2016-03-23

PRESS RELEASE

Regulated information released by the National Bank of Belgium on 23 March 2016 at 17.45 CET.

Adaptation of the reserve and dividend policy of the National Bank of Belgium

The rules on the distribution of profits of the National Bank were enacted by Article 32 of the Law of 22 February 1998 establishing the Organic Statute of the National Bank of Belgium. Pursuant to this article, the National Bank has defined its reserve and dividend policy and made it public on 22 July 2009.

Taking into account the changes in the circumstances since then, particularly in the area of financial risks, the National Bank's Council of Regency has decided to adapt this policy by adding 50 % of the annual distributable profit to the reserves as long as the period of unconventional monetary measures persists. This increase responds to the rise in financial risks that the Bank faces, in particular under the Expanded Asset Purchase Programme.

From now on, the rules for the distribution of profits are as follows:

1. A first dividend of € 1.5 per share is allocated to the shareholders.
2. As long as the period of unconventional monetary policy measures persists, 50 % of the profit for the year is allocated to the available reserve.
3. The second dividend is set at 50 % of the net proceeds from the statutory portfolio.
4. The balance of the profits is allocated to the State.

The detailed rules of the reserve and dividend policy are as follows:

1. The result of the year is the first buffer for absorbing losses. Any negative result for the financial year is first charged to the available reserve. Next, if necessary, it is covered by the reserve fund.

   An estimate of the quantifiable risks forms the basis for determining the minimum amount of the reserves. For the calculation of the financial risks, the Bank applies the *value-at-risk* / *expected shortfall* methodology for which it uses very cautious parameters in terms of probabilities and time horizons. These methodologies are also applied by other Eurosystem members.

   Each year, as long as the period of unconventional monetary measures persists, 50 % of the profit of the year is allocated to the reserves.

   The risks estimate is updated annually. On the basis of this assessment, the Council of Regency may decide to transfer a different percentage of the profits to the reserves.

   The comparison between the existing reserves and the minimum amount disregards the amortisation accounts, since these cannot be used to cover losses or to supplement profits.

   Since the reserve fund is almost totally non-available, and in view of its size in relation to the capital, profits to be reserved are added to the available reserve.

If the level of the reserves is considered excessive, withdrawals from the available reserve may be made. They must be exceptional and duly founded. Such withdrawals may only be paid out as a dividend.

2. The shareholders' dividend comprises a first dividend of 6 % of the capital and a second dividend established by the Council of Regency pursuant to Article 32, 3° of the Organic Law.

   The first dividend of € 1.5 per share (6 % of the capital) is guaranteed both by the available reserve and by the reserve fund.

   The second dividend is established by the Council of Regency at 50 % of the net proceeds from the assets forming the counterpart of the reserves ("the statutory portfolio").

   Net proceeds refers to the amount mentioned in the profit and loss account ("proceeds from statutory investments") following adjustment for the capital counterpart and after deduction of corporate tax actually due for the financial year in question.

   The second dividend is guaranteed by the available reserve, unless a withdrawal from the available reserve would reduce the reserves to a level insufficient to cover the estimated risks. The financial soundness and independence of the Bank take priority.

3. If an amount which is less than half the net proceeds from the statutory portfolio is allocated to the reserves, the allocation to the reserves is supplemented until it corresponds to 50 % of these net proceeds insofar as the net profit after deduction of the dividend permits.

   If the Bank does not have to make further allocations to the reserves, and if the profit is sufficient, the second dividend is increased until it corresponds to the total net proceeds (100 %) of the statutory portfolio.

   The reserve and dividend policy therefore guarantees that, if the profit is sufficient, the net proceeds from the statutory portfolio are either allocated to the reserves, thus increasing the basis of calculation of the second dividend, or paid directly to the shareholders by way of a second dividend. The balance allocated to the State will never include any part of the net proceeds from this portfolio.

4. For the purposes of the reserve and dividend policy, net proceeds from the sale of real estate are treated entirely as proceeds from the statutory portfolio. Net proceeds refers to the proceeds from the sales after the deduction of all costs (including taxes) and any replacement investments in property.

5. Equity, transparency and stability are the guiding principles of the Bank's reserve and dividend policy. The Bank expressly aims at consistent application of the policy set out above. Any change to that policy must be duly motivated and made public immediately.

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