



Brussels, 10.3.2026
C(2026) 1490 final

COMMISSION DELEGATED REGULATION (EU) .../...

of 10.3.2026

amending the regulatory technical standards laid down in Delegated Regulation (EU) 2023/206 as regards the updating of references and the alignment of terminology following amendments to Regulation (EU) No 575/2013

(Text with EEA relevance)

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE DELEGATED ACT

Article 124(11) of Regulation (EU) No 575/2013⁽¹⁾, as amended by Regulation (EU) 2024/1623⁽²⁾, empowers the Commission to adopt, following the submission of draft standards by the European Banking Authority (EBA) in close cooperation with the ESRB, and in accordance with Articles 10 to 14 of Regulation (EU) No 1093/2010⁽³⁾, delegated acts to specify the types of factors to be considered by national authorities designated in accordance with Article 124(8) of that Regulation in assessing the appropriateness of the preferential risk weights for exposures secured by immovable property under the Standardised Approach of credit risk.

In accordance with Article 10(1) of Regulation (EU) No 1093/2010, the Commission must decide within 3 months of receiving the draft standards whether to endorse the drafts submitted. It may also endorse the draft standards in part only, or with amendments, where the EU's interests so require, having regard to the specific procedure laid down in Articles 10 to 14 of Regulation (EU) No 1093/2010.

2. CONSULTATIONS PRIOR TO THE ADOPTION OF THE ACT

In accordance with the third subparagraph of Article 10(1) of Regulation (EU) No 1093/2010, the EBA has carried out a public consultation on the draft regulatory technical standards submitted to the Commission in accordance with Article 124(11) of Regulation (EU) No 575/2013, as amended by Regulation (EU) 2024/1623. A consultation paper was published on the EBA website on 30 April 2025, and the consultation closed on 30 May 2025. A public hearing took place on 13 May 2025. No comments were received during the consultation period. Together with the draft regulatory technical standards, the EBA has submitted an explanation of the reasoning behind the development of the final draft technical standards submitted to the Commission.

Together with the draft regulatory technical standards, and in accordance with the third subparagraph of Article 10(1) of Regulation (EU) No 1093/2010, the EBA has submitted its assessment of the impact of the draft regulatory technical standards to the Commission, including its analysis of the costs and benefits.

3. LEGAL ELEMENTS OF THE DELEGATED ACT

The provisions of this delegated act align the references to Article 124 of Regulation (EU) No 575/2013 that have become obsolete due to the entry into force of Regulation (EU) 2024/1623 of 31 May 2024 amending Regulation (EU) No 575/2013.

¹ Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (OJ L 176, 27.6.2013, p. 1, ELI:<http://data.europa.eu/eli/reg/2013/575/oj>).

² Regulation (EU) 2024/1623 of the European Parliament and of the Council of 31 May 2024 amending Regulation (EU) No 575/2013 as regards requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor (OJ L, 2024/1623, 19.06.2024, ELI:<http://data.europa.eu/eli/reg/2024/1623/oj>).

³ Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC (OJ L 331, 15.12.2010, p. 12, ELI:<http://data.europa.eu/eli/reg/2010/1093/oj>).

This delegated act also reflects the change in terminology in Article 164 of Regulation (EU) No 575/2013 related to the possibility for an authority designated in accordance with Article 164(5) of Regulation (EU) No 575/2013 to set higher LGD input floor values, instead of higher minimum LGD values, for exposures located in one or more parts of the territory of the Member State of that authority.

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(Text with EEA relevance)

THE EUROPEAN COMMISSION,

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

Having regard to Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions⁴ and amending Regulation (EU) No 648/2012, and in particular Article 124(11), third subparagraph, and Article 164(8), third subparagraph, thereof,

Whereas:

- (1) Regulation (EU) 2024/1623 of the European Parliament and of the Council⁵ amended Article 124 of Regulation (EU) No 575/2013, which deals with the treatment under the Standardised Approach for credit risk of exposures secured by immovable property, to better differentiate between real estate exposures and to reflect more accurately the risk associated with those exposures. That amendment to Article 124 of Regulation (EU) No 575/2013 led to a renumbering of its paragraphs. While the provisions of Commission Delegated Regulation (EU) 2023/206⁶ remain suitable under Article 124 of Regulation (EU) No 575/2013 as amended by Regulation (EU) 2024/1623, the renumbering should be reflected in Commission Delegated Regulation (EU) 2023/206 in order to ensure legal clarity and legal certainty.
- (2) In addition, Regulation (EU) 2024/1623 also amended Article 164(4) of Regulation (EU) No 575/2013, which deals with the treatment of retail exposures under the Internal Ratings Based Approach for credit risk, by inserting in that paragraph a Table with loss given default (LGD) input floor values, to be used by institutions for their retail exposures secured by residential property or other retail exposures secured by residential property or commercial immovable property. As a consequence, references in Article 164 of Regulation (EU) No 575/2013 to minimum LGD values were

⁴ Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (OJ L 176, 27.6.2013, p. 1, ELI: <http://data.europa.eu/eli/reg/2013/575/oj>).

⁵ Regulation (EU) 2024/1623 of the European Parliament and of the Council of 31 May 2024 amending Regulation (EU) No 575/2013 as regards requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor (OJ L, 2024/1623, 19.06.2024, ELI: <http://data.europa.eu/eli/reg/2024/1623/oj>).

⁶ Commission Delegated Regulation (EU) 2023/206 of 5 October 2022 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards specifying the types of factors to be considered for the assessment of the appropriateness of risk weights for exposures secured by immovable property and the conditions to be taken into account for the assessment of the appropriateness of minimum loss given default values for exposures secured by immovable property (OJ L 29, 1.2.2023, p. 1, ELI: http://data.europa.eu/eli/reg_del/2023/206/oj).

replaced by references to LGD input floor values. It follows that those amendments should equally be reflected in Delegated Regulation (EU) 2023/206 with no other substantive change.

- (3) This Regulation is based on the draft regulatory technical standards submitted to the Commission by the European Banking Authority.
- (4) The European Banking Authority has conducted open public consultations on the draft regulatory technical standards on which this Regulation is based, analysed the potential related costs and benefits and requested the advice of the Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1093/2010 of the European Parliament and of the Council⁷,

HAS ADOPTED THIS REGULATION:

Article 1

Amendments to Delegated Regulation (EU) 2023/206

Delegated Regulation (EU) 2023/206 is amended as follows:

- (1) the title is replaced by the following:

‘Commission Delegated Regulation (EU) 2023/206 of 5 October 2022 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards specifying the types of factors to be considered for the assessment of the appropriateness of risk weights for exposures secured by immovable property and the conditions to be taken into account for the assessment of the appropriateness of the loss given default input floor values for retail exposures secured by immovable property’;

- (2) Article 1 is amended as follows:

- (a) in paragraph 1, the first subparagraph is amended as follows:

- (i) the introductory wording is replaced by the following:

‘When assessing the appropriateness of the risk weights referred to in Article 124(9), first subparagraph, of Regulation (EU) No 575/2013, the authorities designated in accordance with Article 124(8) of that Regulation shall determine all of the following:’;

- (ii) point (a) is replaced by the following:

- (a) the loss experience as the ratio of the following:

- (i) in the case of exposures secured by residential property or by mortgages on residential property as referred to in Article 124(9), first subparagraph, of Regulation (EU) No 575/2013, the losses reported in accordance with Article 430a(1), point (a), of that Regulation and the exposure value reported in accordance with Article 430a(1), point (c), of that Regulation;

⁷ Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC (OJ L 331, 15.12.2010, p. 12, ELI: <http://data.europa.eu/eli/reg/2010/1093/2024-12-30>).

- (ii) in the case of exposures secured by commercial immovable property or by mortgages on commercial immovable property as referred to in Article 124(9), first subparagraph, of Regulation (EU) No 575/2013, the losses reported in accordance with Article 430a(1), point (d), of that Regulation and the exposure value reported in accordance with Article 430a(1), point (f), of that Regulation;’;
 - (b) paragraph 2 is replaced by the following:

‘2. The authorities designated in accordance with Article 124(8) of Regulation (EU) No 575/2013 shall determine the loss expectation referred to in paragraph 1, point (b), in either of the following ways:

 - (a) by adjusting the loss experience referred to in paragraph 1, point (a), upwards or downwards;
 - (b) by keeping the loss experience unchanged.

When determining the loss expectation referred to in paragraph 1, point (b), the authorities shall reflect the forward-looking immovable property market developments referred to in Article 124(9), first subparagraph, point (b), of Regulation (EU) No 575/2013 during a forward-looking horizon of at least one year and, if so determined by that authority, up to three years.’;
 - (c) paragraph 4 is replaced by the following:

‘Where there is a lot of uncertainty as to the factors referred to in paragraph 3, point (e), the authorities designated in accordance with Article 124(8) of Regulation (EU) No 575/2013 shall consider a margin of prudence when determining the loss expectation in accordance with paragraph 2 of this Article.’;
 - (d) in paragraph 5, the introductory wording is replaced by the following:

‘For the purposes of paragraph 1, the authorities designated in accordance with Article 124(8) of Regulation (EU) No 575/2013 shall have regard to other macroprudential measures in force that already address the identified systemic risks affecting the appropriateness of the risk weights referred to in Article 124(9), first sub-paragraph, of that Regulation, including the following measures in national law designed to enhance the resilience of the financial system:’;
- (3) Article 2 is amended as follows:
- (a) the title is replaced by the following:

‘Conditions to be taken into account for the assessment of the appropriateness of the LGD input floor values for retail exposures secured by immovable property’;
 - (b) in paragraph 1, the introductory wording is replaced by the following:

‘When assessing the appropriateness of the LGD input floor values in accordance with Article 164(6) of Regulation (EU) No 575/2013, the authorities designated in accordance with paragraph 5 of that Article shall, when performing the systemic risk assessment on the basis of macroeconomic

imbalances affecting LGD estimates beyond the economic cycle, have regard to all of the following conditions:’;

- (c) in paragraph 2, point (b), the introductory wording is replaced by the following:

‘other macroprudential measures in force that already address the identified systemic risks affecting the adequacy of the LGD input floor values, including the following measures in national law designed to enhance the resilience of the financial system:’;

- (4) Article 3 is replaced by the following:

‘Article 3

Assessments for property segments or specific parts of the territory of a Member State

An authority designated in accordance with Article 124(8) or Article 164(5) of Regulation (EU) No 575/2013 may consider the factors set out in Article 1 of this Regulation, or take into account the conditions set out in Article 2 of this Regulation, for one or more property segments or one or more parts of the territory of a Member State.’;

- (5) Article 4 is replaced by the following:

‘Article 4

Use of other sources of data

Authorities designated in accordance with Article 124(8) or Article 164(5) of Regulation (EU) No 575/2013 that determine the loss experience in accordance with Article 1(1), point (a), of this Regulation, or that assess the appropriateness of the LGD input floor values in accordance with Article 2 of this Regulation for a property segment or a part of the territory of a Member State, may use other sources of data, including national ad-hoc reporting and credit registers relating to that segment or that part of the territory, provided that the data collected in accordance with Article 430(1), point (a), and Article 430a, of Regulation (EU) No 575/2013 are not sufficiently granular.’.

Article 2

Entry into force

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 10.3.2026

*For the Commission
The President
Ursula VON DER LEYEN*