

Countercyclical buffer rate

2 June 2023: The CBC decided to raise the CCyB rate from 0,5% to 1,0%, with effect as from 2 June 2024

The CBC, in accordance with the provisions of the *Macroprudential Oversight of Institutions Laws of 2015 to 2022*, deemed appropriate to raise the CCyB rate at 1% of the total risk exposure amount in the Republic of each authorised credit institution incorporated in the Republic. The said increase of the CCyB is effective as from 2 June 2024.

The CBC's assessment, for the purpose of reaching the above decision, is based on a holistic approach using both a range of quantitative tools i.e. a set of indicators, as well as qualitative analysis, and follows the principle of Guided Discretion, as proposed by the European Systemic Risk Board (ESRB) through its Recommendation/2014/1 on guidance for setting countercyclical buffer rates.

The summary table of the quantitative indicators used by the CBC in its relevant quantitative analysis, including the credit-to-GDP ratio and its deviation from the long-term trend (Credit-to-GDP gap), is set out in the [file](#).

Additional information on the CCyB, which has been set on a quarterly basis, effective from 1 January 2016, as well as on the buffer guide, is provided in this [file](#).