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PRESS RELEASE

Regulated information released by the National Bank of Belgium on 25 March 2015 at 17.45 CET.

Result and profit distribution for the year 2014

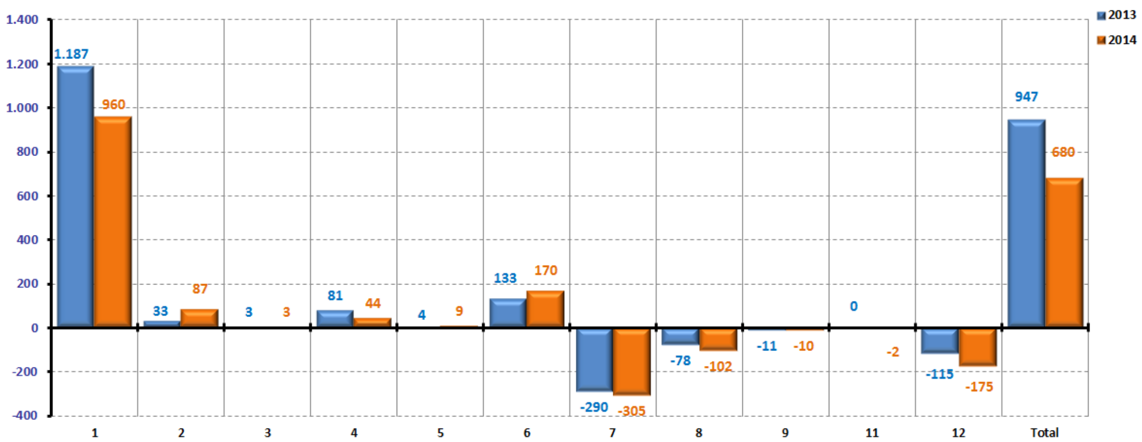
Pursuant to Article 44 of the Statutes, the National Bank of Belgium's Council of Regency has today, 25 March 2015, approved the annual accounts for 2014. The auditor issued an unqualified opinion for the annual accounts and confirmed that the accounting data contained in this release are in accordance with the annual accounts.

The annual accounts and the annual report are available on the Bank's website (www.nbb.be). Hard copies can be obtained from 14 April 2015 onwards.

Result

In 2014, the Bank made a net profit after tax € 680 million, down by 28.2 %, or € 267 million, on the previous year. The main factors behind this drop in profits are set out below:

(in € million)



1. Net interest income
2. Net result of financial operations, write-downs and provisions
3. Net income/expense from fees and commissions
4. Income from equity shares and participating interests
5. Net result of pooling of monetary income
6. Other income
7. Staff costs
8. Administration expenses
9. Depreciation on tangible/intangible fixed assets
11. Other expenses
12. Corporation tax

- The origin of this reduction in after-tax profits lies mainly in the interest income recorded on the various securities portfolios in euro (-€ 134 million).
  The outright and HTM portfolios were influenced by falling interest rates, while the outstanding amounts in the monetary policy portfolios declined.

The drop in short-term euro interest rates also had a downward influence on the results for monetary assets and liabilities, and in particular monetary policy transactions, net claims related to the allocation of banknotes, monetary reserves and payment transfers via TARGET2 (-€ 57 million).

- The easing of long-term interest rates enabled much higher capital gains to be made on securities held in portfolio than in 2013 (+€ 29 million). Likewise, potential losses on these securities came down substantially (+€ 28 million).

- The fall in income from equity shares and participating interests results from the lower dividend received from the Bank's shares in the capital of the ECB and the BIS (-€ 19 million). In addition, the interim dividend paid out by the ECB for the year 2014 is also down by € 18 million.

- The increase in other operating expenses should be set against the rise in other income. The consultancy costs incurred for the comprehensive assessment of banks have in fact been fully recovered.

- Despite the drop in the gross result, the corporation tax was € 60 million higher following the reduction in the State's share in the annual profits that is exempt from corporation tax

Profit distribution

An estimate of the risks that can be quantified forms the basis for setting the minimum amount of its reserves. The risks on assets that the Bank manages for its own account are quantified using the value-at-risk methodology, for which the Bank uses very cautious parameters in terms of probabilities and time horizons. For assessing the risk on its share in monetary policy transactions and portfolios, the Bank bases its figures on ECB calculations.

The estimate of the risks at the end of 2014 amounts to a risk exposure around € 4.9 billion, or € 0.6 billion less than a year earlier, not just on account of the reduction in monetary policy portfolios, but above all because of the lower credit risk on the collateral received in the context of monetary policy operations.

However, the implications of the Expanded Asset Purchase Programme, which began in March 2015, could lead to higher risks in the medium term, especially in a context of rising interest rates, thus putting the Bank's financial results under pressure.

Consequently, the Bank considers that greater caution is in order and has decided to set aside a supplementary reserve. For that reason, this year, 50 % of the profit for 2014 (instead of 25 %), i.e. a sum of € 340 million, was allocated to the available reserve. This reserve policy will be reviewed each year.

Following the profit distribution, the Bank's financial buffers amount to € 4.9 billion. Furthermore, the result of the year forms the first buffer for absorbing losses. However, in the current circumstances, the financial results of past years do not predetermine future results.

The dividend policy remained unchanged, giving a gross dividend of € 144.92 per share, a drop of 12,5 % compared with the year 2013 due to:

- the reduction in income from fixed-income securities in the statutory portfolio (-€ 12.4 million);
- the lower dividend on BIS shares (-€ 6 million);
- the increase in the net proceeds from the sale of buildings (€ 2.7 million);

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(€ million)	2014	2013	Change
Fixed-income securities	146.9	159.3	-12.4
BIS shares	12.2	18.2	-6.0
Sale of buildings	6.6	3.9	+2.7
	165.7	**181.4**	**-15.7**

- the increase in the average tax rate from 27.5 % to 30.6 %.

The dividend is payable as from the fourth bank working day following the General Meeting of Shareholders which takes place on 18 may 2015. It will be paid automatically to holders of registered or dematerialised shares on 22 May 2015.

The balance of the annual profit accrues to the State in accordance with the Organic Law; for the year 2014, it comes to € 282 million.

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