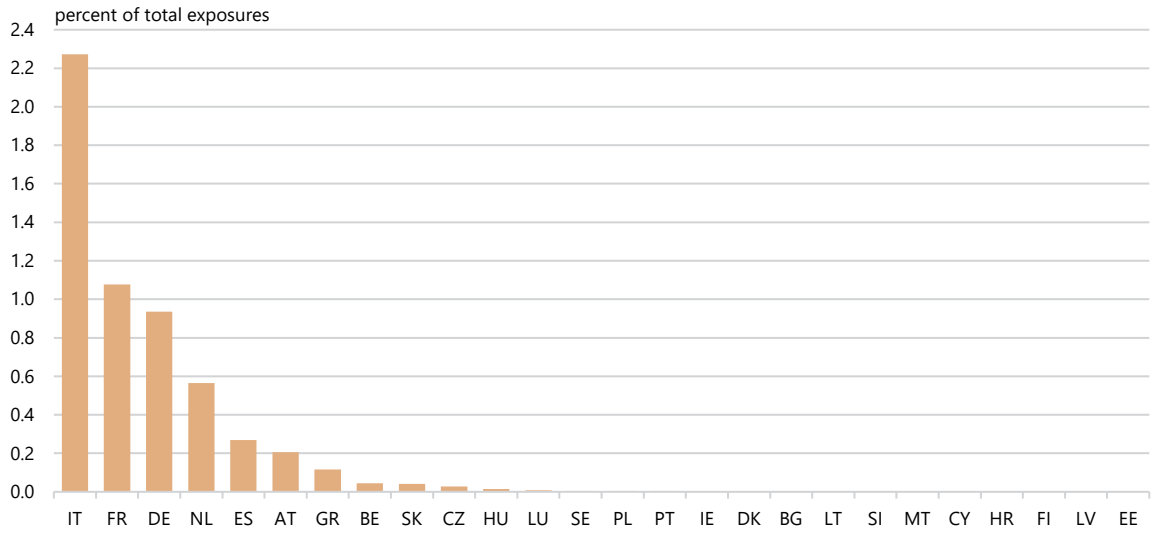
[44] See the dedicated sections on reciprocation measures in the previous NCMO *Annual Reports*, as well as the specific section on the NCMO website. Measures recommended for reciprocity in Recommendation ESRB/2015/02 in 2017-2023 | National Committee for Macroprudential Oversight (cnsmro.ro)

The exposures to natural and legal persons secured by immovable property amounted to lei 42.9 million (EUR 8.4 million), well below the materiality threshold (0.08 percent).

During the same meeting of 9 October 2025, the NCMO General Board issued NCMO Decision No. D/6/2025 on not applying through voluntary reciprocity the macroprudential measures of Norway. The measures referred to: (i) extending the risk weight floor of 20 percent for the portfolio of retail exposures secured by immovable property located in Norway until 30 June 2025 before increasing it to 25 percent from 1 July 2025 for all credit institutions authorised in Norway using the IRB approach for calculating regulatory capital requirements and (ii) extending the risk weight floor of 35 percent for the portfolio of commercial real estate exposures secured by immovable property located in Norway, applied by all credit institutions authorised in Norway using the IRB approach for calculating regulatory capital requirements for a period of two years as of 31 December 2024. Based on the data available as at 31 July 2025, credit institutions, Romanian legal entities, had total exposures to Norway worth lei 9.4 million (EUR 1.8 million), accounting for approximately 0.06 percent of the materiality threshold suggested for the former measure and 0.24 percent of the materiality threshold for the latter measure respectively. The exposures secured by immovable property amounted to lei 0.9 million (EUR 0.18 million).

During the meeting of 11 December 2025, the NCMO General Board issued NCMO Decision No. D/8/2025 on not applying through voluntary reciprocity the macroprudential measure of Austria. The macroprudential measure of Austria consists of a sectoral systemic risk buffer (sSyRB) rate of 1 percent for all exposures located in Austria to non-financial corporations in the construction and real estate sectors identified in compliance with the statistical classification of economic activities in the European Community (NACE), stipulated in Regulation (EC) No 1893/2006, except for limited-profit housing associations. Based on

Chart 3.21. Share of Romanian banks' exposures to EEA countries (December 2025)



Source: NBR

the data available as at 30 September 2025, 15 credit institutions, Romanian legal entities, had total exposures to Austria worth lei 2.1 billion (EUR 0.4 billion). The relevant exposures, namely to non-financial corporations, amounted to lei 248.6 million (EUR 49 million), standing, for the banking sector as a whole, below the materiality threshold suggested (49 percent) for a single credit institution.

Based on the analysis of monetary balance sheet data as at 31 December 2025 (reference date), the total exposures of credit institutions, Romanian legal entities, equalled lei 693.9 billion (EUR 136.1 billion). Out of them, domestic exposures accounted for 94.4 percent, while in terms of external exposures to European countries, the largest were those to Italy, France, Germany and the Netherlands (Chart 3.21). Thus, it can be observed that the share of exposures of the Romanian banking sector to EEA countries is not likely to pose contagion risks via the external credit channel. The NCMO monitors the related exposures on a regular basis and will take the necessary measures should they become material.

Box D. Developments in exposures subject to EU Member States' reciprocation measures in 2017-2025 and assessment of the cross-border effects of the macroprudential measures adopted in Romania

In compliance with Recommendation ESRB/2015/2, the national competent macroprudential authorities are requested to report to the ESRB every two years on the cross-border effects of macroprudential measures from two perspectives: (i) the implications for the domestic banking sector of the macroprudential measures of other Member States for which they requested reciprocation and (ii) the implications for other Member States of the domestic macroprudential measures. Apart from the aforementioned regular assessments, an individual analysis is made, based on which the General Board of the NCMO (in its capacity as national macroprudential authority) can take a decision on reciprocating or not a macroprudential measure proposed by another EU Member State. The analysis assesses the exposure of the Romanian banking sector to the said country, for which the ESRB issued a reciprocity recommendation to EU Member States.

The NCMO decided not to voluntarily reciprocate any of the measures listed in Table D.1, in effect on the date of this analysis, given the immaterial exposures (below the materiality threshold proposed by the responsible authorities); the new assessment of the dynamics of exposures, made upon submitting the report to the ESRB in June 2025, did not change the initial decisions. Worth mentioning is that the NCMO recommended the NBR to monitor on a regular basis the relevant exposures covered by those measures and, should they become material, given the *de minimis* principle, to ensure the reciprocation of the said measures.

Table D.1. Materiality thresholds proposed for the reciprocation measures in Recommendation ESRB/2015/2 in 2017 – June 2025 and total exposures of the Romanian banking sector

Country	Materiality threshold	Total exposures of the Romanian banking sector to this country as at 31 December 2024 (EUR equivalent)	Relevant exposures of the Romanian banking sector to this country as at 31 December 2024 (EUR equivalent)
Norway	(i) NOK 5 billion, at credit institution level (ii) NOK 37.8 billion (iii) NOK 9.3 billion	3,838,681	3,838,681
Italy	EUR 25 billion, at credit institution level	2,429,884,806	2,429,884,806
Denmark	EUR 200 million, at credit institution level	6,727,119	-
Portugal	EUR 1 billion, at credit institution level	69,410,741	274,650
Belgium	EUR 2 billion, at credit institution level	180,913,402	1,114,660
Sweden	SEK 5 billion, at credit institution level	8,010,251	493,937
Germany	EUR 10 billion, at credit institution level	1,111,664,288	8,767,348
Lithuania	EUR 50 million, for the amount of exposures arising from loans granted to borrowers in Lithuania	3,617,540	-
Netherlands	EUR 5 billion, at credit institution level	446,426,099	1,488,712
Luxembourg	(i) EUR 350 million (1 percent of the total residential real estate mortgage market in Luxembourg) or (ii) EUR 35 million (institution-specific materiality threshold for the total cross-border mortgage lending to Luxembourg)	19,151,730	159,955

Source: ESRB, NBR, NBR calculations

The need to assess the macroprudential measures taken by EU Member States stems from the high interconnectedness of financial systems, with substantial cross-border financial intermediation activities, so that domestic macroprudential policy decisions can have negative cross-border financial effects. A case in point may be the circumvention of macroprudential policy measures via credit institutions not targeted by these measures.

The ESRB Handbook on Operationalising Macroprudential Policy in the Banking Sector[45] helped develop the first theoretical framework for the assessment of the cross-border effects of macroprudential measures. Over time, other papers analysing the manner of transmission of these effects to the financial system have been prepared too. One of them is the ECB study[46], which presents the national approaches in the EU to assessing cross-border effects. Moreover, in addition to the above-mentioned paper, an operational

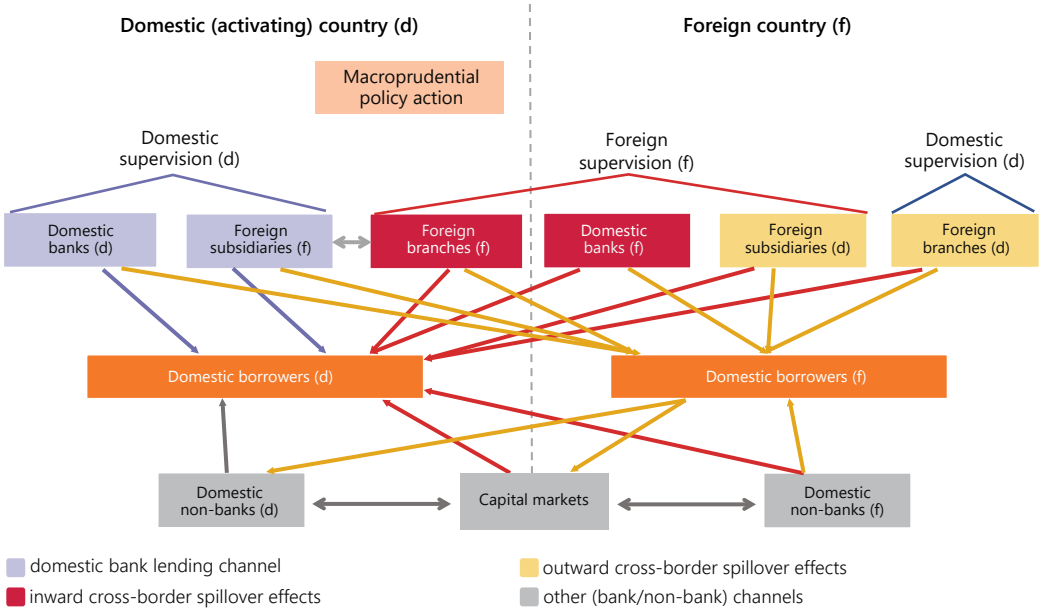
45 The ESRB handbook on operationalising macro-prudential policy in the banking sector, March 2014

46 Cross-border spillover effects of macroprudential policies: a conceptual framework

framework[47] has also been established. It is meant to be used by the EU competent authorities when assessing the cross-border effects of the enacted measures, representing actually an extension of the ESRB Handbook, as it also includes new indicators and their calculation method.

Domestic macroprudential policies may interact with foreign economies and institutions through two cross-border transmission channels: (i) an "inward" transmission channel and (ii) an "outward" transmission channel. Inward spillovers may affect the domestic financial market via the foreign institutions operating in it, while outward spillovers may affect the foreign financial market via domestic financial institutions. Figure D.1 provides a schematic representation of the framework for the assessment of the cross-border spillover effects of macroprudential policies.

Figure D.1. The main transmission channels of cross-border spillover effects



Source: adapted from the ESRB

The ESRB identified five transmission channels of cross-border spillover effects, their relevance being differentiated depending on the specific characteristics of each financial system and the type of instruments used: (i) cross-border risk adjustments – especially relevant for instruments such as capital requirements; (ii) network formation and potential for contagion – relevant for instruments such as capital requirements; (iii) regulatory arbitrage – important for all types of macroprudential instruments; (iv) altering the effects on credit conditions – more important for euro area countries and may amplify the effects of any type of macroprudential measure, and (v) trade effects.

[47] Framework to assess cross-border spillover effects of macroprudential policies, April 2020

The indicators developed in the aforementioned ECB paper were used for measuring cross-border spillovers. The said occasional paper proposes a list of 34 indicators to monitor the effects of macroprudential measures such as capital buffers and 23 indicators for instruments with a direct impact on borrowers (borrower-based measures). The use of 31 indicators in the analysis was warranted by the fact that the two lists overlapped somewhat, which subsequently led to the removal of some indicators.

Looking at the indicators presented in Table D.2, as regards inward spillovers that activated macroprudential instruments may have on foreign banks, there is no significant evidence that these effects may occur due to the following:

- Foreign banks play an important part in the Romanian banking sector, particularly via subsidiaries. According to end-2024 data, foreign bank subsidiaries and branches hold 65.7 percent of loans to the real sector, 59.68 percent of assets, 62.02 percent of assets and off-balance sheet exposures, and 61.01 percent of capital. In addition, these institutions take 53.41 percent of government securities and 25.15 percent of the capital instruments of non-financial corporations. Foreign banks account for 70.89 percent of foreign currency-denominated loans to the real sector, the share of these loans in their portfolio increasing substantially from 39.62 percent in 2023 to 35.02 percent in 2024.

- Lending by foreign bank subsidiaries and branches to the real sector declined from 78.26 percent in 2017 to 65.7 percent in 2024.

- Foreign subsidiaries' role in the Romanian banking market is on the wane, which may be explained by the decrease in the number of subsidiaries and branches, as they are bought by local banks. Thus, the number of branches fluctuated from 27 in 2017 to 22 in 2024.

- There is no evidence of "branchification", as no foreign subsidiary was changed into a branch.

- In the period under review, foreign branches became slightly more important in the Romanian banking sector. These institutions hold 11.49 percent of the total loans to the real sector and 17.5 percent of the loans granted by foreign entities operating in the domestic market. They take 11.34 percent of the total assets of the Romanian banking sector and 11.8 percent of total assets and off-balance sheet exposures.

- Non-bank financial institutions witnessed no significant developments, but they reported however an upward trend in lending and assets. In 2024, loans to non-financial corporations and households rose by approximately 4 percent as compared with 2023, while the share of NBFI assets in total asset holdings of banks and NBFIs widened by 3 percent versus 2023.

Looking at the indicators exploring the possibility of outward spillovers occurring, there are currently no relevant signs of this effect materialising, given that:

- The cross-border activity of Romanian banks is further low, with no significant changes in the period under review. Cross-border loans to the real sector in other countries account for less than 1 percent of total loans. Cross-border assets posted fluctuating dynamics, their share in total assets declining from a peak of 7 percent in 2020, in line with the downward path of cross-border assets and off-balance sheet exposures.

- 2024 witnessed a shift in Romanian banks' focus towards the debt securities and capital instruments of foreign private entities after two years in which their share had increased substantially. Moreover, holdings of foreign government securities declined.

- By contrast, the share of cross-border interbank loans in total interbank loans followed an uptrend, reaching 84.74 percent in 2024 from a high of 82.9 percent in 2019. This suggests that, over the past two years, the Romanian banking sector has considered raising funds from the foreign market to be more advantageous than from the domestic market. The increase in this indicator may signal the re-emergence of profit shifting, i.e. turning to the parent bank group for funding, concurrently with the lower resort to domestic funding sources. Another possible explanation is attracting foreign funding to meet MREL targets.

- The external activity of NBFIs remains at very low levels.

Table D.2. Indicators for the spillover effects of macroprudential measures

No.	Indicator	2017	2018	2019	2020	2021	2022	2023	2024	Standard deviation (%)
	Inward spillover									
1	External debt and securitisations of non-financial corporations and households (% of total loans to non-financial corporations and households)	31.56%	23.82%	23.60%	22.16%	18.69%	16.07%	14.18%	13.52%	5.67
2	Loans to non-financial corporations and households granted by foreign bank subsidiaries and branches (% of total loans to non-financial corporations and households)	78.26%	75.33%	73.40%	70.29%	68.62%	66.25%	68.24%	65.70%	4.20

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No.	Indicator	2017	2018	2019	2020	2021	2022	2023	2024	Standard deviation (%)
3	Foreign currency loans to non-financial corporations and households granted by foreign bank subsidiaries and branches (% of total loans to non-financial corporations and households granted by foreign bank subsidiaries and branches)	43.13%	36.80%	34.66%	32.80%	28.19%	39.62%	37.58%	35.02%	4.20
4	Foreign currency loans to non-financial corporations and households granted by foreign bank subsidiaries and branches (% of total foreign currency loans to non-financial corporations and households)	87.86%	82.02%	80.22%	74.21%	73.28%	70.64%	72.32%	70.89%	5.83
5	Loans to non-financial corporations and households secured by immovable property granted by foreign bank subsidiaries and branches (% of total loans to non-financial corporations and households secured by immovable property)	72.18%	68.82%	71.77%	66.04%	65.16%	63.51%	63.06%	57.73%	4.52
6	Assets of foreign bank subsidiaries and branches (% of total assets)	75.45%	72.57%	69.67%	66.67%	63.88%	62.83%	62.58%	59.68%	5.11
7	Assets and off-balance sheet exposures of foreign bank subsidiaries and branches (% of total assets and off-balance sheet exposures)	76.33%	73.21%	70.65%	67.96%	65.18%	64.58%	64.71%	62.08%	4.60
8	Debt securities and capital instruments of non-financial corporations held by foreign bank subsidiaries and branches (% of total holdings of debt securities and capital instruments of non-financial corporations)	85.82%	47.08%	49.87%	53.23%	33.98%	28.27%	27.96%	25.15%	18.84

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No.	Indicator	2017	2018	2019	2020	2021	2022	2023	2024	Standard deviation (%)
9	Government securities held by foreign bank subsidiaries and branches (% of total holdings of government securities)	65.59%	66.01%	66.25%	61.38%	58.28%	55.57%	56.55%	53.41%	4.81
10	Own funds of foreign bank subsidiaries (% of total own funds)	74.49%	69.80%	66.99%	64.98%	61.95%	63.82%	61.95%	61.01%	4.33
11	Loans to non-financial corporations and households granted by foreign bank branches (% of total loans to non-financial corporations and households)	10.79%	11.71%	11.65%	11.49%	11.53%	11.79%	10.92%	11.49%	0.34
12	Loans to non-financial corporations and households granted by foreign bank branches (% of total loans to non-financial corporations and households granted by foreign bank subsidiaries and branches)	13.79%	15.55%	15.88%	16.35%	16.80%	17.80%	16.00%	17.49%	1.17
13	Loans to non-financial corporations and households secured by immovable property granted by foreign bank branches (% of total loans to non-financial corporations and households secured by immovable property)	5.12%	6.37%	6.50%	6.64%	8.12%	9.17%	7.80%	7.98%	1.20
14	Assets of foreign bank branches (% of total assets)	10.73%	11.01%	11.85%	12.25%	11.92%	12.34%	11.35%	11.34%	0.54
15	Assets and off-balance sheet exposures of foreign bank branches (% of total assets and off-balance sheet exposures)	10.77%	10.86%	11.46%	11.44%	11.12%	12.01%	11.20%	11.81%	0.40
16	Contribution of foreign entities to the solvency ratio of Romanian banking groups	-0.15%	-0.38%	1.13%	1.30%	1.92%	1.92%	2.00%	3.99%	1.29
17	Number of foreign bank subsidiaries and branches operating in Romania	27.00	26.00	23.00	24.00	22.00	22.00	24.00	22.00	1.79

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No.	Indicator	2017	2018	2019	2020	2021	2022	2023	2024	Standard deviation (%)
18	Assets held by NBFIs (% of total assets of banks and NBFIs)	8.41%	8.52%	7.75%	7.56%	7.17%	7.70%	7.53%	7.72%	0.42
19	Loans to non-financial corporations and households granted by NBFIs (% of total loans to non-financial corporations and households granted by banks and NBFIs)	12.62%	12.33%	12.81%	12.83%	11.91%	12.73%	13.01%	13.50%	0.44
20	Loans to non-financial corporations and households secured by immovable property granted by NBFIs (% of total loans to non-financial corporations and households secured by immovable property granted by banks and NBFIs)	0.10%	0.10%	0.08%	0.06%	0.06%	0.07%	0.04%	0.05%	0.02
21	Cross-border loans to foreign non-financial corporations and households (% of total loans to non-financial corporations and households)	0.97%	0.53%	0.53%	0.51%	0.78%	0.95%	0.46%	0.77%	0.19
22	Cross-border foreign currency loans to foreign non-financial corporations and households (% of total loans to non-financial corporations and households)	0.69%	0.39%	0.35%	0.35%	0.25%	0.32%	0.43%	0.30%	0.13
23	Loans to foreign non-financial corporations and households secured by immovable property granted by domestic banks (% of total loans to non-financial corporations and households secured by immovable property)	0.19%	0.25%	0.27%	0.23%	0.71%	0.87%	0.40%	0.83%	0.27
24	Cross-border assets (% of total assets)	3.81%	5.13%	5.30%	7.02%	5.63%	5.15%	6.81%	0.78%	1.84
25	Cross-border assets and off-balance sheet exposures (% of total assets and off-balance sheet exposures)	4.43%	5.60%	5.94%	7.20%	5.61%	5.15%	11.29%	1.99%	2.47

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No.	Indicator	2017	2018	2019	2020	2021	2022	2023	2024	Standard deviation (%)
26	Debt securities and capital instruments of foreign non-financial corporations held by domestic banks (% of total holdings of debt securities and capital instruments of non-financial corporations)	-	46.31%	15.87%	8.29%	4.20%	31.78%	31.16%	22.69%	13.67
27	Foreign government securities held by domestic banks (% of total holdings of government securities)	0.15%	0.45%	1.25%	1.66%	1.68%	5.00%	0.37%	3.79%	1.63
28	Cross-border interbank loans (% of total interbank loans)	76.10%	82.06%	82.93%	72.57%	60.00%	48.57%	92.20%	84.74%	13.39
29	Number of subsidiaries and branches of domestic banks abroad	3.00	4.00	5.00	5.00	3.00	3.00	3.00	3.00	0.86
30	Cross-border exposures potentially subject to a CCyB (% of total exposures potentially subject to a CCyB)	-	8.05%	9.76%	6.09%	3.85%	3.28%	3.85%	3.28%	2.40
31	Loans to foreign non-financial corporations and households granted by NBFIs (% of total loans to non-financial corporations and households granted by banks and NBFIs)	0.01%	0.02%	0.02%	0.02%	0.04%	0.05%	0.03%	0.03%	0.01

Source: NBR calculations

3.2.2. Assessment of materiality of third countries for the Romanian banking sector in relation to the recognition and setting of countercyclical buffer rates

With a view to mitigating the risks associated with the excessive build-up of credit institutions' exposures to third countries, Article 139 of CRD IV allows designated authorities to set a countercyclical buffer rate for these exposures. Thus, besides setting on a quarterly basis the buffer rate pertaining to domestic exposures, the NCMO can adopt recommendations on the recognition through voluntary reciprocity of the macroprudential measures taken by other Member States or can set a CCyB rate for third-country exposures.

This procedure is based on recommendation B1 of Recommendation ESRB/2015/1 on recognising and setting countercyclical buffer rates for exposures to third countries,

according to which designated authorities should identify material third countries on an annual basis and submit a list of such material third countries to the ESRB in the second quarter of each year. After material third countries are identified, they are monitored and, where the risks arising from exposures to those countries are not considered to be satisfactorily addressed, CCyB rates may be set for those exposures.

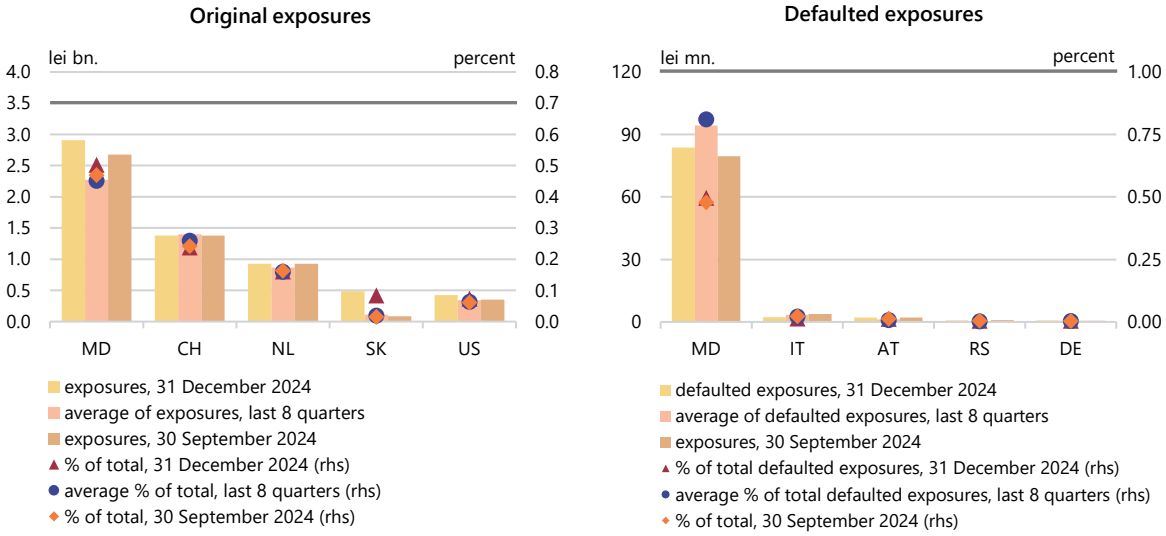
The materiality of third countries in relation to the recognition and setting of countercyclical buffer rates is assessed on three tiers: (i) by the ESRB (from the perspective of the European banking sector), (ii) by the ECB (given the SSM-related tasks), and (iii) by the national authorities (depending on the domestic banking sector's exposures).

Against this background, the NCMO issued Recommendation No. 2 of 14 June 2017 whereby the NBR is recommended to assess on a regular basis material third countries for the banking sector in Romania in terms of recognising and setting countercyclical buffer rates. In 2025, the NCMO adopted Decision No. D/3/2025, according to which the Republic of Moldova was identified as a material third country for the banking sector in Romania. Hence, Moldova's material third country status implied a closer monitoring of its economic and financial developments, exploring the possibility of setting a countercyclical capital buffer only in relation to exposures to this country, aimed at safeguarding banks in Romania from adverse cross-border developments.

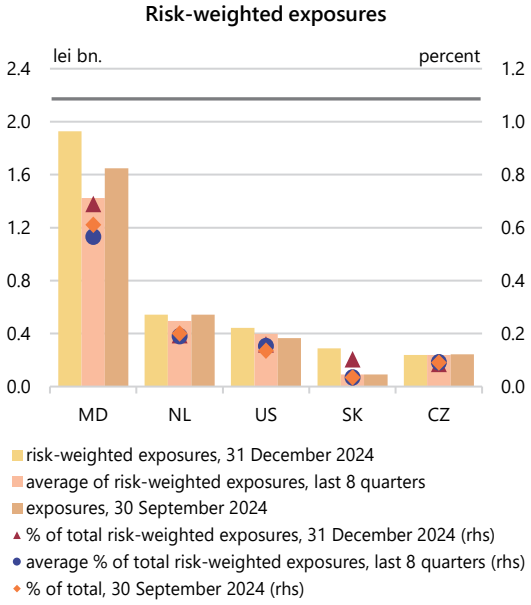
Pursuant to the ESRB methodology, transposed into the NCMO methodology as well, a third country is considered material according to the standard metrics if two cumulative requirements are met: (i) exposures are at least 1 percent for at least one of the three metrics in each of the two quarters preceding the reference date and (ii) the arithmetic mean of exposures in the eight quarters preceding the reference date was at least 1 percent for at least one of the three metrics. The methodology for dropping a state from the list of material third countries provides for a longer time span via two other criteria: (i) the arithmetic mean of exposures to that country in 12 quarters preceding the reference date was less than 1 percent for all three metrics and (ii) the exposures in each of the two quarters preceding the reference date were below 1 percent for all three metrics.

The Republic of Moldova was first identified as a material third country in 2023, through NCMO Decision No. D/2/2023, when the 1 percent materiality threshold for defaulted exposures was exceeded. The analyses conducted in 2025, having 31 December 2024 as reference date, indicated a rise in the original exposures to the Republic of Moldova compared to the previous year's corresponding period (Chart 3.22). However, they remain below 1 percent (0.5 percent). Looking at defaulted exposures, the indicator has posted an improvement, standing at 0.5 percent, while the arithmetic mean of defaulted exposures in the 12 quarters preceding the reference date was 0.79 percent. Thus, the methodology for dropping the Republic of Moldova from the list of material third countries could have been applied. Nevertheless, several factors have warranted the preservation of the material third country status for the Republic of Moldova in 2025 as well, such as the revival of lending in that country, the increased significance of Victoriabank – part of Banca Transilvania Group – within the Moldovan banking sector, and the possibility of exercising discretion.

Chart 3.22. Original, defaulted and risk-weighted exposures to the top five countries according to the standardised methodology as at September and December 2024 and the last 8-quarter average



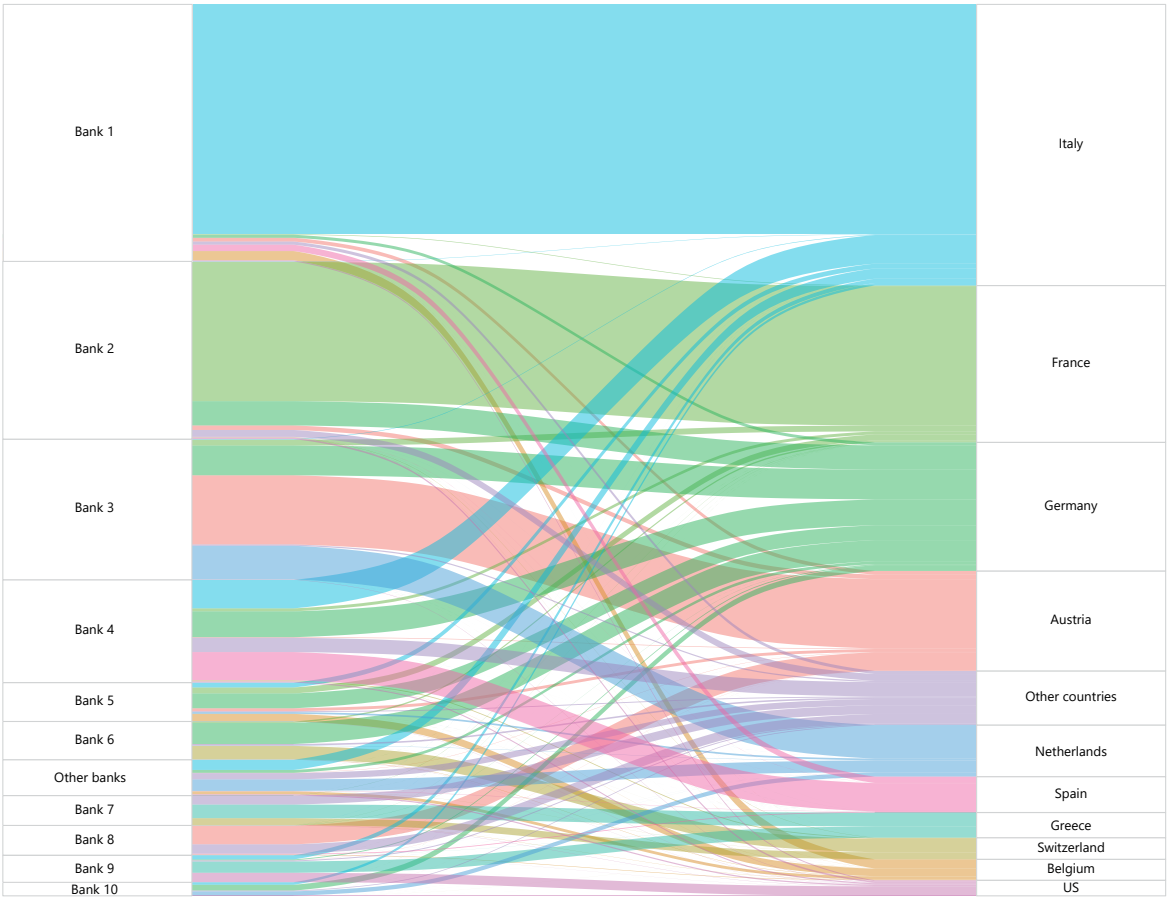
Switzerland and the United States are also among the material third countries in terms of original exposures (Chart 3.22). As regards defaulted exposures, the Republic of Moldova, Serbia and the UK rank topmost, with the latter two holding weights below 0.01 percent of total. Looking at risk-weighted exposures, the Republic of Moldova comes in first, followed by the United States (0.16 percent of total).



The reporting for end-2024 indicates that domestic loans account for the prevailing share (94 percent) of the banking sector's portfolio in Romania. The breakdown of Romanian banks' foreign loans (Chart 3.23) shows that the most important foreign exposures are vis-à-vis Italy, France, Germany, Austria, Netherlands, Spain and Greece. The non-EU countries with the largest exposures are Switzerland and the United States, but each of them accounts for less than 0.15 percent of the total loans granted. Compared to the previous analysis, the UK is no longer on the list of non-EU countries with material exposures. Moreover, monetary balance sheet reporting does not record any credit granted directly to the real sector (non-financial corporations and households) in third countries.

There is generally a close connection between credit institutions, subsidiaries of foreign groups, with the countries where parent banks operate. Similarly to the previous analysis (reference date December 2023), there has been increased diversification of cross-border exposures for most banks, whereas back in 2021 there were banks that carried out investment in a small number of states. There are further two types of countries: (i) states in which most exposures come from the investments of a limited number of banks (France,

Chart 3.23. Connection between banks in Romania and other countries via on-balance-sheet loans



Source: NBR

Greece, Spain, Netherlands, Switzerland) and (ii) countries with exposures from a higher number of institutions (Italy, Germany, Austria, Belgium, US).

3.2.3. Assessment of the impact of credit institutions' funding plans on the flow of credit to the real economy

The annual assessment of the impact of credit institutions' funding plans on the flow of credit to the real economy was presented and discussed at the NCMO meeting of 9 October 2025. The assessment was made under Recommendation A(3) of Recommendation of the European Systemic Risk Board of 20 December 2012 on funding of credit institutions (ESRB/2012/2) setting forth that national supervisory authorities and other authorities with a macroprudential mandate are recommended "to assess the impact of credit institutions' funding plans on the flow of credit to the real economy". In light of the ESRB recommendation, the NCMO issued, at a national level, NCMO Recommendation No. 10/2017 on the impact of credit institutions' funding plans on the flow of credit to the real economy, whereby the National Bank of Romania was recommended to assess that impact on a regular basis.

From a macroprudential policy perspective, this assessment is particularly useful, as the data submitted by credit institutions make it possible to extract forward-looking information on lending developments and on identifying at an early stage vulnerabilities and potential risks to financial stability. This, in turn, helps create the conditions for the timely activation/deactivation of macroprudential instruments, thereby enhancing their efficiency and effectiveness.

The annual monitoring of funding plans has several purposes: (i) it provides an overview of the lending growth outlook, both in general and by component, as well as of potential structural changes in credit institutions' activity; (ii) it serves as a backtesting tool, by comparing actual with projected values reported by credit institutions in order to assess data reliability; and (iii) it allows for the identification of changes in credit institutions' risk appetite. Furthermore, since these data are based on forecasts, they can be used in conjunction with other analyses, such as the *Bank Lending Survey*, the *Systemic Risk Survey*, stress-testing exercises, among others, so as to provide relevant signals regarding the appropriate implementation of macroprudential policy instruments.

The annual reporting of credit institutions' funding plans takes place in the first quarter of the year and comprises three-year forecasts.

Eight reporting credit institutions[48], all of them systemically important, participated in this annual assessment. As at 31 December 2024, these institutions jointly accounted for approximately 81 percent of total assets and 80 percent of loans to the private sector, ensuring good representativeness of the sample for the Romanian banking sector.

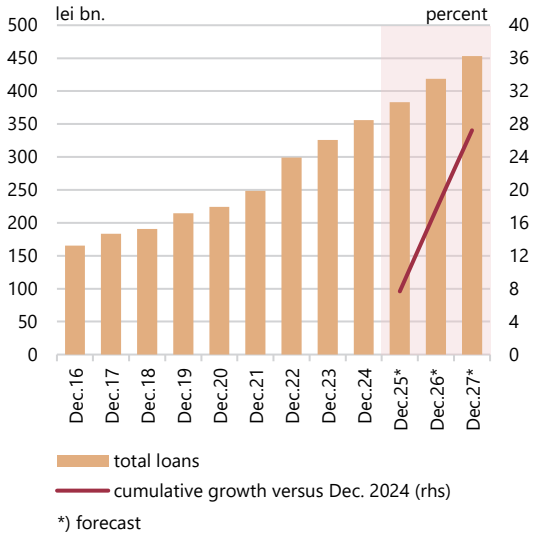
The assessment of reporting institutions' funding plans showed that the cumulative three-year rise in credit to the private sector reflects the following projected developments: (i) an increase in financing for both the real and financial sectors, more pronounced in the former case (+27.5 percent), (ii) a rise in credit to the real sector, estimated for both households (+25.07 percent) and non-financial corporations (+29.7 percent) (Charts 3.24 and 3.25)[49], (iii) a slower pace of growth in debt securities than in credit to the real sector (+20.8 percent), and (iv) a 23.5 percent increase in total assets over the 2025-2027 period.

The strong increase in corporate lending in recent years, driven by government support programmes, led to a widening of the gap between loans to households and loans to non-financial corporations as a share in total assets in 2024, in favour of the latter, whose share in total assets was 4 percentage points higher than that of the former. According to the reported data, the gap is expected to persist (corporate lending expanding at a faster pace than loans to households as a share in total assets), and to peak at 4.7 percentage

[48] Reports on funding plans were submitted, on a consolidated basis, by Banca Transilvania, Banca Comercială Română, BRD – Groupe Société Générale, Raiffeisen Bank, UniCredit Bank and CEC Bank, and on an individual basis by Alpha Bank and Exim Banca Românească. OTP Bank submitted reports, but its results are included within Banca Transilvania's scope of consolidation.

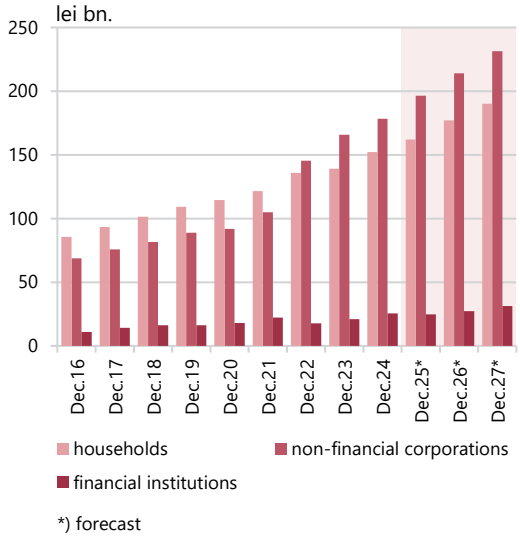
[49] Both charts refer to credit to the private sector.

Chart 3.24. Lending developments



Source: NBR, credit institutions' reports on funding plans

Chart 3.25. Breakdown of credit by component



Source: NBR, credit institutions' reports on funding plans

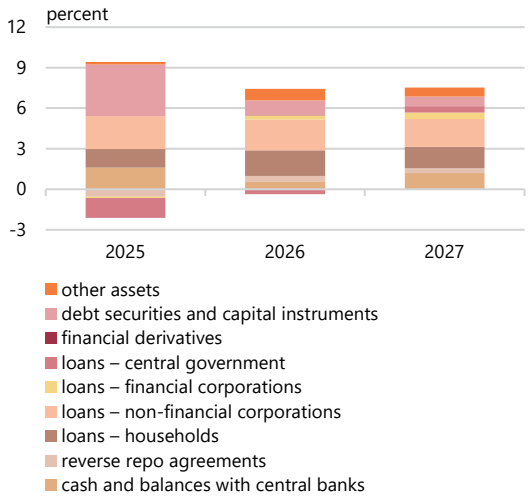
points in 2027. No material changes are foreseen in banks' lending strategy for non-financial corporations over the next three years, with the share of loans to SMEs in total corporate loans declining marginally from 62 percent in 2024 to 59 percent in 2027.

An in-depth analysis of banks' forecasts on the increase in credit to the real sector shows enhanced heterogeneity. Over the entire forecast horizon, credit growth is expected to range between -1.4 percent and 16.8 percent. It is worth noting that, for 2025, only one bank anticipated a contraction in its loan portfolio relative to 2024, followed by a significant increase in 2026 and 2027. According to forecasts for the coming years, the top three positions in the ranking of banks by loan portfolio size are expected to remain unchanged from 2025 onwards.

The eight reporting banks forecasted a 23.5 percent cumulative growth in assets between 2025 and 2027 versus December 2024, while the cumulative growth rate of assets at EU level is expected to reach 7.37 percent[50]. The breakdown by balance sheet component shows that the main assets contributing to the three-year cumulative increase in the balance sheets of the eight banks are loans to the real sector, debt securities, equity instruments and cash balances. Loans to non-financial corporations and households add 7.3 percentage points and 5.2 percentage points respectively to total asset growth, while debt securities contribute 5.8 percentage points (Chart 3.26). As compared to the previous reporting, the order of the top three asset classes changed, with debt securities gaining in importance at the expense of loans to households, as a result of greater government financing needs. Debt securities continue to account for a significant share of the rise in banking sector assets, as yields on Romanian government securities remain attractive and above those of peer economies, which makes them preferred investment options. Cash balances contribute positively to the rise in assets, virtually marking a trend reversal as compared to the previous reporting exercise (+3.6 percentage points, from -1.8 percentage points a year earlier). This may reflect banks' uncertainty regarding the macroeconomic outlook.

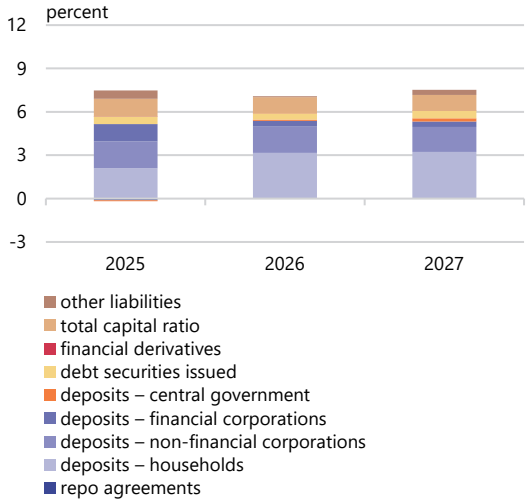
50 According to the EBA's *Risk Assessment Report – June 2025, Asset side*.

Chart 3.26. Contribution of assets to the annual increase (forecast)



Source: NBR, credit institutions' reports on funding plans

Chart 3.27. Contribution of liabilities to the annual increase (forecast)



Source: NBR, credit institutions' reports on funding plans

As regards the projected annual growth of liabilities, the largest contributions come from household and non-financial corporation deposits (Chart 3.27). Specifically, in the period from 2025 to 2027, deposits will further be the main source of funding, their share in liabilities remaining unchanged at approximately 81 percent. The share of deposits covered by a guarantee scheme is expected to hover around 53 percent throughout the reporting horizon. Looking at the profit and loss account, banks' expectations may be summarised as follows: (i) banks' profit will increase due to a faster-paced rise in operating income than in operating expenses, (ii) ROE will decrease slightly over the next years, (iii) the cost-to-income ratio (a measure of operational efficiency) is expected to remain close to 47 percent for this group of banks, and (iv) the NPL ratio is estimated to increase for households and decline for non-financial corporations.

4. Implementation of macroprudential policy

According to the provisions of Art. 1 para. (2) of Law No. 12/2017 on the macroprudential oversight of the national financial system, the National Committee for Macroprudential Oversight is mandated to ensure coordination in the field of macroprudential oversight of the national financial system by setting the macroprudential policy and the appropriate instruments for its implementation. In order to implement the measures necessary for preventing or mitigating systemic risks at a national level, pursuant to the provisions of Art. 4 para. (1) letters a) and b) of Law No. 12/2017, the NCMO is empowered to: (a) issue recommendations and warnings to the National Bank of Romania and the Financial Supervisory Authority, in their capacity of national financial supervisory authorities at a sectoral level; (b) issue recommendations to the Government for the purpose of safeguarding financial stability.

In Romania, the national macroprudential authority (the NCMO) is operating as an interinstitutional cooperation structure without legal personality, therefore, the recommendations issued by its General Board are implemented by member authorities (the National Bank of Romania, the Financial Supervisory Authority, the Government), which are the recipients of NCMO recommendations. In accordance with the provisions of Art. 4 para. (2) of Law No. 12/2017, the recipients of NCMO recommendations or warnings may adopt the appropriate measures, including the issuance of regulations in order to observe the recommendations or, where appropriate, may take action to mitigate the risks they were warned about. The recipients shall inform the NCMO of the measures adopted or, in cases where they have not taken such measures, they should provide adequate justification for any inaction.

The NCMO General Board has the power to monitor the measures taken by the recipients following the issued recommendations, based on the information provided by the latter. The analyses regarding the manner of implementation of NCMO recommendations by recipients are carried out on a yearly basis.

In the period from January to December 2025, the NCMO issued six recommendations, as follows:

- NCMO Recommendation No. R/1/2025 on the countercyclical capital buffer in Romania, in its meeting of 10 April 2025;
- NCMO Recommendation No. R/2/2025 on the countercyclical capital buffer in Romania, in its meeting of 19 June 2025;

- NCMO Recommendation No. R/3/2025 on the countercyclical capital buffer in Romania; NCMO Recommendation No. R/4/2025 on government credit guarantee programmes, in its meeting of 9 October 2025;

- NCMO Recommendation No. R/5/2025 on the countercyclical capital buffer in Romania; NCMO Recommendation No. R/6/2025 on the capital buffer for other systemically important institutions in Romania, in its meeting of 11 December 2025.

The implementation progress made by the recipients of NCMO recommendations issued from January to December 2025, as well as in the previous period, which have not been completed or which are applicable on a permanent basis, is as follows:

(i) six recommendations were fully implemented by the recipient authorities, namely: NCMO Recommendation No. R/1/2025 on the countercyclical capital buffer in Romania; NCMO Recommendation No. R/2/2025 on the countercyclical capital buffer in Romania; NCMO Recommendation No. R/3/2025 on the countercyclical capital buffer in Romania; NCMO Recommendation No. R/5/2025 on the countercyclical capital buffer in Romania; NCMO Recommendation No. R/6/2025 on the capital buffer for other systemically important institutions in Romania; NCMO Recommendation No. 3 of 14 June 2017 on enhancing statistical information required for the analyses on the real estate market.

(ii) four recommendations are currently being implemented, namely:

a) NCMO Recommendation No. R/6/2020 on addressing vulnerabilities from the widening of the agri-food trade deficit – most of the measures which are the government's responsibility, namely those for implementing a strategy in agriculture, have an implementation period of 1-3 years, whereas the measure regarding the implementation of an industrial policy for the food sector that should lead to the better fulfilment of the government's role in underpinning the agri-food sector has an implementation period of 3-5 years. Moreover, the NBR's responsibilities to review, at least once every two years, the methodology for identifying the firms that could be viewed as potential national champions in the agri-food sector and to disseminate additional statistical data for improving agri-food firms' access to finance have a regular implementation period starting December 2020. Thus, the tasks deriving from the aforementioned subrecommendations become permanent; the lines of action are compliant with the recommendations; some of the subrecommendations have been completed, while the rest are in different stages of implementation;

b) NCMO Recommendation No. R/6/2021 on supporting green finance – some of the subrecommendations were completed, while the rest are in different stages of implementation;

c) NCMO Recommendation No. R/3/2022 on the sustainable increase in financial intermediation – some of the subrecommendations were completed, while the rest are in different stages of implementation;

d) NCMO Recommendation No. R/4/2025 on government credit guarantee programmes – two subrecommendations should be completed in 2026, one subrecommendation should be implemented by the end of 2027 H1, and for another subrecommendation the implementation deadline is 31 December 2028.

(iii) three recommendations are applicable on a permanent basis, requiring recipients to carry out regular analyses. All three recommendations in this category (NCMO Recommendation No. 2 of 14 June 2017 on material third countries for the Romanian banking sector in terms of recognising and setting countercyclical buffer rates, NCMO Recommendation No. 10 of 18 December 2017 on the impact of credit institutions' funding plans on the flow of credit to the real economy, NCMO Recommendation No. R/4/2018 on implementing macroprudential instruments for achieving the intermediate objectives included in the Overall Macroprudential Strategy Framework of the National Committee for Macroprudential Oversight) were implemented by the recipients via the analyses made in 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024 and 2025, which were reviewed by the NCMO General Board.

As for the NCMO recommendations that are currently being implemented, it should be noted that the implementation deadlines for some subrecommendations are overdue, which prompts the recipient authorities to make greater efforts to complete their implementation.

For further details on the measures adopted by recipients to implement the NCMO recommendations issued in 2025 or in the previous period, whose implementation is completed, as well as those that are applicable on a permanent basis, see the Annex.

As regards the recommendations that are currently under implementation, the details concerning the measures adopted so far by the recipient authorities are published on the NCMO website.

Annex

The measures adopted by recipients to implement the recommendations issued by the National Committee for Macroprudential Oversight in 2025 or in the previous period, whose implementation is completed, as well as those that are applicable on a permanent basis.

NCMO recommendation	Recipient	Manner of implementation of the recommendation*
NCMO Recommendation No. R/2 of 14 June 2017 on material third countries for the Romanian banking sector in terms of recognising and setting countercyclical buffer rates (permanent basis)	NBR	The recommendation was implemented based on the NBR's regular assessments that were reviewed and decided upon by the NCMO General Board, resulting in the adoption of the following: (i) NCMO Decision No. D/8/2018 on identifying material third countries for the Romanian banking sector in terms of recognising and setting countercyclical buffer rates; (ii) NCMO Decision No. D/2/2019 on identifying material third countries for the Romanian banking sector in terms of recognising and setting countercyclical buffer rates; (iii) NCMO Decision No. D/3/2020 on the assessment of materiality of third countries for the Romanian banking sector in relation to the recognition and setting of countercyclical buffer rates; (iv) NCMO Decision No. D/5/2021 on the assessment of materiality of third countries for the Romanian banking sector in relation to the recognition and setting of countercyclical buffer rates; (v) NCMO Decision No. D/5/2022 on the assessment of materiality of third countries for the Romanian banking sector in relation to the recognition and setting of countercyclical buffer rates. According to the above-mentioned decisions, for 2018, 2019, 2020, 2021 and 2022, no material third countries were identified for the banking sector in Romania in terms of recognising and setting countercyclical buffer rates. As of 2023, based on the assessment carried out by the NBR, the Republic of Moldova has been identified as a material third country for the banking sector in Romania in terms of recognising and setting countercyclical buffer rates, and in this context the following decisions were issued: (i) NCMO Decision No. D/2/2023 on identifying material third countries for the Romanian banking sector in terms of recognising and setting countercyclical buffer rates; (ii) NCMO Decision No. D/3/2024 on identifying material third countries for the Romanian banking sector in terms of recognising and setting countercyclical buffer rates; (iii) NCMO Decision No. D/3/2025 on the assessment of materiality of third countries for the Romanian banking sector in relation to the recognition and setting of countercyclical buffer rates. In line with the above-mentioned decisions, the National Committee for Macroprudential Oversight will monitor the economic and financial developments in the Republic of Moldova, based on the assessments carried out by the National Bank of Romania by implementation of the NCMO Recommendation No. 2 of 14 June 2017 on material third countries for the Romanian banking sector in terms of recognising and setting countercyclical buffer rates. The monitoring will take place for as long as the Republic of Moldova remains a material third country, based on the annual identification exercise. The above-mentioned NCMO decisions were notified to the European Systemic Risk Board (ESRB).
NCMO Recommendation No. 3 of 14 June 2017 on enhancing statistical information required for the analyses on the real estate market	NBR, FSA	The recommendation was implemented by the recipients. The measures adopted by recipients are presented below: The NBR and the FSA implemented the NCMO recommendation by developing and conducting a survey on real estate and commercial real estate markets in Romania, which was sent to: (1) credit institutions in Romania playing an important role in the real estate sector, (2) non-financial corporations participating directly or indirectly in the Romanian real estate market (77 companies), (3) insurance companies, pension funds and investment funds. The results of the survey were published in the June and December 2018 editions of the Financial Stability Report (published on the NBR website http://www.bnr.ro/Publicatii-periodice-204.aspx).

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NCMO recommendation	Recipient	Manner of implementation of the recommendation*
		Considering all the difficulties encountered by Member States when collecting information, primarily that on the commercial real estate market, the European Systemic Risk Board issued Recommendation of 21 March 2019 amending Recommendation ESRB/2016/14 on closing real estate data gaps (ESRB/2019/3), which sets forth new deadlines for submitting to the ESRB the reports on data availability for a number of indicators. Thus, the Recommendation of 21 March 2019 amending Recommendation ESRB/2016/14 on closing real estate data gaps (ESRB/2019/3) acknowledged that the recipients had made progress in implementing Recommendation ESRB/2016/14 within the recommended timeline. However, the work of certain national macroprudential authorities was delayed by practical issues, such as the need to establish reporting frameworks, identify data sources and address data confidentiality concerns. In this context, in order to ensure the implementation of Recommendation ESRB/2016/14, it was deemed necessary to extend certain deadlines set out therein. This measure would provide national macroprudential authorities with additional time to address the practical issues related to the development of the required definitions and the collection of data. For instance, the lack of commonly agreed working definitions remains a particular concern with regard to the relevant indicators of the physical commercial real estate (CRE) market and, together with operational constraints affecting data availability, hampers the accurate assessment and comparison of risks across national markets. By 31 December 2020, national macroprudential authorities had submitted their final reports on the implementation of the recommendations to the ESRB and the Council. Since May 2022, reporting institutions have submitted to the Central Credit Register (CCR) the indicators set out in Recommendation ESRB/2016/14, including the classification of loans secured by real estate into commercial real estate (CRE) and residential real estate (RRE) loans, the amortisation type, debt-to-income at origination (DTI-O), property location, use of collateral (rental, owner-occupied or income-producing), as well as LTV-C, ICR, LSTI-O, LTI-O, LTRO and LTC indicators. During the NCMO meeting of 18 December 2020, held by written procedure, NCMO Note No. 38/2020 on reporting to the ESRB on the availability of information on residential real estate loans was approved, whereby the NCMO General Board was informed that the National Bank of Romania will submit to the ESRB, by 31 December 2020, the template for the follow-up regarding the availability of indicators mentioned by recommendations A and B, according to the requirements in Recommendation ESRB/2016/14 (implemented at national level via NCMO Recommendation No. 3 of 14 June 2017 on enhancing statistical information required for the analyses on the real estate market), supplemented and amended by Recommendation ESRB/2019/3. The Note outlines the transparency requirements applicable to national macroprudential authorities, namely the reporting obligations concerning the compliance with the provisions of the ESRB Recommendation, as follows: (i) interim reports by 31 December 2019; (ii) final reports regarding recommendations A and B – by 31 December 2020; (iii) final reports regarding recommendations C and D – by 31 December 2021 and 31 December 2025, respectively (if the information referred to in point (a) of recommendation D (2) is not available by 31 December 2021). According to the ESRB's preliminary assessment of the interim report submitted on 31 December 2019, Romania was assessed as fully compliant.

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NCMO recommendation	Recipient	Manner of implementation of the recommendation*
		The reporting template for recommendations A and B with deadline on 31 December 2020 was submitted to the NCMO General Board. It was noted that, in order to ensure the NBR's compliance with the provisions and deadlines established in the Recommendation, credit institutions in Romania would initially report to the NBR via an aggregated survey for each individual bank, and during the first part of the following year, reporting would be carried out through the Central Credit Register (CCR) at borrower level. The survey for 2020 Q3 has already been submitted to Romanian credit institutions via the Romanian Association of Banks, with 31 December 2020 set as the deadline for completion. The survey consists of two parts: template A and template B. Template A covers the entire portfolio of residential real estate loans. Template B comprises two sets of indicators: (i) indicators for the portfolio of loans granted for the purchase of residential properties for rental purposes (buy-to-let) and (ii) indicators for the portfolio of loans granted for the purchase of owner-occupied residential properties. The reference date for the stock of residential real estate loans is 30 September 2020, while the reference period for the flow of residential real estate loans is 2020 Q3. Banks' responses were compiled and analysed. The results do not point to significant risks to the banking sector stemming from the residential real estate market. The template for the follow-up of Recommendation ESRB/2016/14 for deadline 31.12.2020 was submitted to the ESRB on 24 December 2020. During the meeting of 15 December 2021, held by written procedure, the NBR submitted, for information purposes, NCMO Note No. 41/2021 on reporting to the ESRB on the availability of commercial real estate statistics, which took into account the provisions of Recommendation ESRB/2016/14 on closing real estate data gaps, amended and supplemented by Recommendation ESRB/2019/3 amending Recommendation ESRB/2016/14 on closing real estate data gaps. The above-mentioned Note states that Romania complied with the provisions of the ESRB Recommendation relating to the residential real estate market (recommendations A and B). It also indicates that the NBR submitted the interim report on the implementation of the Recommendation by 21 December 2019 and the final report on recommendations A and B by 31 December 2020, in line with the established deadlines. Based on these reports, Romania was assessed as fully compliant by the ESRB. The timelines for complying with the remaining provisions of the Recommendation are as follows: (i) by 31 December 2021 – the final report regarding recommendations C and D; (ii) by 31 December 2025 the final report regarding the indicators of the physical commercial real estate (CRE) market, if the information is not available by 31 December 2021 (point 1 letters a-e of recommendation C and point 2 letter a of recommendation D). The Note indicates that the NBR does not have all the relevant information set forth by NCMO Recommendation on the physical commercial real estate (CRE) market, as follows: (i) recommendation C point 1 letters a-e: price index; rental index; rental yield index; vacancy rates; construction starts. (ii) recommendation D point 2 letter a: for the indicators referred to in the previous point, national authorities should consider a breakdown by: • property type (office, retail, industrial, residential and other); • property location (domestic prime, domestic non-prime and foreign). With a view to implementing the provisions of the Recommendation on real estate lending, the NBR expanded the set of indicators reported through the Central Credit Register (CCR) to include those recommended by the ESRB.

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NCMO recommendation	Recipient	Manner of implementation of the recommendation*
		With a view to implementing the provisions of recommendations C and D (with the reporting deadline of 31 December 2021), with the exception of those referring to the physical market (recommendation C point 1 letters a-e and recommendation D point 2 letter a whose deadlines can be extended until 31 December 2025), the NBR submitted the reporting template to the ESRB, according to the requirements in Recommendation ESRB/2016/14 (implemented at national level via NCMO Recommendation No. 3 of 14 June 2017 on enhancing statistical information required for the analyses on the real estate market), supplemented and amended by Recommendation ESRB/2019/3. According to the report regarding the implementation of Recommendation ESRB/2019/3, Romania was assessed by the ESRB as fully compliant. As for recommendations C and D, compliance was assessed as follows: – recommendation C – fully compliant; – recommendation D – largely compliant, as the majority of the recommended indicators are already available, while physical indicators are expected to become available by 31 December 2025. In December 2022, Recommendation ESRB/2022/9 on vulnerabilities in the commercial real estate sector in the European Economic Area was issued. It further comprises four recommendations (A-D), but the scope and frequency of monitoring were adjusted so that recipients have more time to implement said recommendations. In this respect, the implementation timelines were relaxed as follows: 1. Recommendation A on improving the monitoring of systemic risks stemming from the CRE market – deadline: 31 March 2024 and 31 March 2026; 2. Recommendation B on ensuring sound CRE financing practices – deadline: 31 March 2026; 3. Recommendation C on increasing resilience of financial institutions – deadline: 31 March 2026. 4. Recommendation D on the development of activity-based tools for CRE in the Union; the European Commission assesses the current macroprudential framework and legislation in the European Union – deadline: 31 December 2026. In its meeting of 20 June 2023, NCMO Note No. 15/2023 on vulnerabilities in the commercial real estate sector was presented, with the aim of informing the NCMO General Board on: (i) the results of the European Systemic Risk Board (ESRB) analysis regarding vulnerabilities in the commercial real estate sector in the European Economic Area, (ii) the analysis of the commercial real estate market in Romania, and (iii) the recommendations issued by the ESRB in light of identified vulnerabilities. Thus, NCMO Note No. 15/2023 on vulnerabilities in the commercial real estate sector provided information about the requirements of Recommendation ESRB/2022/9 on vulnerabilities in the commercial real estate sector in the European Economic Area, which comprises four recommendations (A–D) that address risks stemming from the CRE sector and is targeting the relevant authorities, as defined in the Recommendation, which include: (i) supervisory authorities; (ii) national macroprudential authorities and (iii) designated authorities. Moreover, the note provided information on the timeline for implementing the measures related to Recommendation ESRB/2022/9. In order to comply with the provisions of Recommendation A with a deadline on 31 March 2024, the Financial Stability Department within the NBR conducted an analysis that was submitted for approval to the NCMO General Board during the March 2024 meeting. The analysis was designed to cover the matters set forth by the Recommendation, namely: (i) assessment of the cyclical position of the commercial real estate market and (ii) assessment of vulnerabilities related to the commercial real estate sector. For the purpose of this analysis, given the lack of data on the physical commercial real estate market (e.g. prices, rents, etc.), the Financial Stability Department established cooperation with consultancy firms specialised in commercial real estate (iO Partners, JLL), which supplied quarterly data available from 2018 Q1 onwards (e.g. volume of investments, prime yields and rents).

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NCMO recommendation	Recipient	Manner of implementation of the recommendation*
		The NBR informed the NCMO General Board in its meeting of 28 March 2024 – via NCMO Note No. 8/2024 on risks stemming from the commercial real estate market – that it would submit to the ESRB the reporting template regarding the implementation of Recommendation A of Recommendation ESRB/2022/9 by 31 March 2024. The above-mentioned template was submitted to the ESRB on 29 March 2024. Romania was assessed as fully compliant with the Recommendation of the European Systemic Risk Board on vulnerabilities in the commercial real estate sector in the European Economic Area, the monitoring of systemic risks stemming from the CRE market being considered adequate and continuously improving. At the NCMO meeting held on 11 December 2025, NCMO Note No. 35/2025 on vulnerabilities in the commercial real estate market was presented, informing the NCMO General Board of the results of the analysis of Romania's commercial real estate market, in accordance with the provisions and timelines applicable in 2026 under the ESRB Recommendation on vulnerabilities in the commercial real estate sector in the European Economic Area. At the NCMO meeting held on 26 March 2026, NCMO Note No. 5/2026 on the implementation of the ESRB Recommendation on the commercial real estate market was presented, informing the NCMO General Board of the measures undertaken by the NBR with a view to implementing the subrecommendations of Recommendation ESRB/2022/9 on vulnerabilities in the commercial real estate sector in the European Economic Area that were due by 31 March 2026. These measures include the development of a commercial real estate price index together with an associated forecasting framework, as well as the establishment of a model for forecasting the probability of default of commercial real estate (CRE) loans. On 16 January 2026, the reporting template for assessing the implementation of Recommendation of the European Systemic Risk Board on closing real estate data gaps (ESRB/2016/14), as amended by Recommendation ESRB/2019/3, was submitted through the Darwin platform. Romania was assessed as fully compliant with Recommendations A and B, while the implementation deadline for Recommendations C and D was 31 December 2025. In this context, the ESRB Secretariat sent a reporting template for the assessing the implementation of Recommendation ESRB/2016/14 on closing real estate data gaps, as amended by Recommendation ESRB/2019/3. National macroprudential authorities that did not have the relevant information by 31 December 2021 related to the indicators set out under letters (a)–(e) of Recommendation C(1) and letter (a) of Recommendation D(2), as specified in Template A of Annex III of the Recommendation, were requested to submit their final reports on the implementation of Recommendations C and D by 16 January 2026. Romania fulfilled the ESRB requirement by submitting the notification on 16 January 2026.
NCMO Recommendation No. 10 of 18 December 2017 on the impact of credit institutions' funding plans on the flow of credit to the real economy (permanent basis)	NBR	The recommendation was implemented through the assessments of the impact that credit institutions' funding plans had on the flow of credit to the real sector. These assessment were made in 2018-2025 (based on the reports with the reference date of 31 December of the preceding year) and were submitted in the course of the NCMO General Board meetings. The assessments were made using the reports submitted by the eight largest banks in Romania (making up around 80 percent of total net assets). Reporting banks' projections indicate developments over the next two years from the perspective of the banking sector's assets (loans granted to non-financial corporations and households, as well as holdings of debt securities), liabilities (deposits from non-financial corporations and households, as well as debt securities issued) and profit and loss account (profit, income, expenses, the ROE, the cost-to-income ratio and net interest margins). The analyses indicated the results in terms of macroprudential policy, namely the projected developments related to the level of financial intermediation, the total private sector debt to GDP, the dynamics of the funding and liquidity profile of credit institutions, and the impact of funding plans on solvency and profitability ratios.

– continued –

NCMO recommendation	Recipient	Manner of implementation of the recommendation*
NCMO Recommendation No. R/4/2018 on implementing macroprudential instruments for achieving the intermediate objectives included in the Overall Macroprudential Strategy Framework of the National Committee for Macroprudential Oversight (permanent basis)	NBR, FSA	The NBR makes regular assessments of the risks and vulnerabilities in the financial system and the real economy, as well as of the adequacy of implementing/recalibrating/deactivating macroprudential instruments, which are presented to the NCMO General Board for review and decision. To date, the NBR has implemented the following macroprudential instruments: the capital conservation buffer; the countercyclical capital buffer (CCyB); the buffer for other systemically important institutions (O-SII buffer); the systemic risk buffer (SyRB); requirements for the loan-to-value ratio (LTV); requirements for the debt service-to-income ratio (DSTI). The FSA makes regular assessments of the risks and vulnerabilities identified in the three non-bank financial markets under its supervision, as well as of the appropriateness of implementing the existing macroprudential instruments. To date, the following macroprudential policy measures have been implemented: (i) at the level of financial investment companies (FIC): the capital conservation buffer (which was implemented in four annual increments of 0.625 percent of the total risk-weighted exposure from 1 January 2016 to 1 January 2019); (ii) for insurance companies: the liquidity indicator of insurance companies; the recovery plan; the Insurance Guarantee Fund; (iii) for private pension market: limits on significant exposures, the setting-up of the Private Pension System Rights Guarantee Fund; (iv) for private pension fund managers: limit the exposure to an issuer to 5 percent of net assets; the exposure to a group of issuers and their affiliates may not exceed 10 percent of the private pension fund's assets; (v) for all entities under its supervision, the FSA applies IT system security requirements.
NCMO Recommendation No. R/1/2025 on the countercyclical capital buffer in Romania	NBR	The NBR implemented the NCMO recommendation on maintaining the countercyclical capital buffer (CCyB) rate at 1 percent as of 23 October 2023 by issuing NBR Order No. 7/2022 amending NBR Order No. 12/2015 on the capital conservation buffer and the countercyclical capital buffer (published in *Monitorul Oficial al României*, Part I, No. 1187/12 December 2022).
NCMO Recommendation No. R/2/2025 on the countercyclical capital buffer in Romania	NBR	The NBR implemented the NCMO recommendation on maintaining the countercyclical capital buffer (CCyB) rate at 1 percent as of 23 October 2023 by issuing NBR Order No. 7/2022 amending NBR Order No. 12/2015 on the capital conservation buffer and the countercyclical capital buffer (published in *Monitorul Oficial al României*, Part I, No. 1187/12 December 2022).
NCMO Recommendation No. R/3/2025 on the countercyclical capital buffer in Romania	NBR	The NBR implemented the NCMO recommendation on maintaining the countercyclical capital buffer (CCyB) rate at 1 percent as of 23 October 2023 by issuing NBR Order No. 7/2022 amending NBR Order No. 12/2015 on the capital conservation buffer and the countercyclical capital buffer (published in *Monitorul Oficial al României*, Part I, No. 1187/12 December 2022).
NCMO Recommendation No. R/5/2025 on the countercyclical capital buffer in Romania	NBR	The NBR implemented the NCMO recommendation on maintaining the countercyclical capital buffer (CCyB) rate at 1 percent as of 23 October 2023 by issuing NBR Order No. 7/2022 amending NBR Order No. 12/2015 on the capital conservation buffer and the countercyclical capital buffer (published in *Monitorul Oficial al României*, Part I, No. 1187/12 December 2022).
NCMO Recommendation No. R/6/2025 on the capital buffer for other systemically important institutions in Romania	NBR	The NBR implemented the NCMO recommendation by issuing NBR Order No. 1/2026 on the buffer for credit institutions authorised in Romania and identified as other systemically important institutions (O-SII), published in *Monitorul Oficial al României*, Part I, No. 108/10 February 2026.

*) The "Manner of implementation of the recommendation" section includes the contributions submitted by the recipient authorities in accordance with the NCMO recommendations.

Abbreviations

BSE	Bucharest Stock Exchange
CET	Common Equity Tier
CCoB	Capital Conservation Buffer
CCyB	Contercyclical Capital Buffer
CRD	Capital Requirements Directive
CRE	Commercial real estate
CRR	Capital Requirements Regulation
DSTI	Debt service-to-income
DTI	Debt-to-income
EBA	European Banking Authority
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
EC	European Commission
ECB	European Central Bank
EEA	European Economic Area
EIOPA	European Insurance and Occupational Pensions Authority
ESG	Environmental, Social and Governance
ESRB	European Systemic Risk Board
EU	European Union
Eurostat	Statistical Office of the European Communities
FDI	Foreign direct investment
FSA	Financial Supervisory Authority
GDP	Gross domestic product
ICR	Interest Coverage Ratio
G-SII/O-SII	Global/Other Systemically Important Institutions
IMF	International Monetary Fund
IRB	Internal Rating Based approach
LCR	Liquidity coverage ratio
LTD	Loan-to-deposit
LTV	Loan-to-value
MCR	Minimum Capital Requirement
MF	Ministry of Finance
MREL	Minimum requirement for own funds and eligible liabilities
NBFI	Non-bank financial institution
NBR	National Bank of Romania
NCMO	National Committee for Macroprudential Oversight

NIS	National Institute of Statistics
NPL	non-performing loans
NRRP	National Recovery and Resilience Plan
ROA	Return on assets
ROE	Return on equity
SMEs	Small- and medium-sized enterprises
SyRB	Systemic Risk Buffer
sSyRB	Sectoral Systemic Risk Buffer

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