

Communication

Brussels, 22 February 2022

Reference: NBB_2022_05

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Expiration of the possibility of excluding central bank exposures in calculating the leverage ratio.

Scope

Belgian (mixed) holding companies and credit institutions that are not subject to direct supervision by the European Central Bank¹.

Summary/Objectives

This communication confirms that the temporary measure allowing the exclusion of exposures to central banks from the calculation of the leverage ratio expires on 31 March 2022.

¹ The list of institutions under the ECB's direct prudential supervision is available on <https://www.bankingsupervision.europa.eu/banking/list/html/index.en.html>

Dear Madam,
Dear Sir,

As stated in its communication NBB_2021_14 of 29 June 2021, the National Bank of Belgium hereby confirms that the temporary measure which made it possible to exclude central bank exposures from the calculation of the leverage ratio will expire on 31 March 2022. This temporary measure will not be extended.

Article 429a(5) of Regulation (EU) No 575/2013 enables banking supervisors to allow banks to exclude certain central bank exposures from their leverage ratio, for up to one year, where the institution's competent authority has determined, after consultation with the relevant central bank, that there are exceptional circumstances that justify the exclusion.

The temporary measure had been activated in order to reinforce the effectiveness of the monetary policy measures implemented in the exceptional context of the COVID-19 pandemic and support credit institutions in financing the real economy.

The expiry date coincides with the time horizon of the Eurosystem's Pandemic Emergency Purchase Programme (PEPP).

The European Central Bank considers that it is currently no longer justified to maintain this temporary exclusion measure, given the level of capital currently available in the banking system in the euro area.

Link to the ECB's communication:

[ECB will not extend capital and leverage relief for banks \(europa.eu\)](https://www.europa.eu/press-room/media/infographic/item/12444)

Link to the NBB communication of 29/06/2021:

[Communication NBB 2021_14 / Communication concernant l'exclusion temporaire de certaines expositions sur les banques centrales de la mesure de l'exposition totale du ratio de levier, dans le contexte exceptionnel de la pandémie de COVID-19 | nbb.be](https://www.nbb.be/fr/actualites/communication-2021-14)

A copy of this communication will be sent to your institution's accredited statutory auditor(s).

Yours faithfully,

A handwritten signature in blue ink, consisting of a stylized 'P' and 'W' followed by a large, sweeping flourish.

Pierre Wunsch
Governor