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PRESS RELEASE

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Result and profit distribution for the year 2019

On this day, 25 March 2020, the Council of Regency of the National Bank of Belgium approved the 2019 annual accounts in accordance with Article 44 of the Statutes. The auditor has issued an unqualified opinion on the annual accounts and confirmed that the accounting data in this press release conform to the annual accounts.

The annual accounts and the Directors' Report are available on the Bank's website in [French](#) and [Dutch](#) and will be shortly available in English.

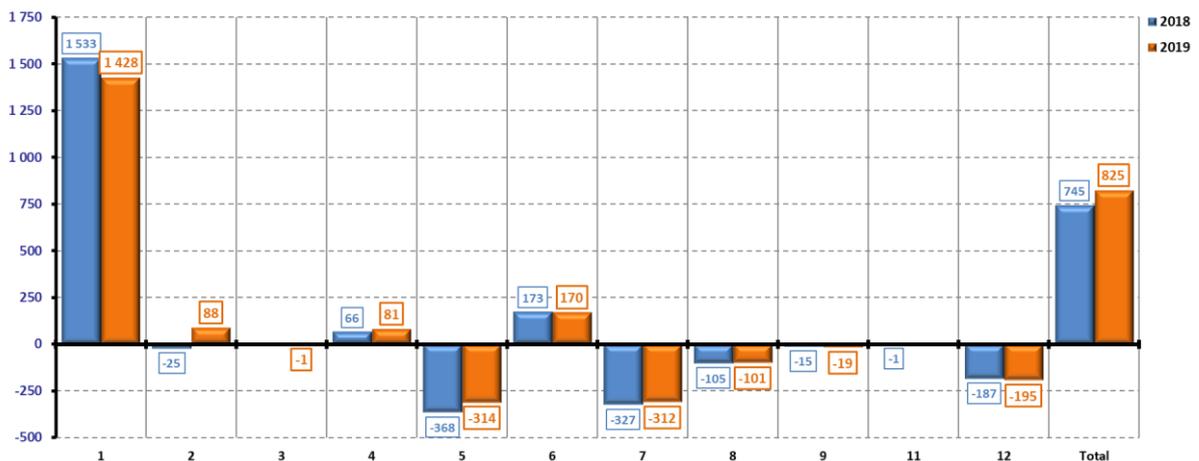
Result

In 2019, the Bank made a higher net profit than in the previous year (+ € 80 million) or 825 million euros.

The main explanatory factors are detailed below:

General structure of the result

(€ million)



1. Net interest income
2. Net result of financial operations, write-downs and provisions
3. Net income/expenses 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. Administrative expenses
9. Depreciation on tangible and intangible fixed assets
11. Other expenses
12. Corporate tax

That increase was mainly due to the net result on financial operations, up by € 113 million. However, this effect was partly offset by the reduction in both the Bank's net interest income and in its contribution to monetary income (- € 51 million). The increase in income from equity shares and participating interests contributed € 14 million to the improvement in the result.

The net results of financial operations rose strongly, mainly as a result of the fall in interest rates in dollars (+ € 86 million) and in euros (+ € 28 million).

Net interest income was down by € 105 million, the main factors being:

- the decline in volumes on current accounts and the deposit facility (- € 90 million);
- the decline in volumes on own portfolios in euro (- € 27 million);
- the rise in the volume of the monetary policy portfolios (+ € 10 million).

The Bank's contribution to the pooling of monetary income was smaller than last year (+ € 48 million), mainly as a result of the decline in euro-denominated liabilities in the form of current accounts and the deposit facility. The impairments tests on monetary policy securities in the Eurosystem resulted in a partial reversal of the provision recognised last year (+ € 6 million). The combination of both effects improved the distribution of the monetary income by € 54 million.

Profit distribution

The minimum amount of the Bank's reserves is determined on the basis of an estimate of the quantifiable risks. All the Bank's financial risks are quantified either according to the value at risk / expected shortfall methodology, for which the Bank uses very cautious parameters with regard to probabilities and timescales, or according to long-term scenarios.

The estimate of the minimum level of risks at the end of 2019 resulted in a figure of approximately € 4.6 billion, compared to 5.4 billion at the end of 2018.

That amount comprises the financial risks on:

- the Bank's own securities portfolios in euro and in foreign currencies;
- the monetary policy portfolios shown on the Bank's balance sheet for which the Bank alone bears the risks;
- the monetary policy credit operations and securities portfolios shown on the balance sheet of all national central banks (NCBs) in the Eurosystem for which the risk is shared amongst the NCBs (see notes 5 and 7 to the annual accounts).

The volume and the composition of the balance sheet, and particularly the Expanded Asset Purchase Programme, imply a risk of the Bank's results coming under pressure. Consequently, the Bank is maintaining its reserve policy at 50 % of the profit for the year for so long as the period of non-standard monetary measures persists.

Thus, an amount of € 412.6 million is allocated to the available reserve. Following the profit distribution, the Bank's buffers total € 6.6 billion. In addition, the current profit is the first buffer used to cover any losses.

The dividend policy remains unchanged. This results in a gross dividend of € 122.57 per share, down by 11.5 % on the year 2018, the main reason being the absence of sales of buildings this year.

The balance of the profit for the year is assigned to the State in accordance with the Organic Law. For 2019, this amounts to € 363.6 million.

The dividend is payable on the fourth bank working day following the general meeting of shareholders, scheduled for 18 May 2020. On that date, it will be paid automatically to holders of dematerialised shares and registered shares.

Post-balance sheet events

The available information related to the COVID-19 pandemic is reported under the points 2.1.3 of the annual report and 2.2.7.10 of the notes to the annual accounts.