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## PRESS RELEASE

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### **Annual publication of the list of the other systematically important institutions in Belgium**

In its capacity as Macroprudential Authority, the NBB Board has undertaken its annual review of the designations of domestic systemically important banks (referred to in EU legislation as “other systemically important institutions”, or O-SIIs). This renewed identification has been undertaken in accordance with the methodology specified in the EBA guidelines on the identification of O-SIIs [1]. The NBB has also reviewed the capital surcharges applied to the Belgian O-SIIs. Given that systemically important banks are defined as institutions whose failure would have a significant impact on the financial system or the real economy, additional capital requirements for such institutions have two principal motivations: (1) to reduce the probability of default of the institution, given the high economic and social costs of such a default; (2) to impose surcharges on the institution that reflect the negative externalities that its failure would generate.

The EBA identification methodology for systemically important banks involves calculation of a score for each bank based on quantitative indicators of size, complexity, interconnectedness and substitutability (the ability of other institutions to rapidly replace critical services). The application of the methodology has resulted in the renewed O-SII designation of eight Belgian banks that were designated as O-SIIs in 2016: BNP Paribas Fortis, KBC Group, Belfius Bank, ING Belgium, Euroclear, The Bank of New York Mellon, Argenta and Axa Bank Europe [2]. For each of the eight O-SIIs, the NBB Board has also decided to maintain the capital surcharges announced in 2015. Such surcharges are foreseen by Article 14 of the annex to the Belgian Banking Law [3]. The levels of the surcharges are as follows: 1.5% for BNP Paribas Fortis, KBC Group, Belfius Bank and ING Belgium; 0.75% for Euroclear, The Bank of New York Mellon, Argenta and Axa Bank Europe [4].

[1] EBA 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 (O-SIIs).

[2] Being subject to the specific requirements of an EU restructuring plan, Dexia has not been included in the list of institutions covered by this surcharge.

[3] Law of 25 April 2014 on the legal status and supervision of credit institutions and stockbroking firms.

[4] Without prejudice to caps implied by Article 14§5 of Annex IV of the Belgian Banking Law.