

## A. Introduction

The tightening of monetary policy – begun in 2022 to dampen inflationary pressures – continued throughout 2023. The resulting macroeconomic and macrofinancial developments influenced the agenda of prudential authorities in Belgium and elsewhere.

In Belgium, the Bank is entrusted with a number of complementary tasks under its prudential remit.

- At the microprudential level, the Bank is responsible for the supervision of individual credit institutions – under the Single Supervisory Mechanism (SSM) – as well as insurance companies, financial market infrastructures and payment institutions.
- The Bank also carries out macroprudential tasks, in its capacity as the macroprudential authority in Belgium, and, in this context, strives to ensure financial stability by applying, where necessary, measures to limit the development of systemic risks or to increase the resilience of the financial sector.
- Finally, the Bank, via its Resolution Board, is the national resolution authority in Belgium. It ensures that any difficulties encountered by financial institutions are resolved in a way that protects their critical economic functions without severe systemic disruption or exposing taxpayers to losses.

Part B focuses on specific aspects relating to the Bank's prudential remit in 2023.

Rising interest rates were at the root of the problems experienced by parts of the banking sector in the United States and Switzerland. Although the ensuing turbulence did not spread to the Belgian and European banking sectors, the supervisory authorities drew various lessons from it (section B.1).

The tightening of monetary policy and its impact, among other things, on the development of the financial and property cycles, was a key factor taken into account by the Bank when setting its macroprudential policy (section B.2).

It was also in this specific context that the International Monetary Fund (IMF) carried out a new analysis of the Belgian financial sector and financial regulation in 2023 (Financial Sector Assessment Program, FSAP), which highlighted the resilience of the financial sector and the quality of financial regulation and supervision in Belgium. In its recommendations, however, the IMF points to a number of challenges that still need to be addressed (section B.3).

In addition, during the year under review, the Bank issued opinions on the minimum interest rate for regulated savings accounts and the maximum interest rate for new individual or group life insurance policies (section B.4).

The Bank's prudential activities in 2023 did not, however, focus solely on aspects related to recent macroeconomic and macrofinancial developments but also related to more structural developments. To this end, this report presents an overview of the actions carried out in the context of (i) the monitoring of compliance with the legislation on the prevention of money laundering and terrorist financing (section B.5), (ii) the assessment of climate-related risks (section B.6), (iii) prudential regulation and supervision specifically with regard to the digitalisation of financial services (section B.7), and (iv) conduct of the Bank's tasks as the national resolution authority for Belgium (section B.8). In addition, the report addresses the review of the European prudential supervisory framework for insurance companies (section B.9).

Part C describes in detail the changes in the mapping of the banking sector (section C.1), that of insurance companies (section C.2) and that of financial market infrastructures and payment institutions (section C.3).

Finally, Part D provides an overview of the Bank's regulatory updates and publications in 2023.