

COVID-19 Dashboard of Economic Indicators

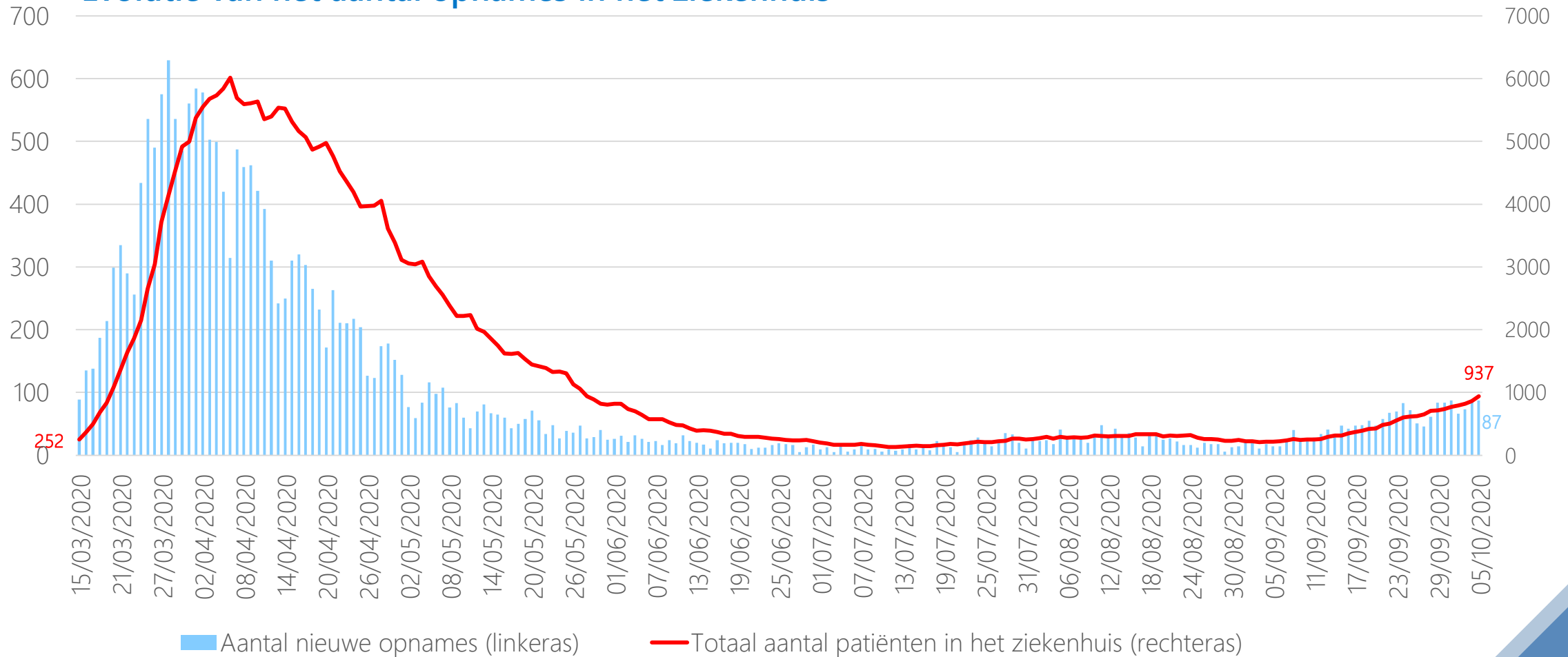
7 October 2020

The background of the slide features a light blue gradient with several stylized, semi-transparent images of COVID-19 virus particles. These particles are spherical with numerous spike-like protrusions on their surface, rendered in a darker blue color. The central virus particle is the most prominent and detailed, while others are blurred and positioned in the foreground and background.

COVID-19 in België

1. COVID-19 in België: aantal gehospitaliseerde patiënten stijgt terug

Evolutie van het aantal opnames in het ziekenhuis



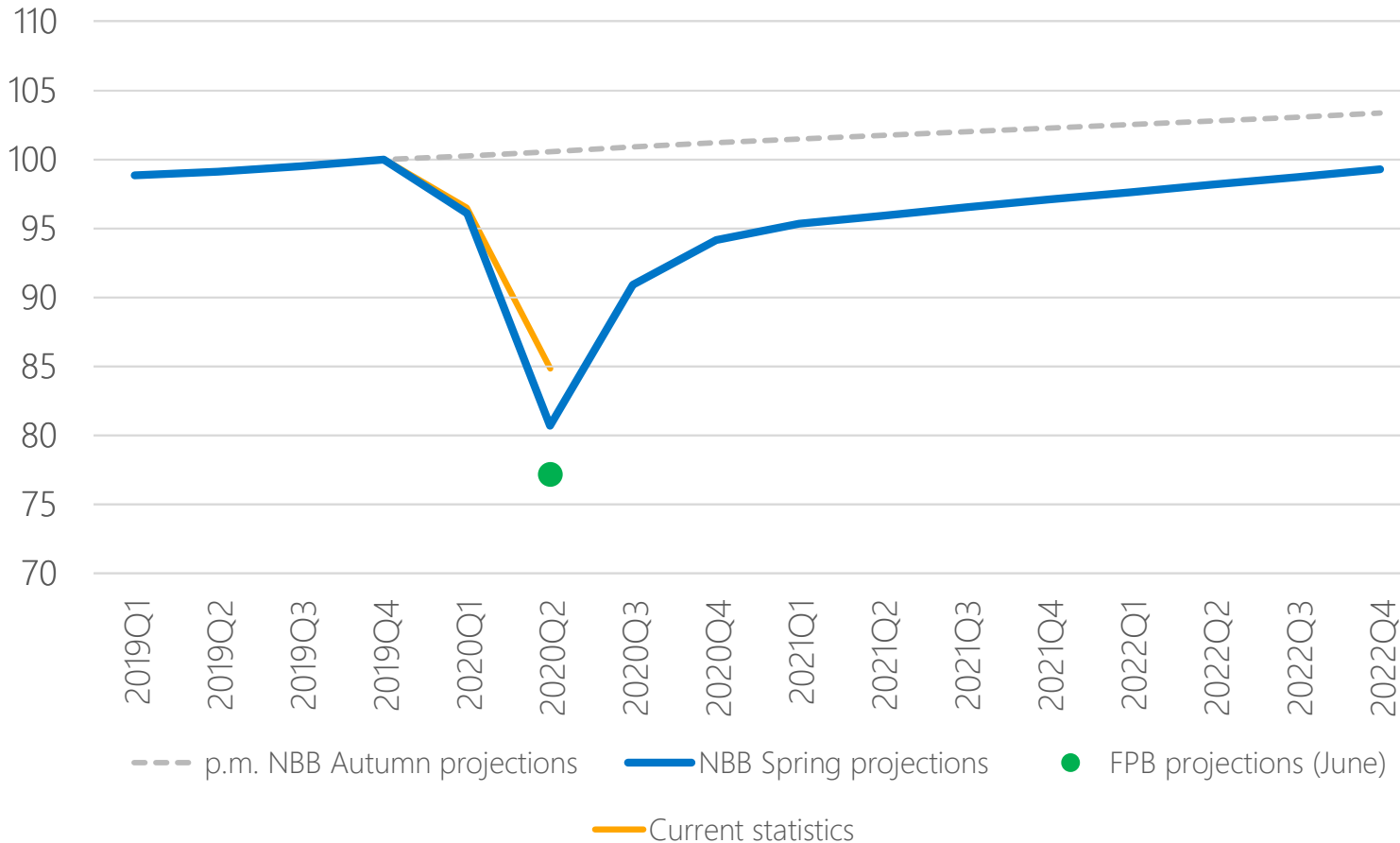
The background of the slide features a large, detailed illustration of a coronavirus particle in the center, with several smaller, less detailed particles scattered around it. The particles are depicted with a textured, spherical surface and numerous protruding spike proteins. The entire scene is set against a light blue gradient background.

GDP and confidence indicators for Belgium

The downturn in 2020 Q2 appears to have been less severe than predicted

Real GDP in Belgium

(quarterly data, index 2019Q4=100, unless otherwise stated)



Real GDP in Belgium

(quarterly data, QoQ growth rate in %)

2019Q1 0.10

2019Q2 0.29

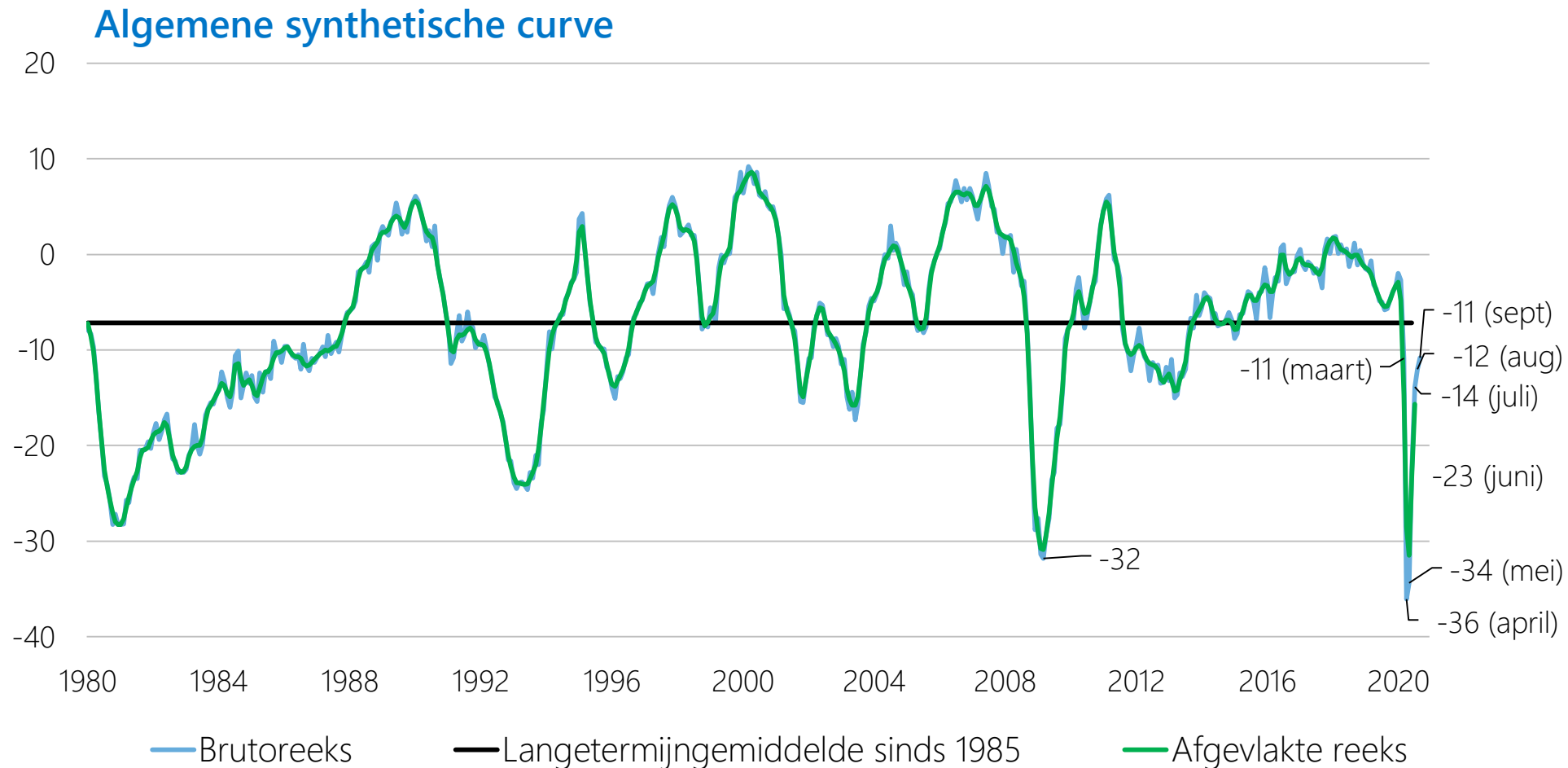
2019Q3 0.41

2019Q4 0.48

2020Q1 -3.51

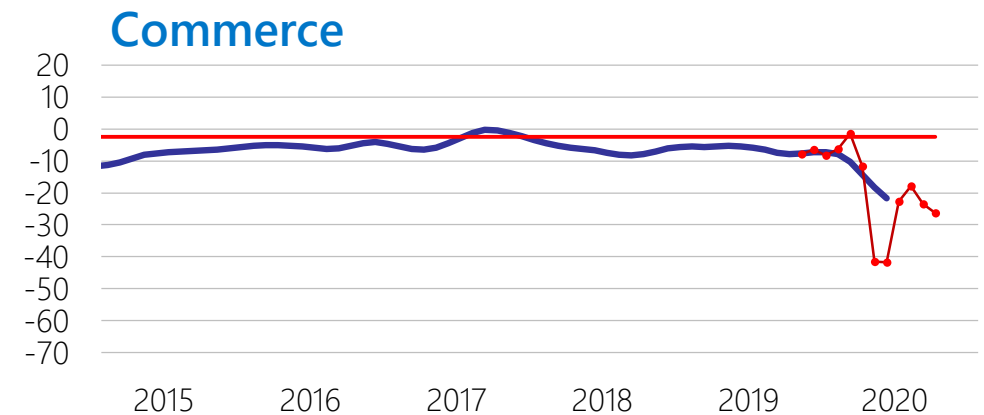
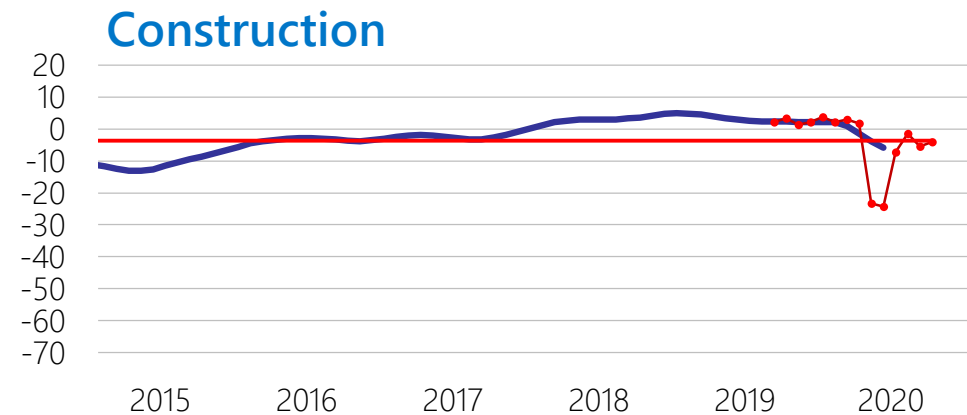
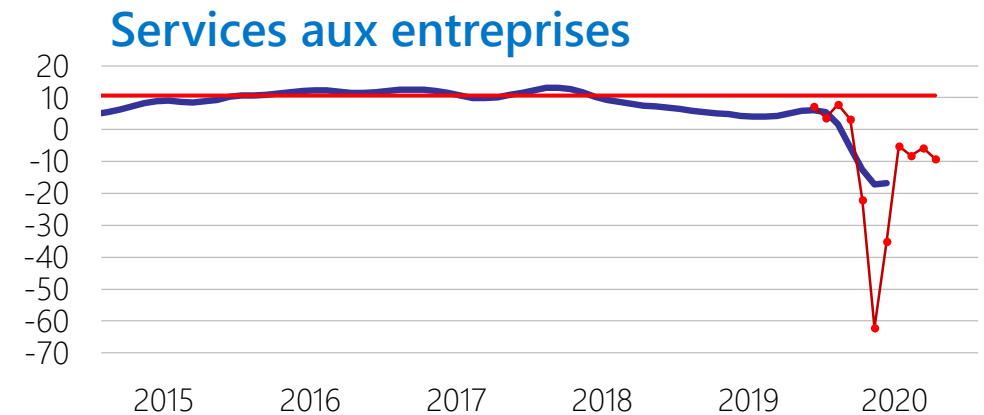
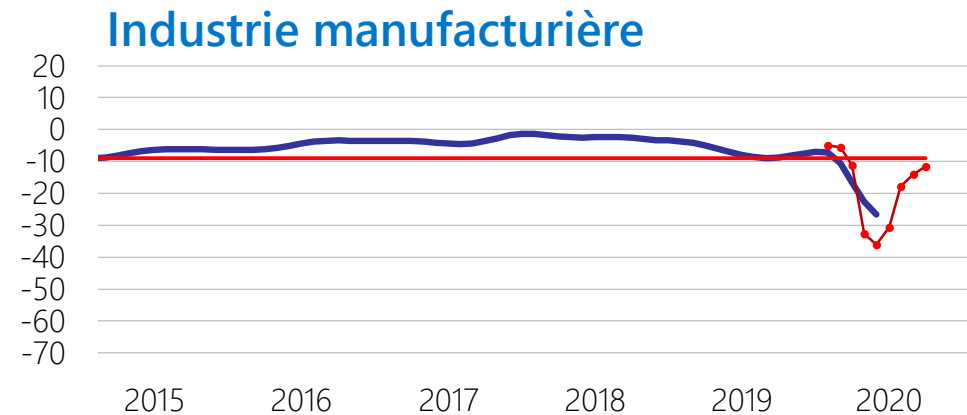
2020Q2 -12.07

Het NBB-ondernemersvertrouwen blijft ook in september aantrekken, voor de vierde maand op rij



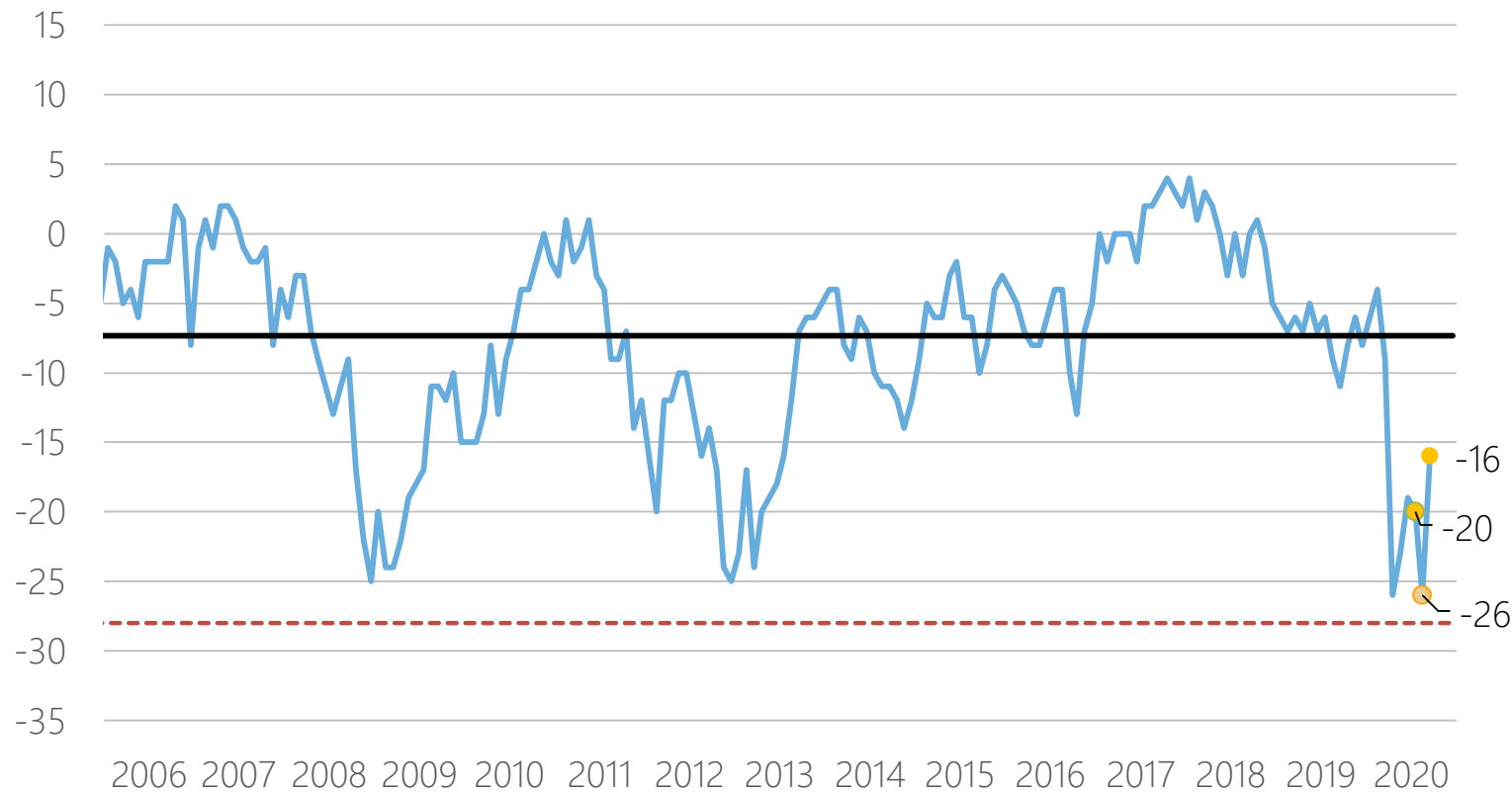
Amélioration dans l'industrie manufacturière et dans la construction mais dégradation dans les services aux entreprises et dans le commerce

Baromètre de conjoncture – Belgique : Branches d'activité – Septembre 2020



— Série dessaisonnalisée et lissée — Moyenne de long terme (depuis 1990) • Série dessaisonnalisée

NBB-consumentenvertrouwen herstelde deels in september maar blijft op een laag niveau



De indicator toonde in april de grootste verslechtering ooit op maandbasis (een daling tot -26) en herstelde deels sinds dan ...

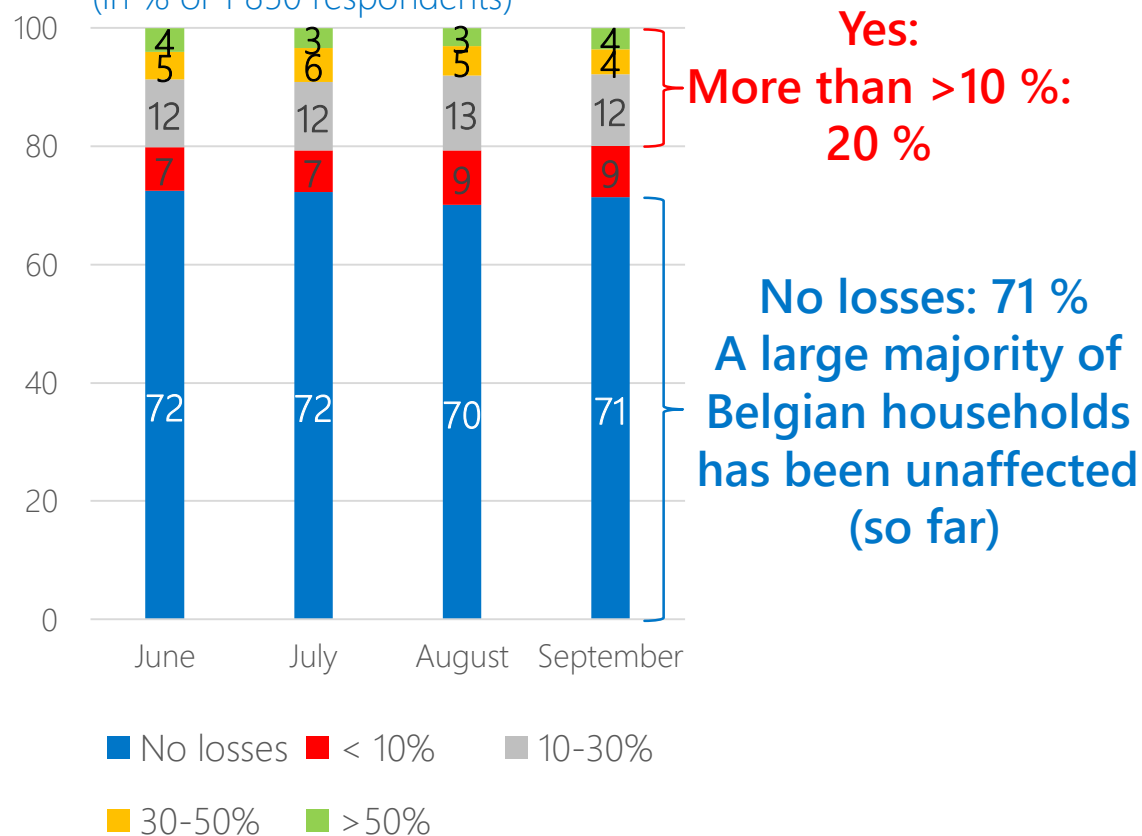
... maar blijft op een zeer laag niveau

- Consumentenvertrouwen
- Langetermijngemiddelde sinds 1985
- - - Historisch minimum

Around 20 % of households suffer an income loss of more than 10 % and 44 % of them have a savings buffer of less than 3 months¹

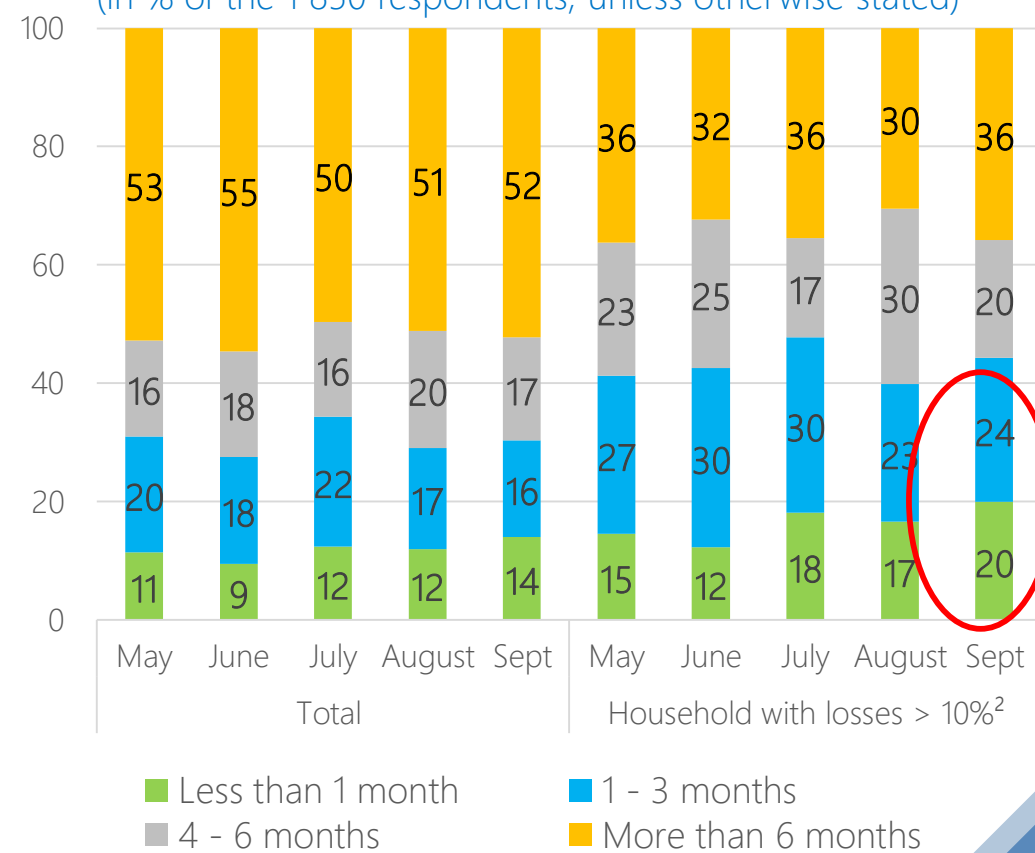
Is your household suffering a loss of income?

(in % of 1 850 respondents)



How long can you cover your expenses through a savings buffer?

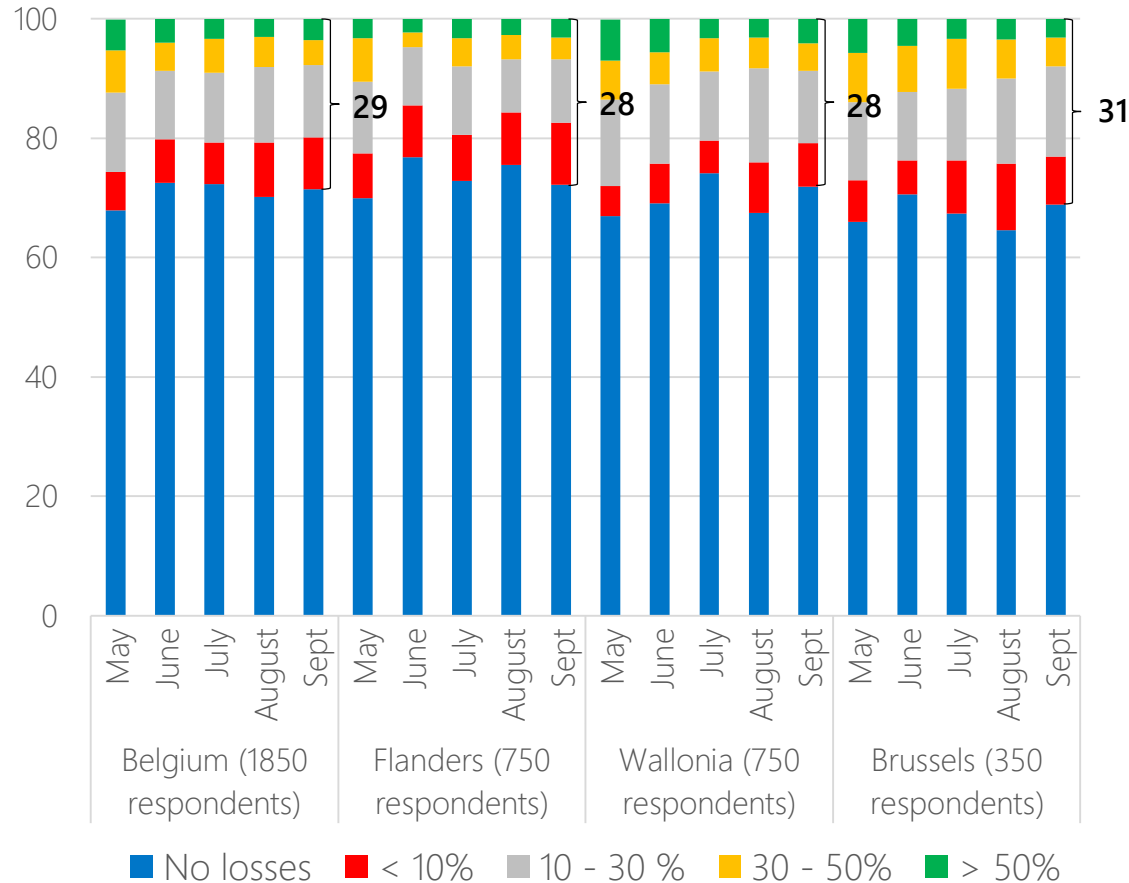
(in % of the 1 850 respondents, unless otherwise stated)



Situation (continues to) appear somewhat worse in Brussels

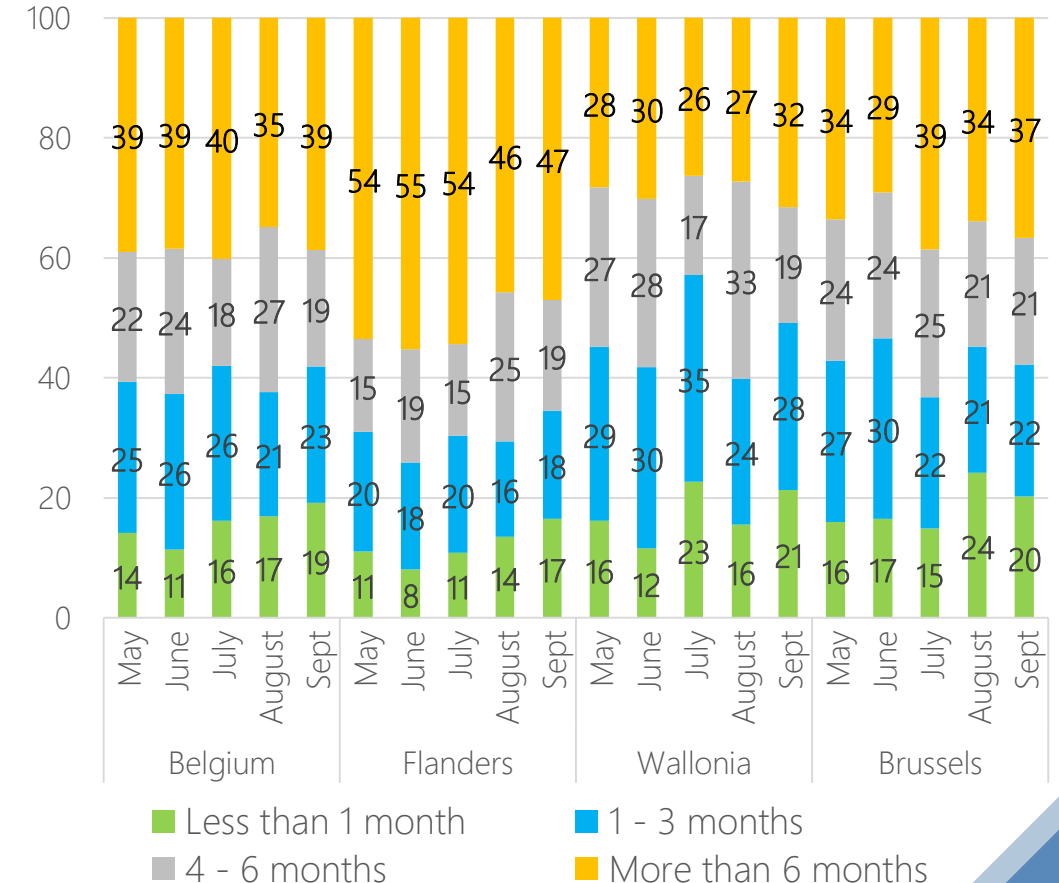
Higher share of households suffering a loss of income in Brussels

(in % of respondents)



Lower savings buffer in Wallonia and in Brussels

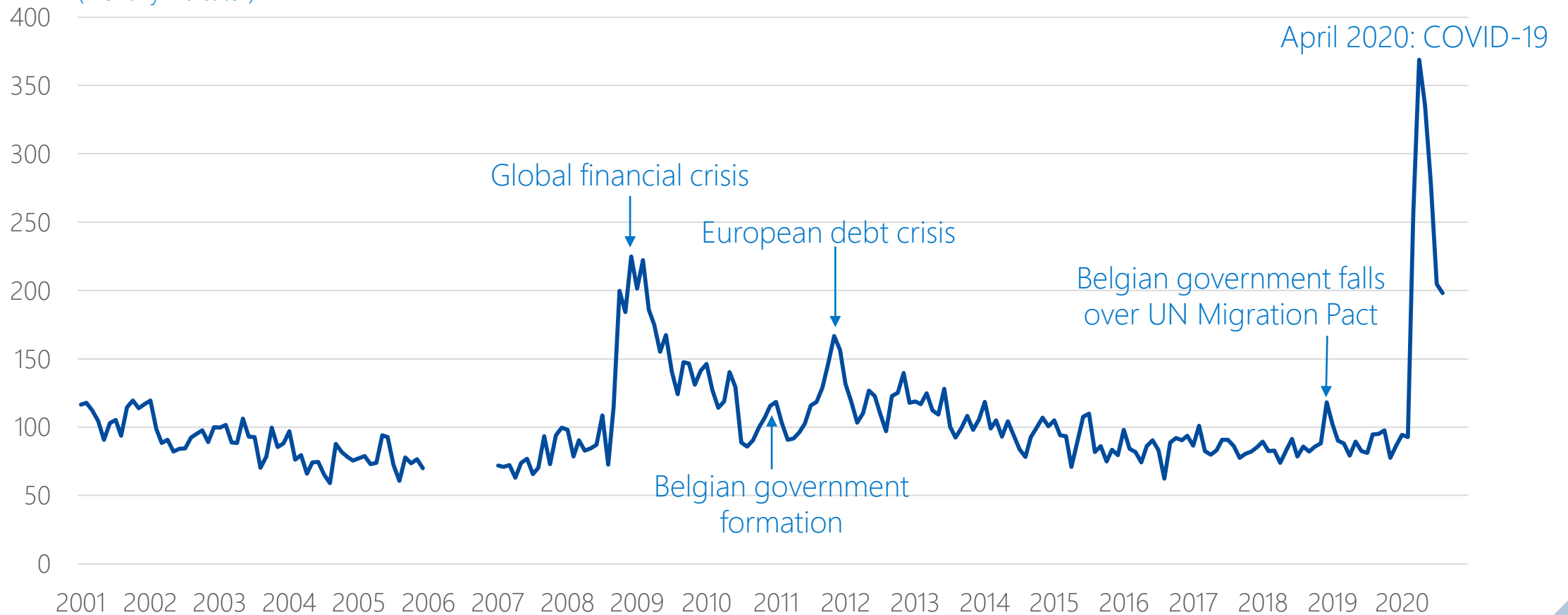
(in % of respondents with loss of income)



Economic policy uncertainty is improving, but remains very high (in July/August at the level of the global financial crisis)

Economic Policy Uncertainty index for Belgium

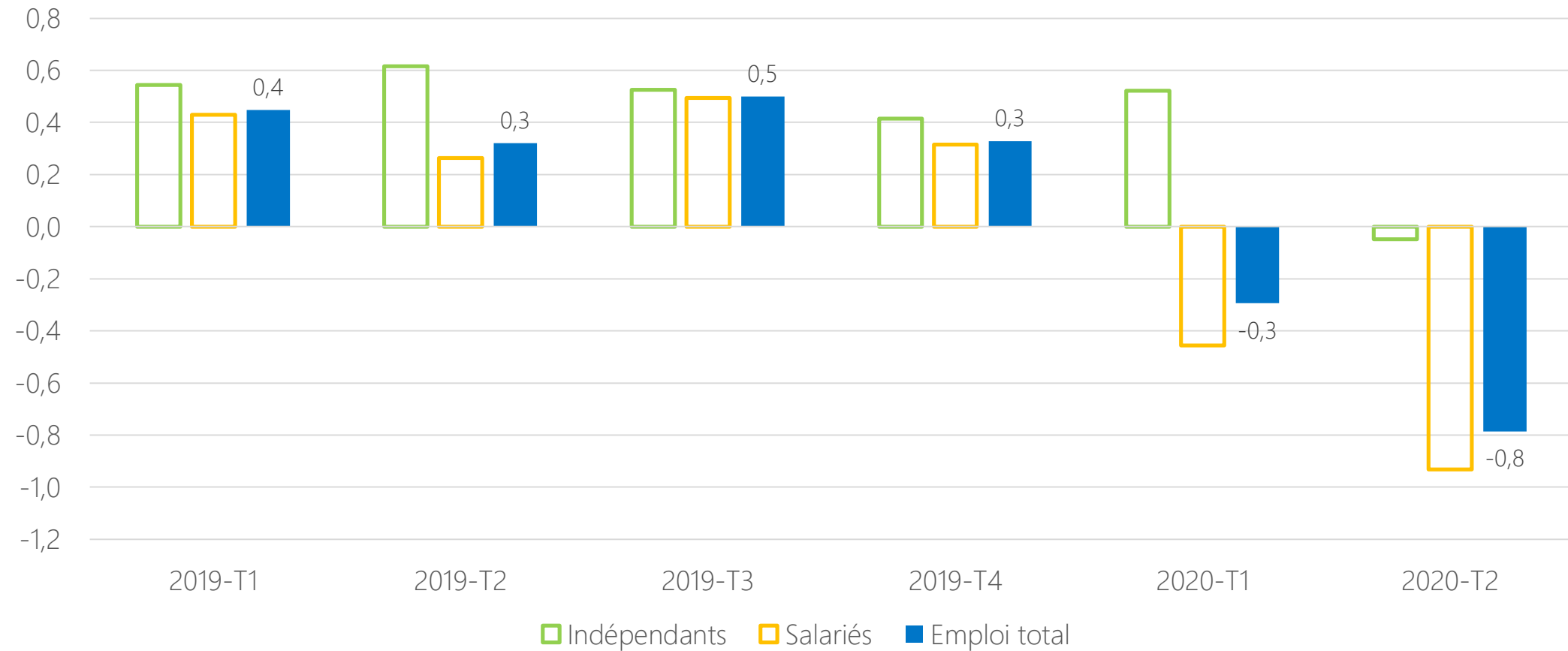
(monthly indicator)



Labour market

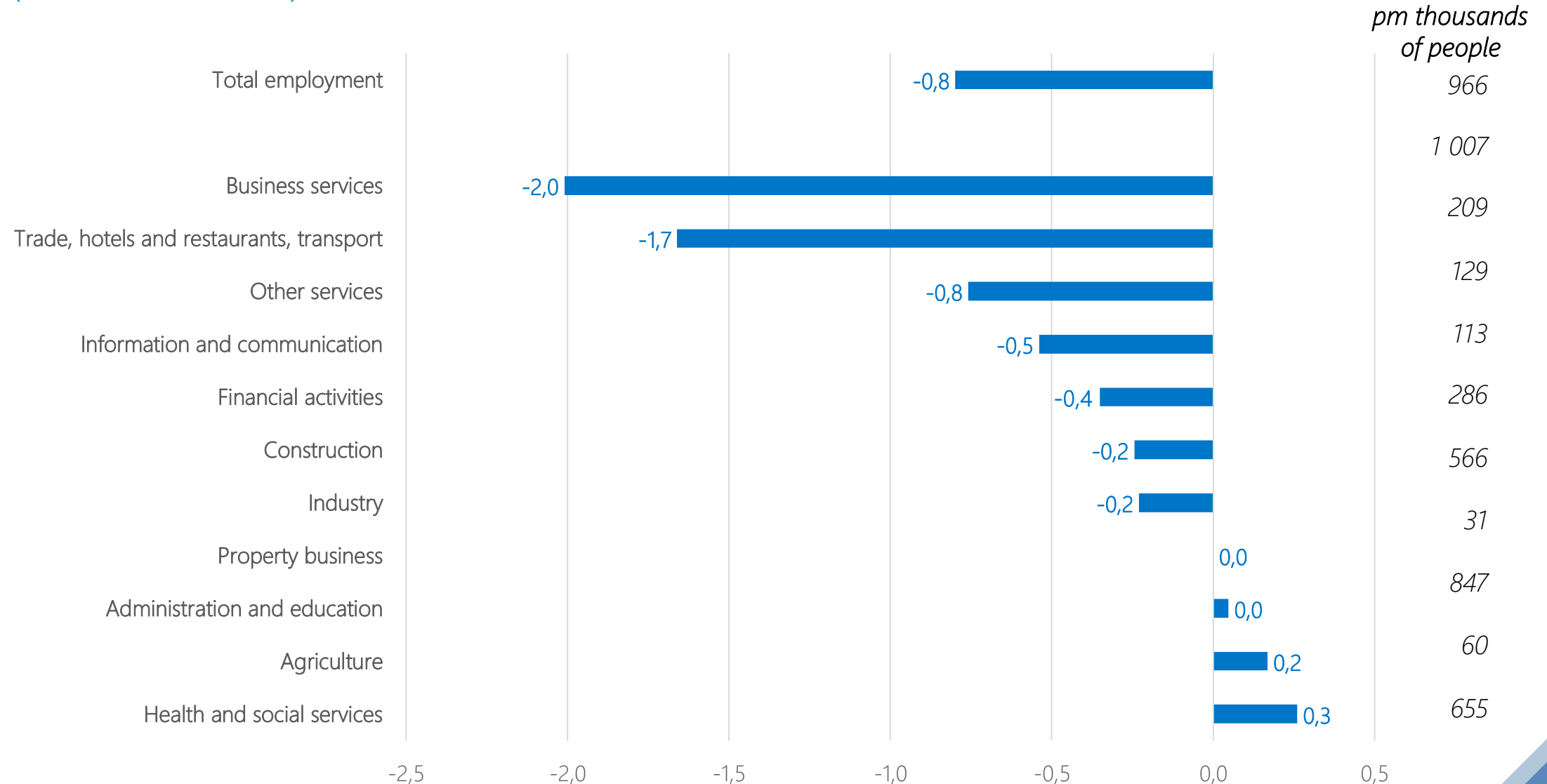
L'emploi salarié plus durement impacté au 1^{er} semestre 2020 que l'emploi indépendant

(emploi en personnes - variation trimestrielle en %)



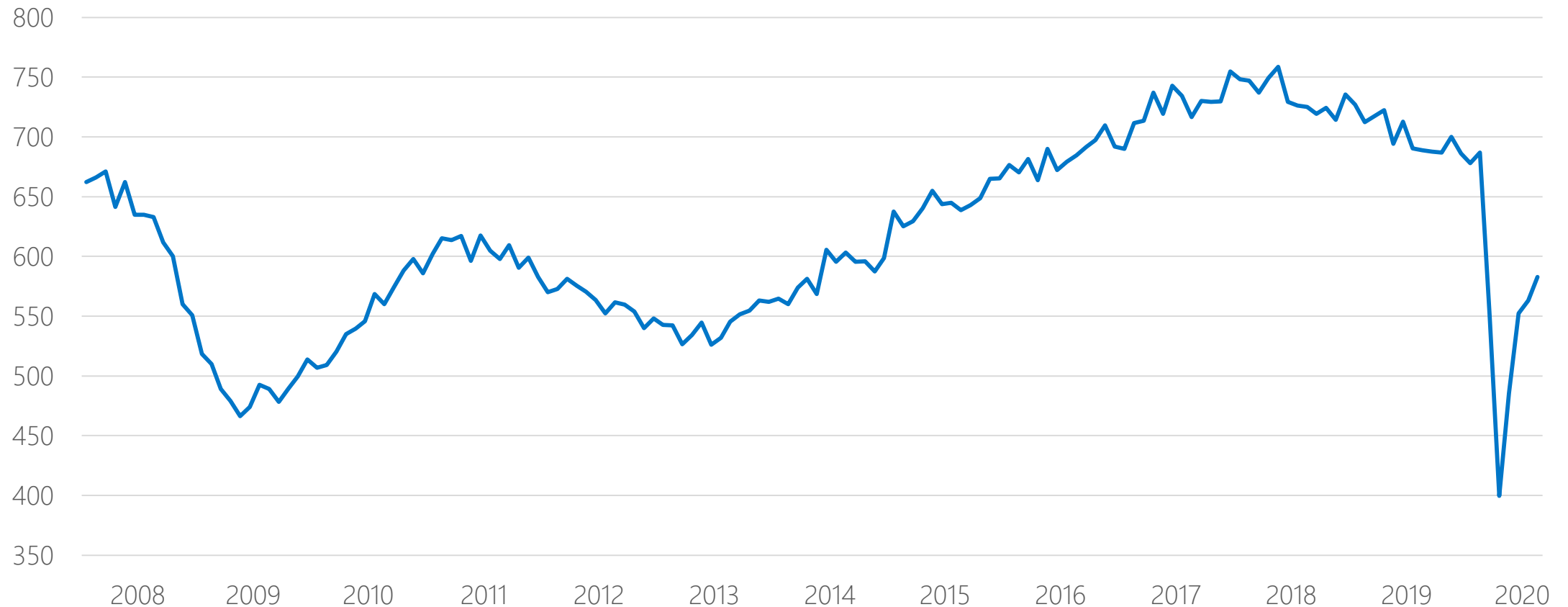
Impact on employment stronger for some branches of activity

(QoQ variation in %)



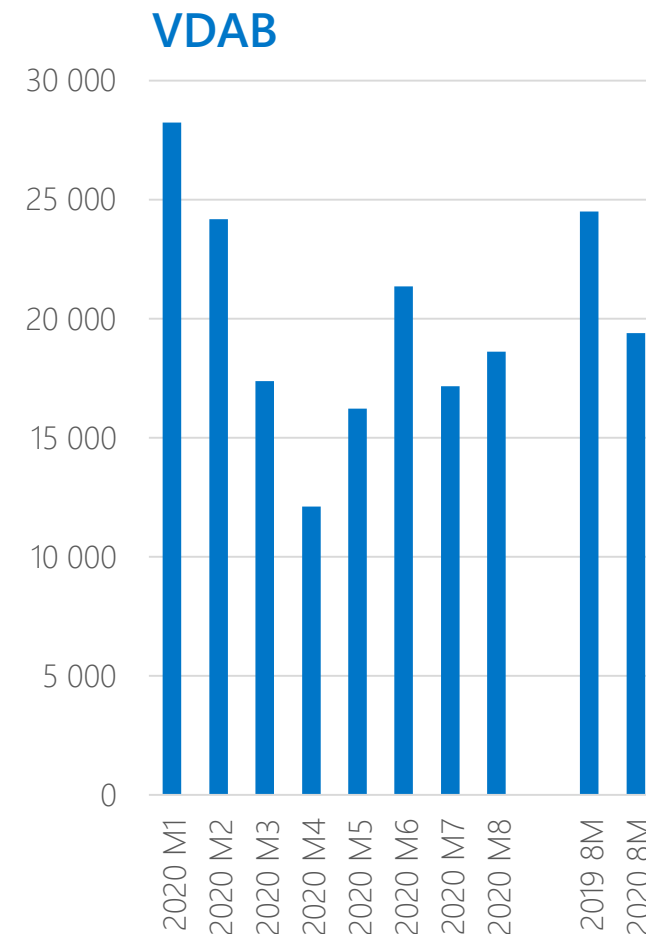
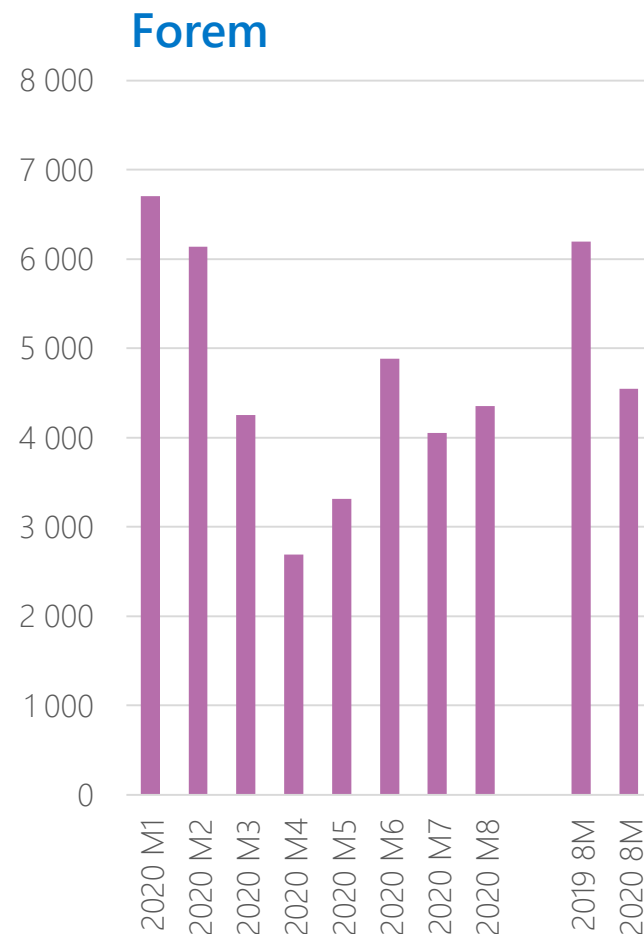
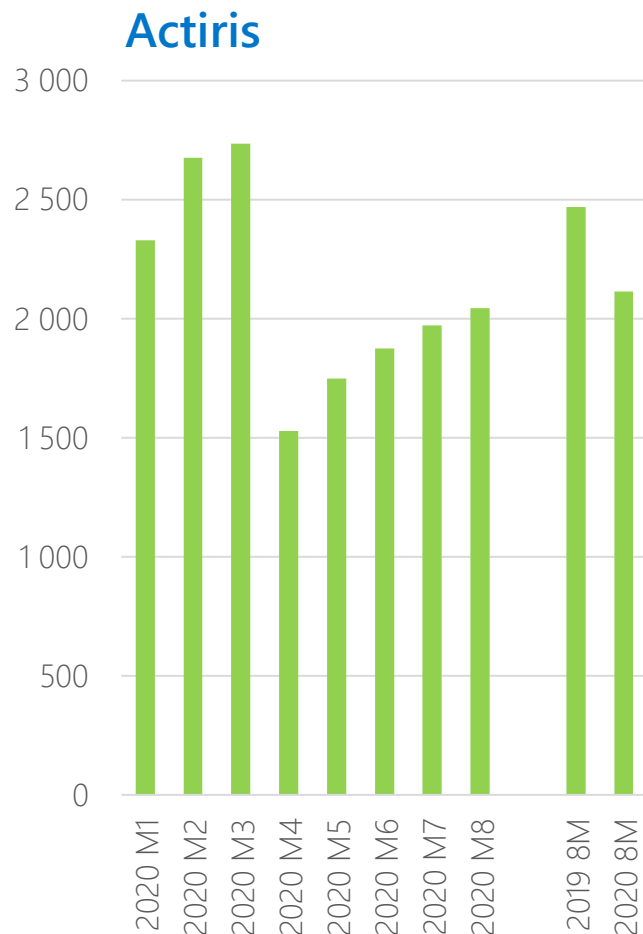
Chute brutale du travail intérimaire en avril, reprise partielle par après

(données mensuelles, en milliers d'heures)



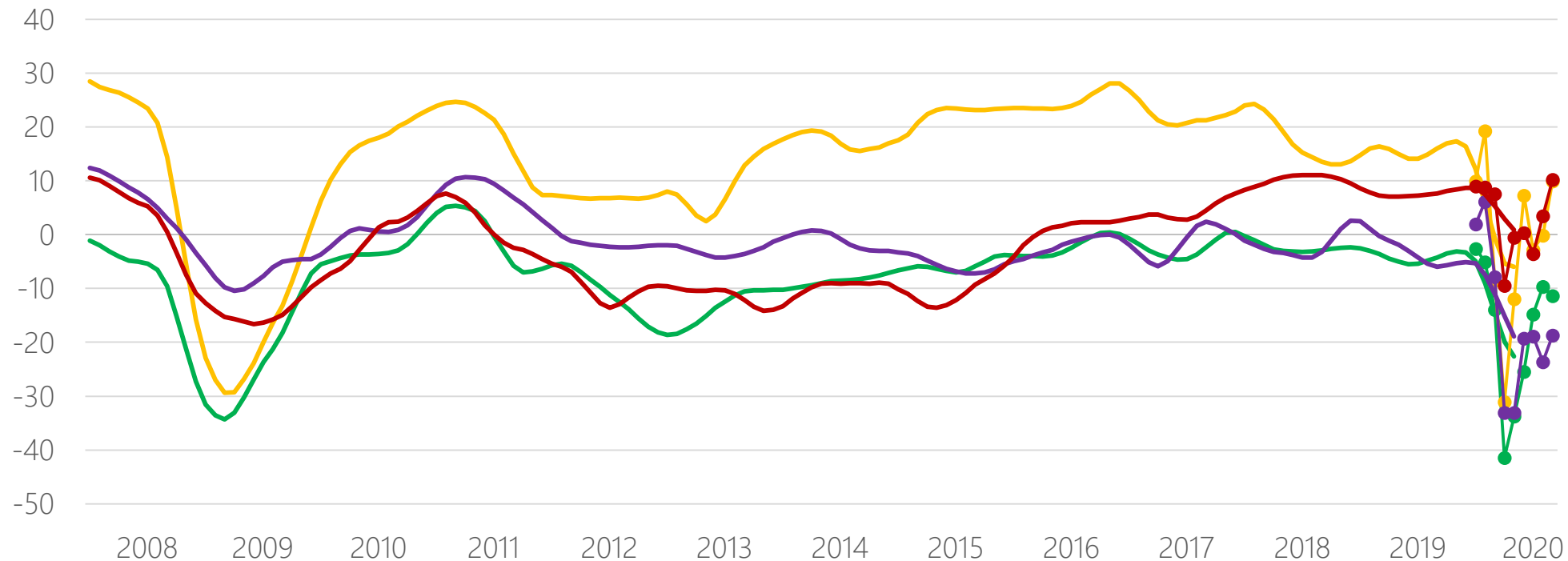
Net recul des opportunités d'emplois en avril, puis reprise progressive

(moyenne mensuelle des offres d'emplois reçues par les services publics de l'emploi régionaux via le circuit ordinaire)



Les prévisions d'emplois issues des enquêtes de conjoncture repartent à la hausse

(données désaisonnalisées et lissées)



Services aux entreprises

Commerce

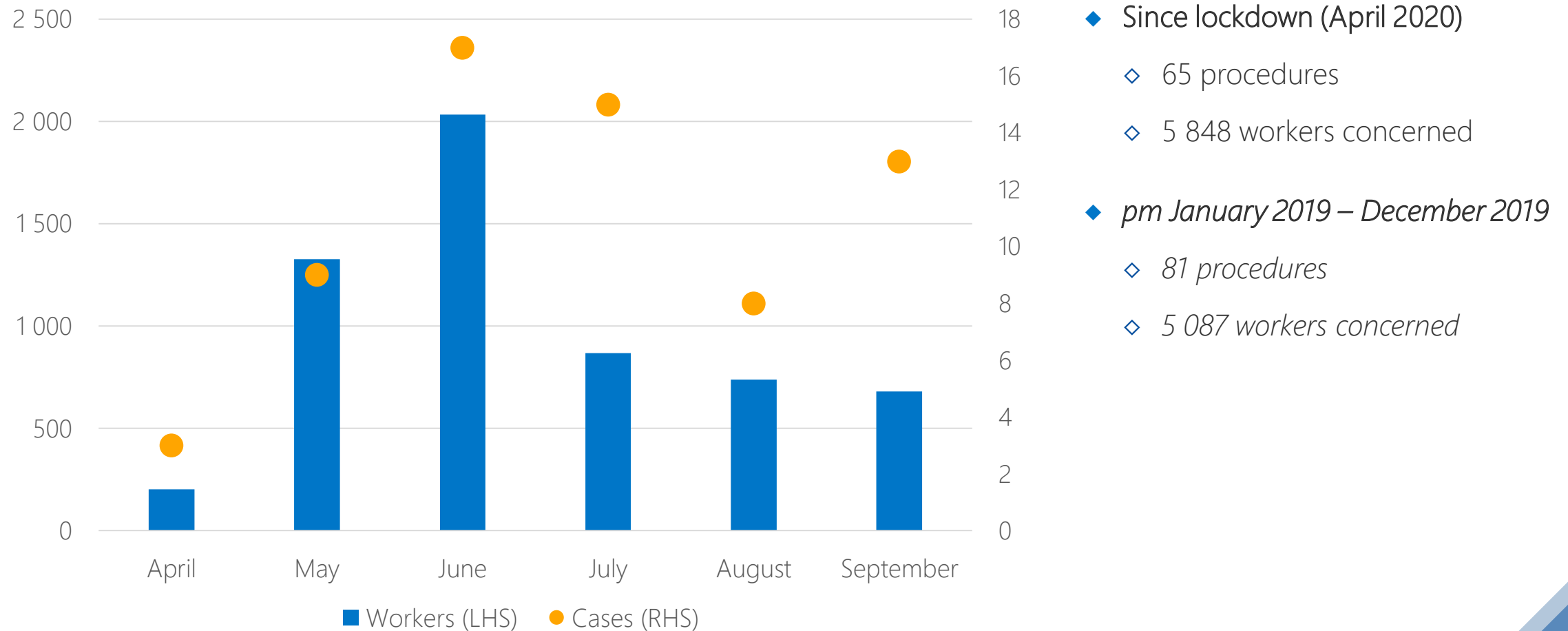
Construction (gros œuvre de bâtiments)

Industrie

Série dessaisonnalisée et lissée

Série dessaisonnalisée

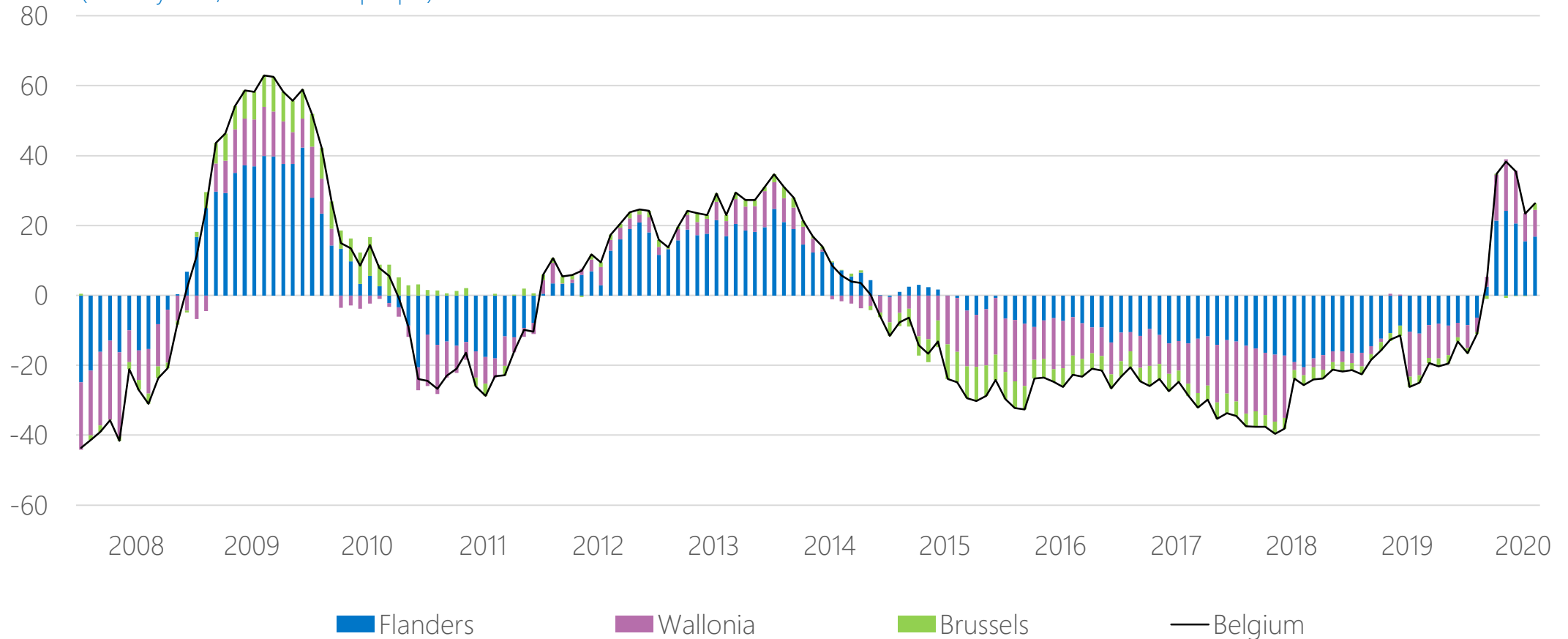
Mass redundancy procedures: until now, not yet significant impact of the crisis (but expected in the coming months)



Limited rise in unemployment for the time being ...

Annual variation

(monthly data, thousands of people)

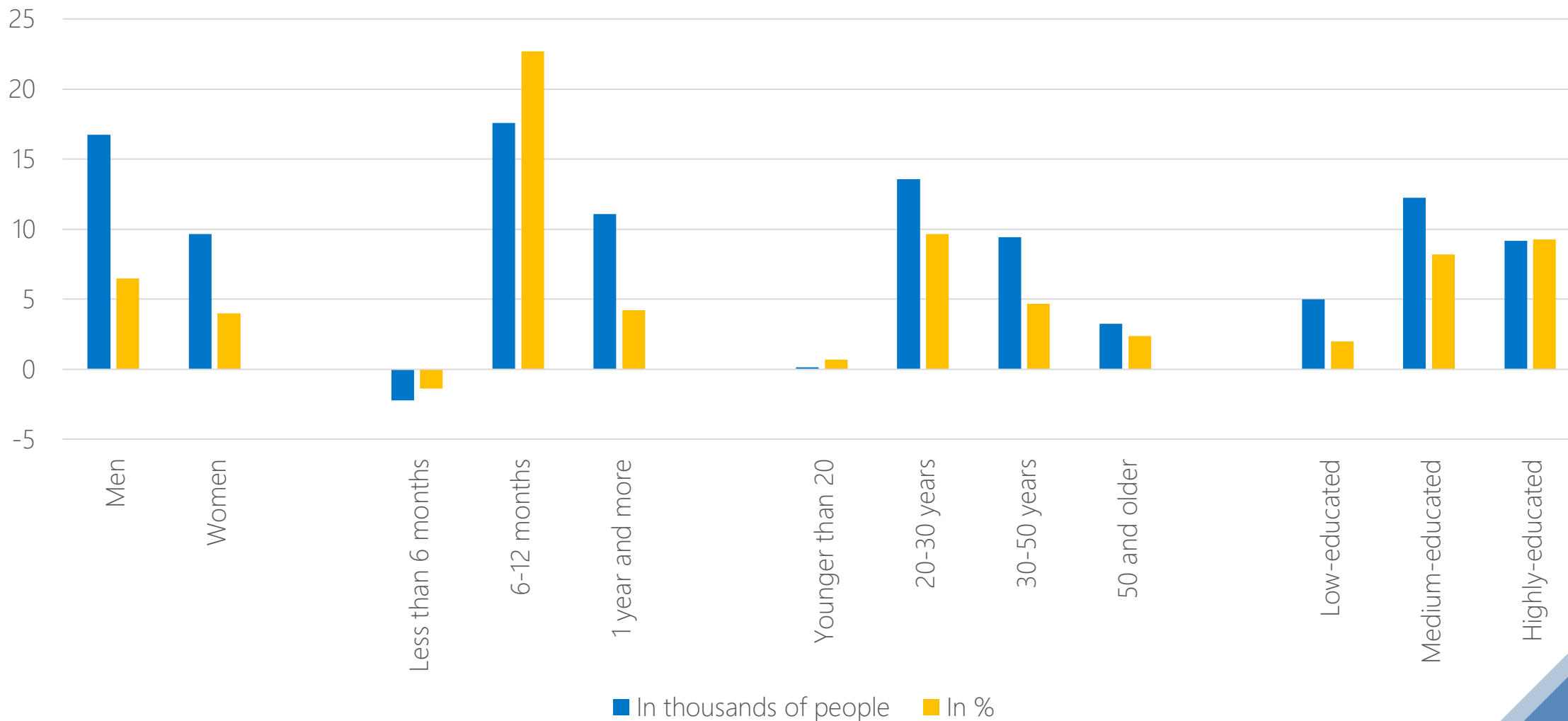


◆ Peak observed in May: +38 300, situation in Augustus: +26 400

... concentrated on young educated people

Annual variation

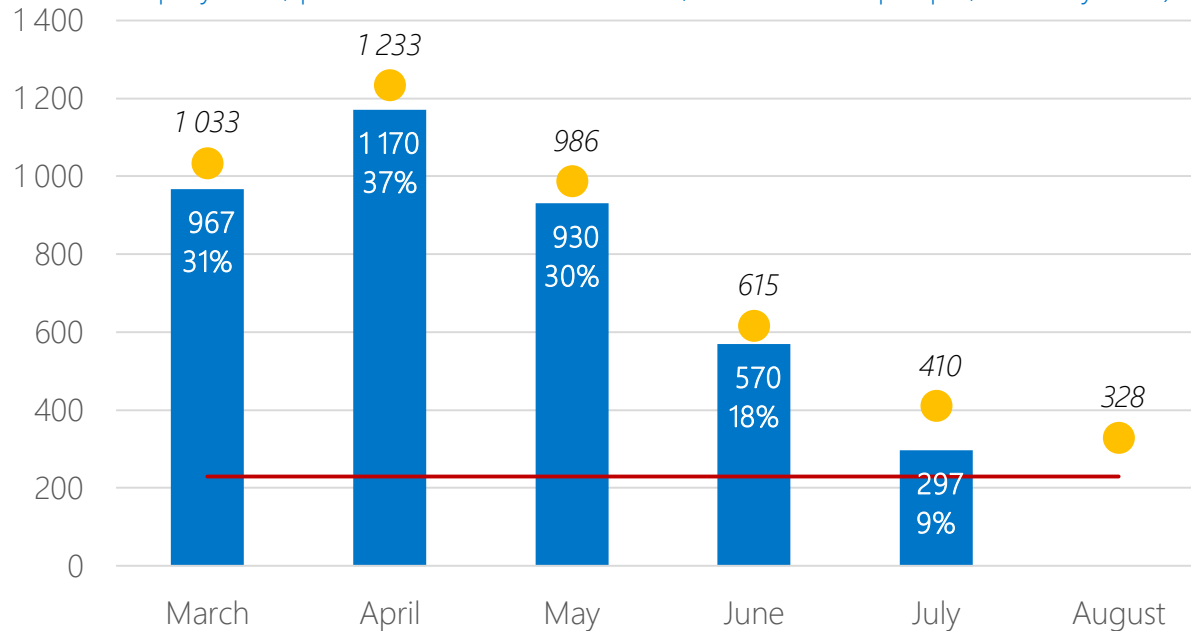
(monthly data)



Temporary unemployment: peak in April, decreasing but still high

Monthly effective use and access demands

(payments linked to COVID 19, thousands of people and % of private salaried employment, p.m. DRS linked to COVID 19, thousands of people, monthly data)



■ Payments

● pm DRS

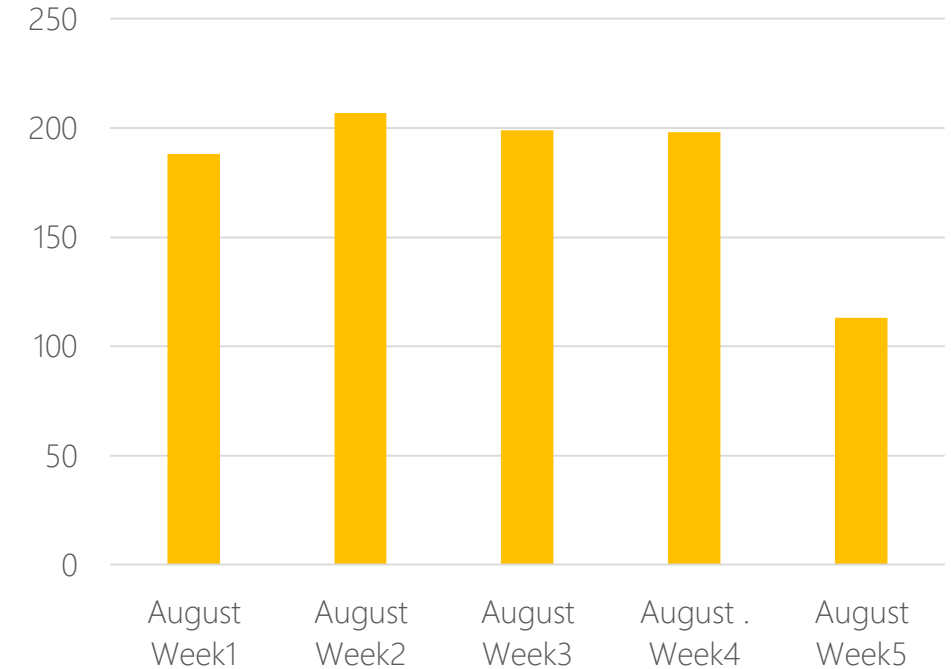
— pm highest level recorded during the financial crisis

Average number of days per worker

| Month | March | April | May | June | July |
|-----------------------------------|-------|-------|------|------|------|
| Average number of days per worker | 8.9 | 15.8 | 10.9 | 9.4 | 8.1 |

Weekly access demands

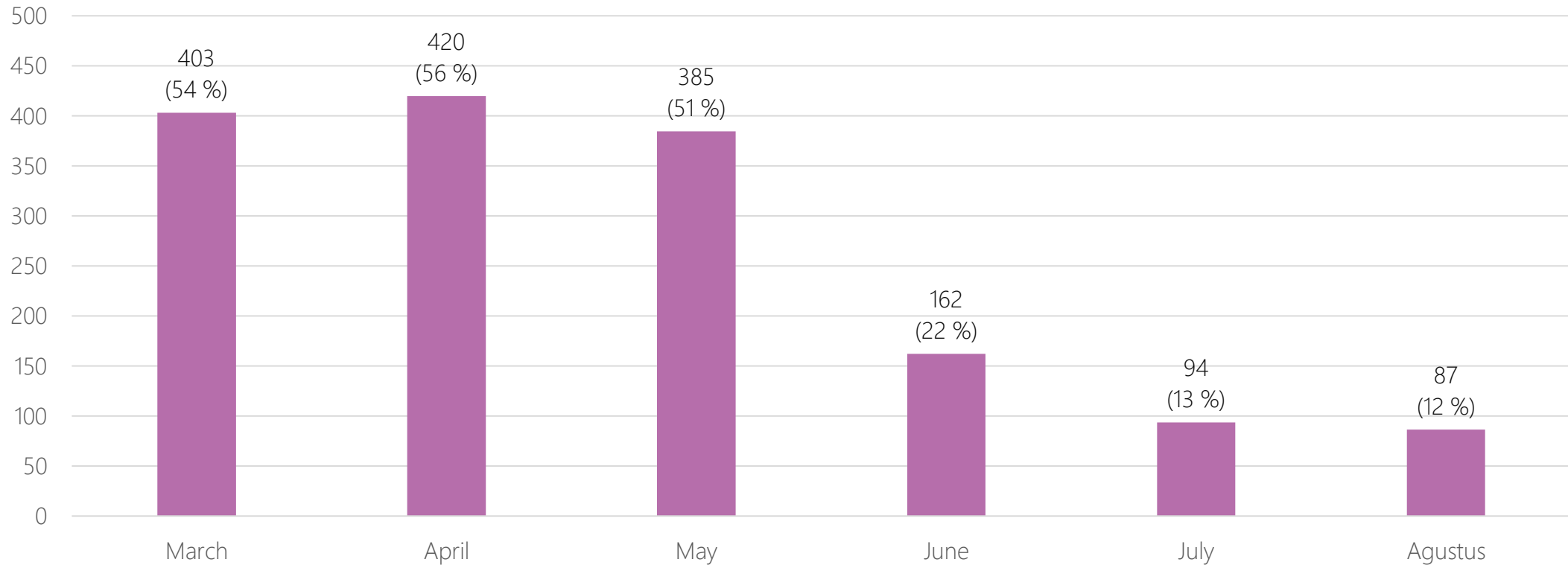
(DRS linked to COVID 19, thousands of people, weekly data)



Self-employed: unprecedented use of financial support

Bridging right, provisional data¹

(thousands of people and % of self-employed in principal activity)



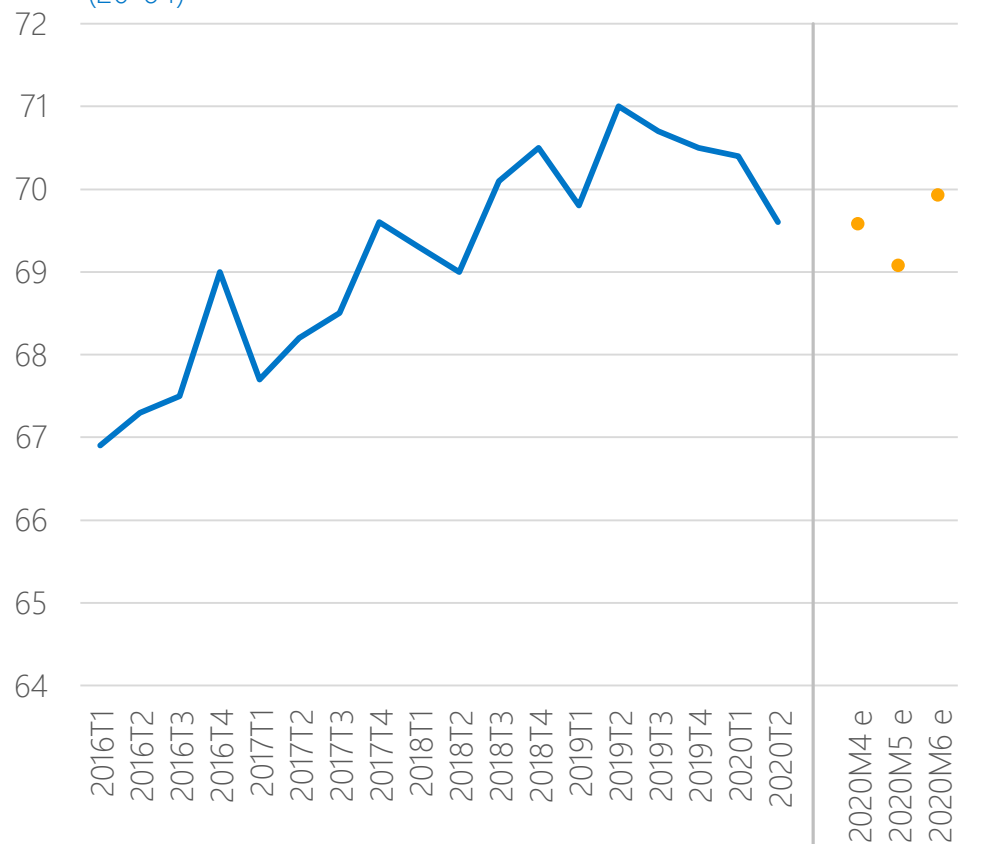
**Before the crisis, about 90 self-employed benefited of the bridging right.
At the peak of the crisis, in April, they were 420 000.**

La crise sanitaire a interrompu une dynamique positive

(taux harmonisés issus des enquêtes force de travail¹)

Taux d'emploi

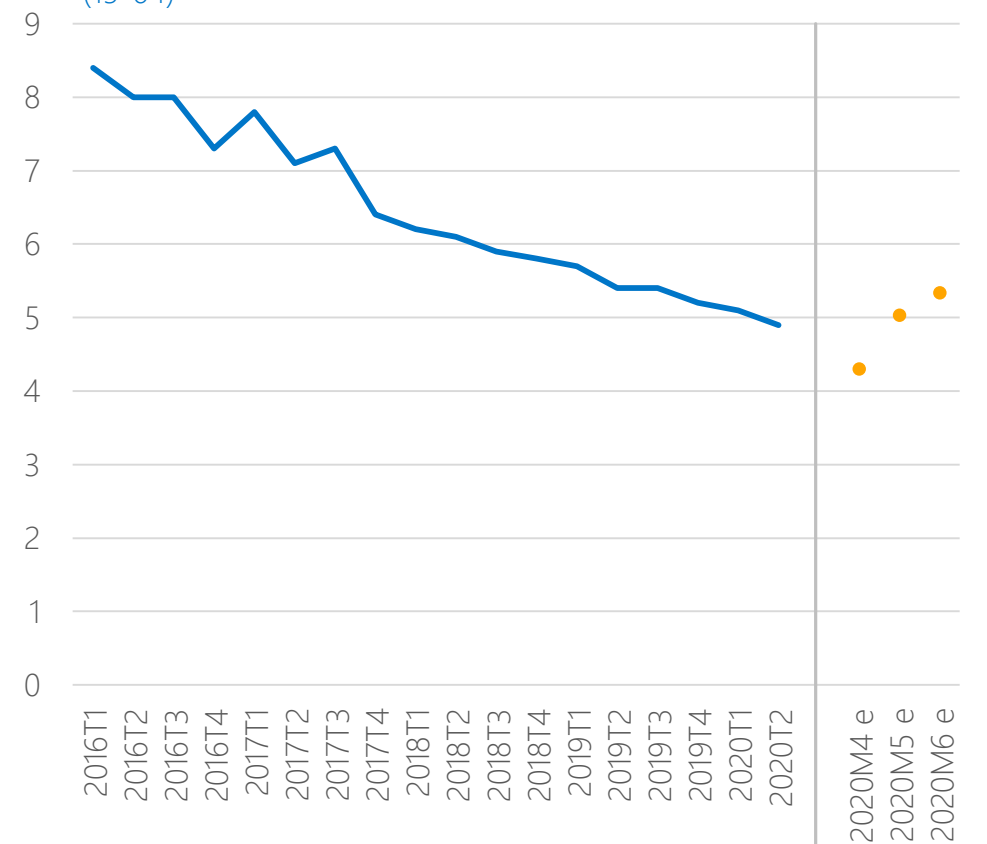
(20-64)



— Trimestriel

Taux de chômage

(15-64)



● Mensuel



ERMG survey

The ERMG surveys allows to monitor the COVID-19 impact on companies and self-employed in real time¹

- ◆ Surveys conducted by (selection of) the following federations:

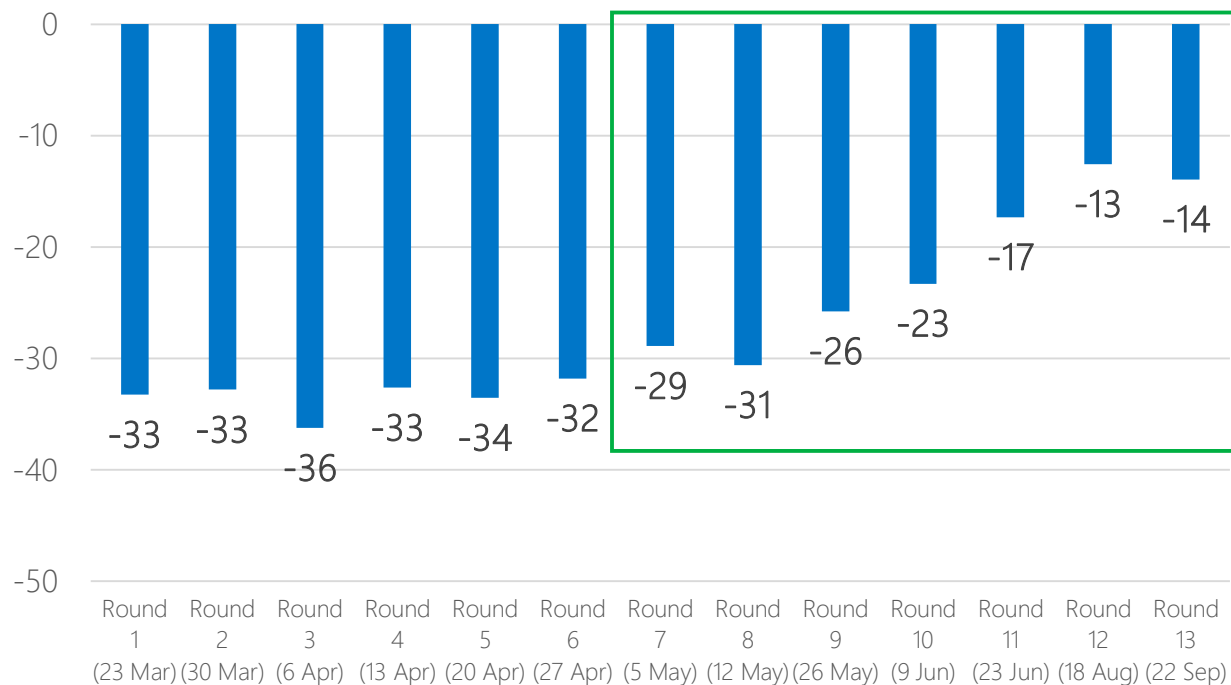


| Round | Period | Federations | Replies | Comment |
|-------|-----------------|---|---------|--------------------------------|
| 1 | 23-24 March | BECI, UWE, VOKA | 1 700 | Results were not published |
| 2 | 30-31 March | BECI, UNIZO, UWE, VOKA | 4 725 | First press release |
| 3 | 6-7 April | BECI, BOERENBOND, NSZ, UNISOC, UNIZO, UWE, VOKA | 6 900 | UNISOC was analysed separately |
| 4 | 14-15 April | BECI, NSZ, UNIZO, UWE, VOKA | 5 500 | |
| 5 | 20-21 April | BECI, NSZ, UNIZO, UWE, VOKA | 3 528 | |
| 6 | 27-28 April | BECI, NSZ, UNIZO, UWE, VOKA | 4 208 | |
| 7 | 5-6 May | BECI, BOERENBOND, UNIZO, UWE, VOKA | 2 675 | |
| 8 | 12-13 May | BECI, UNIZO, UWE, VOKA | 2 185 | |
| 9 | 25-27 May | BECI, NSZ, UNIZO, UWE, VOKA | 2 993 | |
| 10 | 8-10 June | BECI, NSZ, UNIZO, UWE, VOKA | 2 365 | |
| 11 | 22-24 June | BECI, NSZ, UNIZO, UWE, VOKA | 3 136 | |
| 12 | 17-19 August | BECI, NSZ, UNIZO, UWE, VOKA, UCM | 4 430 | |
| 13 | 21-23 September | BECI, NSZ, UNIZO, UWE, VOKA | 2 868 | |

The slow and incomplete revenue recovery has come to a halt in September and no large improvement is expected for 2021

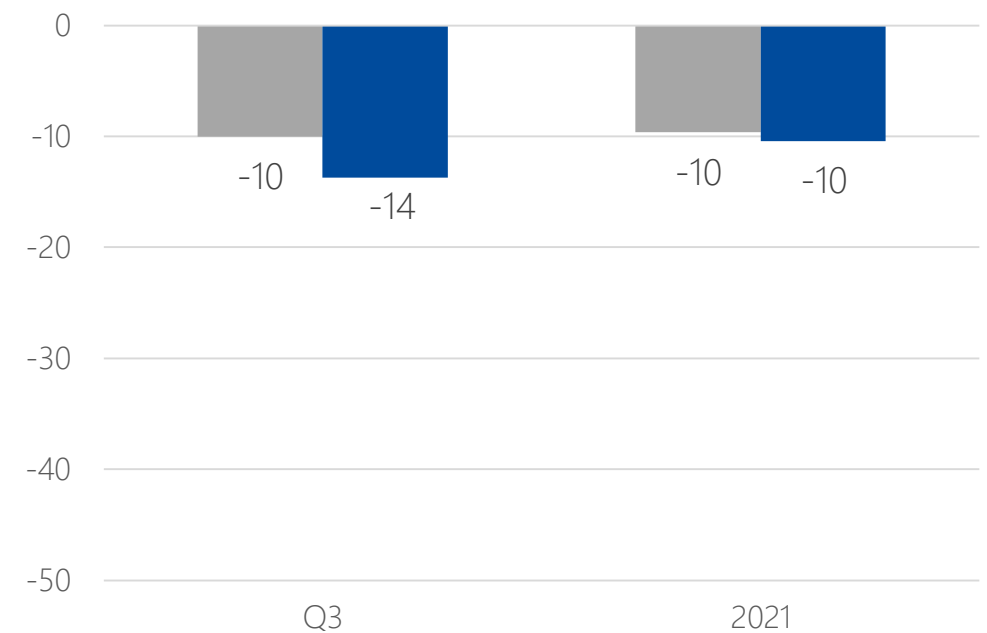
COVID-19 impact on weekly turnover

(in %, weighted average based on revenues and industry value added¹)



Expected impact on Q3 and 2021 turnover

(in %, weighted average based on revenues and industry value added¹)

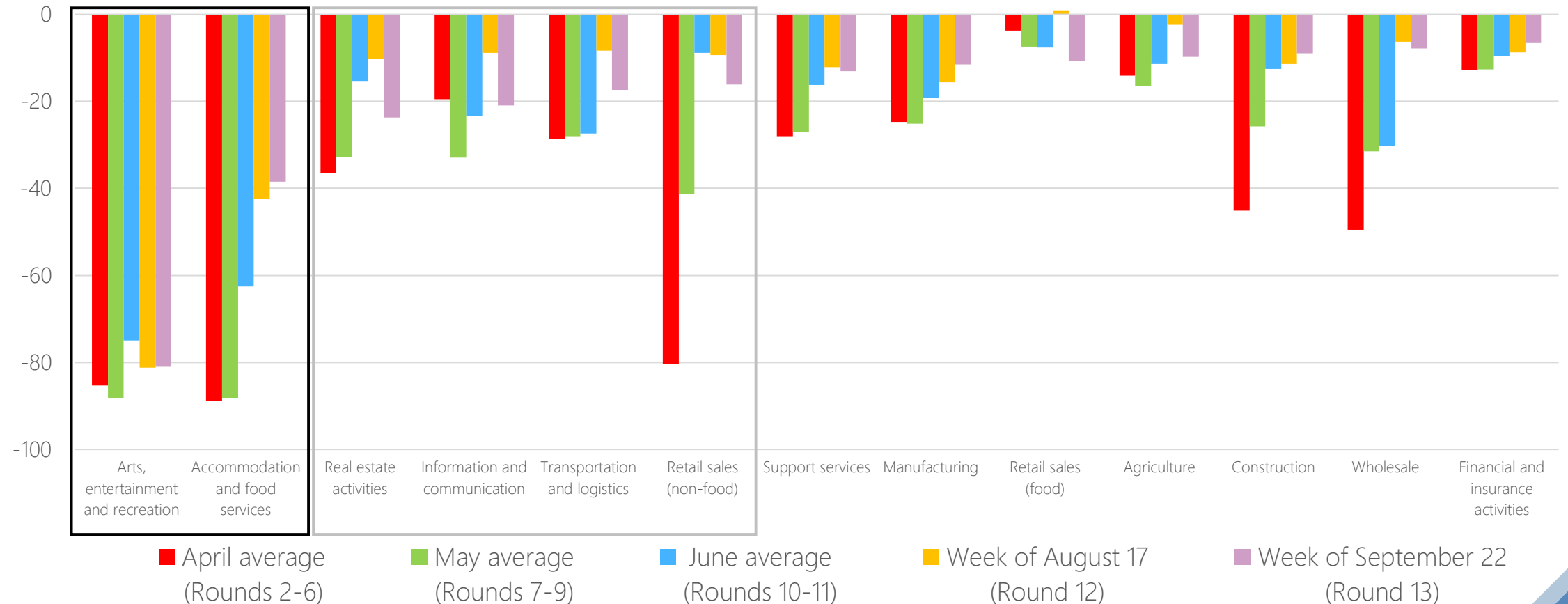


- Expectation of Round 12 (17 Aug)
- Expectation of Round 13 (22 Sep)

Revenue loss remains very high in events and recreation and horeca and it has worsened in real estate, retail sales, ICT and transportation

COVID-19 impact on weekly turnover

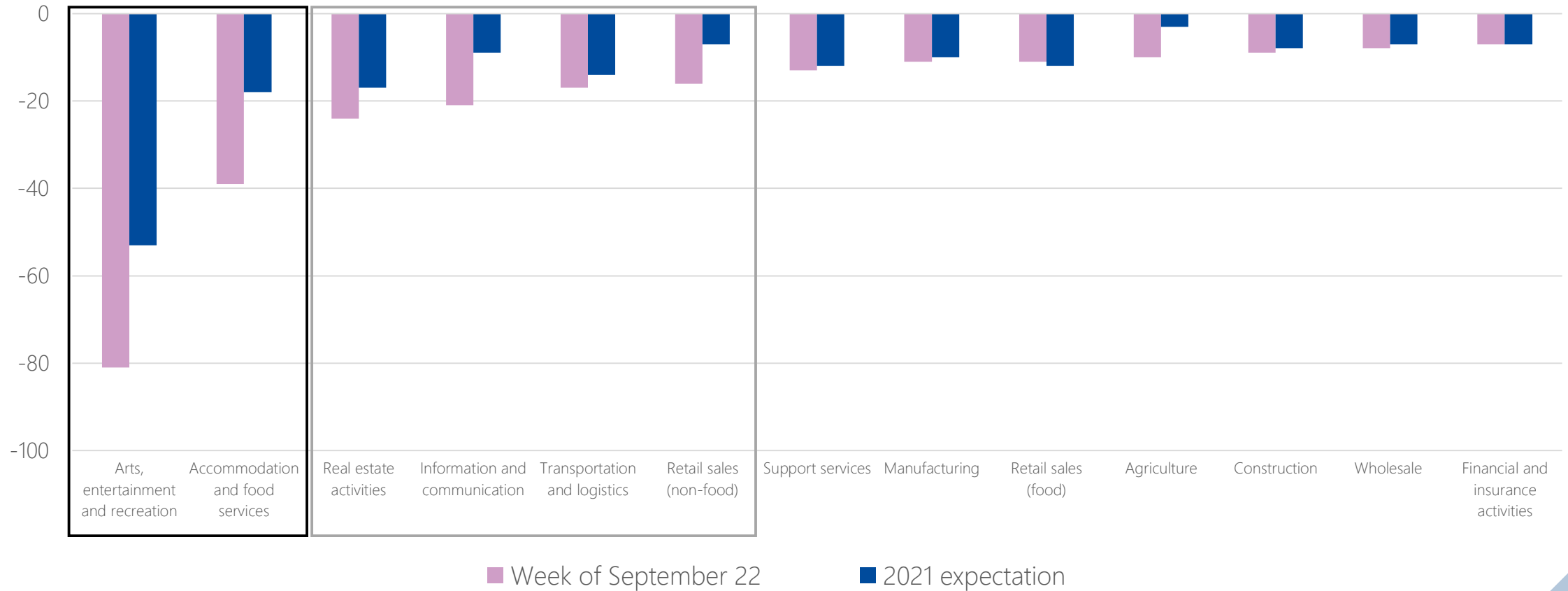
(in %, weighted average based on revenues)



These worst hit sectors are expected to only partially narrow their loss in 2021 while no further improvement is expected for the other sectors

Expected COVID-19 impact on turnover in the current week and in 2021 (Round 13)

(in %, weighted average based on revenues)



Impact of the COVID-19 crisis on company turnover by industry

(in %, weighted average based on revenues)

| | Survey 30 March | Survey 6 April | Survey 13 April | Survey 20 April | Survey 27 April | Survey 5 May | Survey 12 May | Survey 26 May | Survey 9 June | Survey 23 June | Survey 18 Aug | Survey 22 Sep |
|--|--------------------|-------------------|--------------------|--------------------|--------------------|-----------------|------------------|------------------|------------------|-------------------|------------------|------------------|
| Events and recreation | -74 | -92 | -84 | -88 | -88 | -84 | -89 | -92 | -63 | -86 | -81 | -81 |
| Accommodation and food service activities | -93 | -83 | -88 | -95 | -84 | -87 | -93 | -85 | -75 | -50 | -42 | -39 |
| Aviation | -20 | -40 | -77 | -63 | -53 | -61 | -87 | -88 | -57 | -6 | -34 | -32 |
| Engineering services | -34 | -62 | -13 | -30 | -27 | -20 | -16 | -14 | -10 | -17 | -10 | -25 |
| Metallurgy | -21 | -12 | -34 | -18 | -33 | -31 | -25 | -36 | -27 | -31 | -25 | -24 |
| Real estate activities | -36 | -44 | -43 | -31 | -28 | -60 | -38 | 0 | -9 | -21 | -10 | -24 |
| Manufacture of computer, electronic and optical products | -43 | -9 | -17 | -37 | -34 | -14 | -27 | -27 | -9 | -21 | -43 | -21 |
| Information and communication | -15 | -21 | -18 | -23 | -21 | -29 | -43 | -27 | -30 | -17 | -9 | -21 |
| Manufacture of furniture | -61 | -63 | -80 | -58 | -67 | -36 | -60 | -30 | -21 | -6 | -19 | -19 |
| Logistics | -29 | -26 | -23 | -15 | -16 | -24 | -10 | -39 | -25 | -34 | -7 | -17 |
| Manufacture of transport equipment | -32 | -63 | -74 | -29 | -75 | -59 | -47 | -36 | -16 | -23 | -4 | -16 |
| Retail sales (non-food) | -86 | -85 | -78 | -70 | -82 | -70 | -25 | -29 | -12 | -6 | -9 | -16 |
| Human Resources | -40 | -46 | -20 | -36 | -33 | -37 | -36 | -35 | -33 | -12 | -14 | -13 |
| Manufacture of plastic and non-metallic products | -24 | -14 | -20 | -15 | -23 | -21 | -17 | -22 | -22 | -11 | -14 | -12 |
| Road transport (persons) | -28 | -45 | -71 | -67 | -67 | -84 | -69 | -34 | -61 | -35 | -11 | -11 |
| Retail sales (food) | -3 | -4 | -8 | 0 | -5 | -8 | -16 | 1 | -9 | -6 | 1 | -11 |
| Consultancy | -8 | -16 | -15 | -28 | -20 | -23 | -25 | -20 | -12 | -19 | -12 | -10 |
| Agriculture and fishing | -34 | -23 | -11 | 1 | -3 | -33 | 0 | -17 | -4 | -19 | -2 | -10 |
| Manufacture of pharmaceutical and chemical products | -14 | -20 | -24 | -11 | -11 | -23 | -18 | -21 | -19 | -21 | -12 | -10 |
| Construction | -47 | -46 | -43 | -46 | -44 | -29 | -34 | -14 | -20 | -5 | -11 | -9 |
| Manufacture of machinery and electrical equipment | -25 | -29 | -29 | -30 | -32 | -30 | -24 | -35 | -20 | -10 | -19 | -9 |
| Manufacture of food products | -14 | -17 | -24 | -20 | -15 | -21 | -17 | -22 | -21 | -12 | -8 | -9 |
| Liberal professions | -25 | -21 | -15 | -28 | -27 | -22 | -27 | -12 | -11 | -15 | -14 | -8 |
| Wholesale | -50 | -48 | -59 | -47 | -44 | -34 | -43 | -17 | -36 | -24 | -6 | -8 |
| Financial and insurance activities | -20 | -9 | -8 | -17 | -10 | -10 | -17 | -11 | -10 | -10 | -9 | -7 |
| Manufacture of wood and paper products, and printing | -52 | -20 | -26 | -49 | -32 | -26 | -23 | -30 | -30 | -28 | -11 | -6 |
| Manufacture of textiles, wearing apparel and shoes | -48 | -57 | -70 | -70 | -57 | -62 | -50 | -50 | -29 | -23 | -9 | -4 |
| Belgium | -33 | -36 | -33 | -34 | -32 | -29 | -31 | -26 | -23 | -17 | -13 | -14 |

< -25%
in Round 13

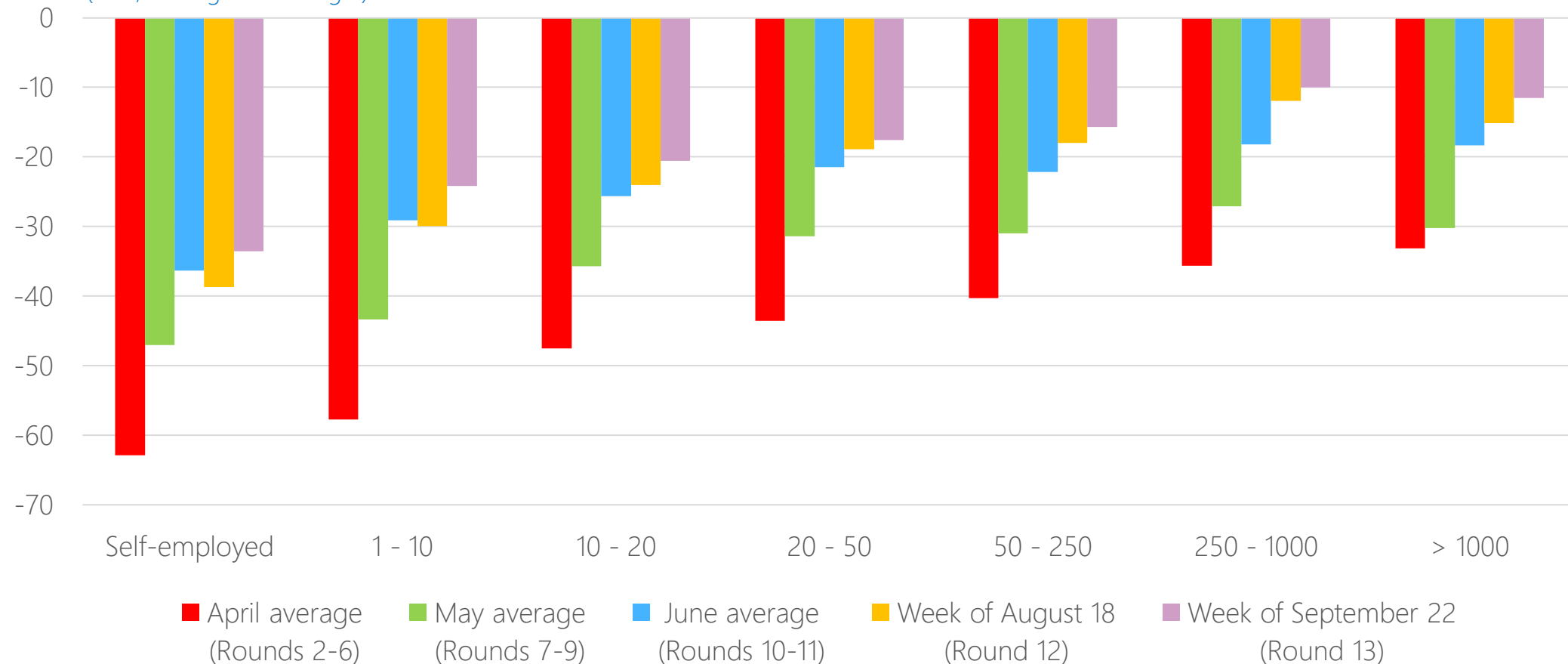
-10 to -25%
in Round 13

≥ -10%
in Round 13

Small firms took the largest hit during lockdown and still suffer most ...

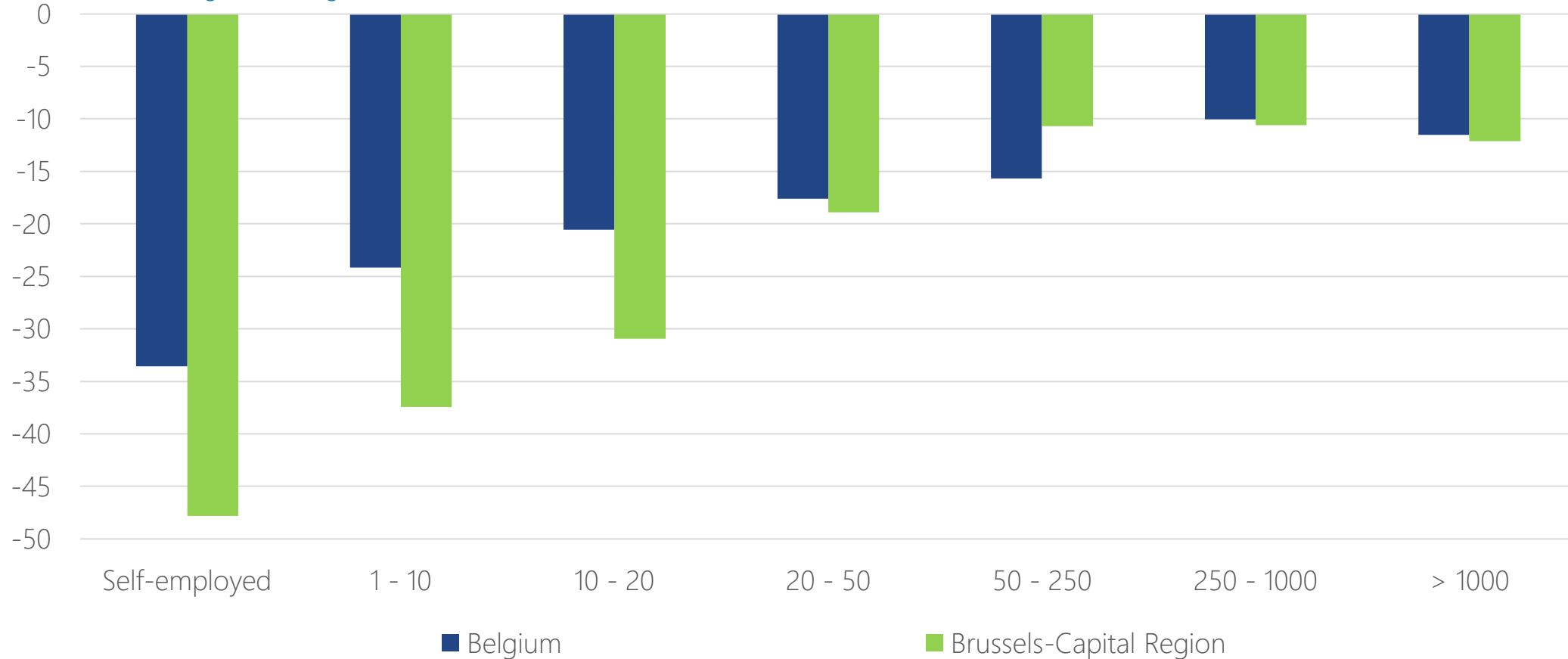
Reported impact on weekly turnover, by number of employees

(in %, unweighted average¹)



... and small Brussels firms are hit even more as Brussels receives fewer commuters (due to telework), tourists and business travelers

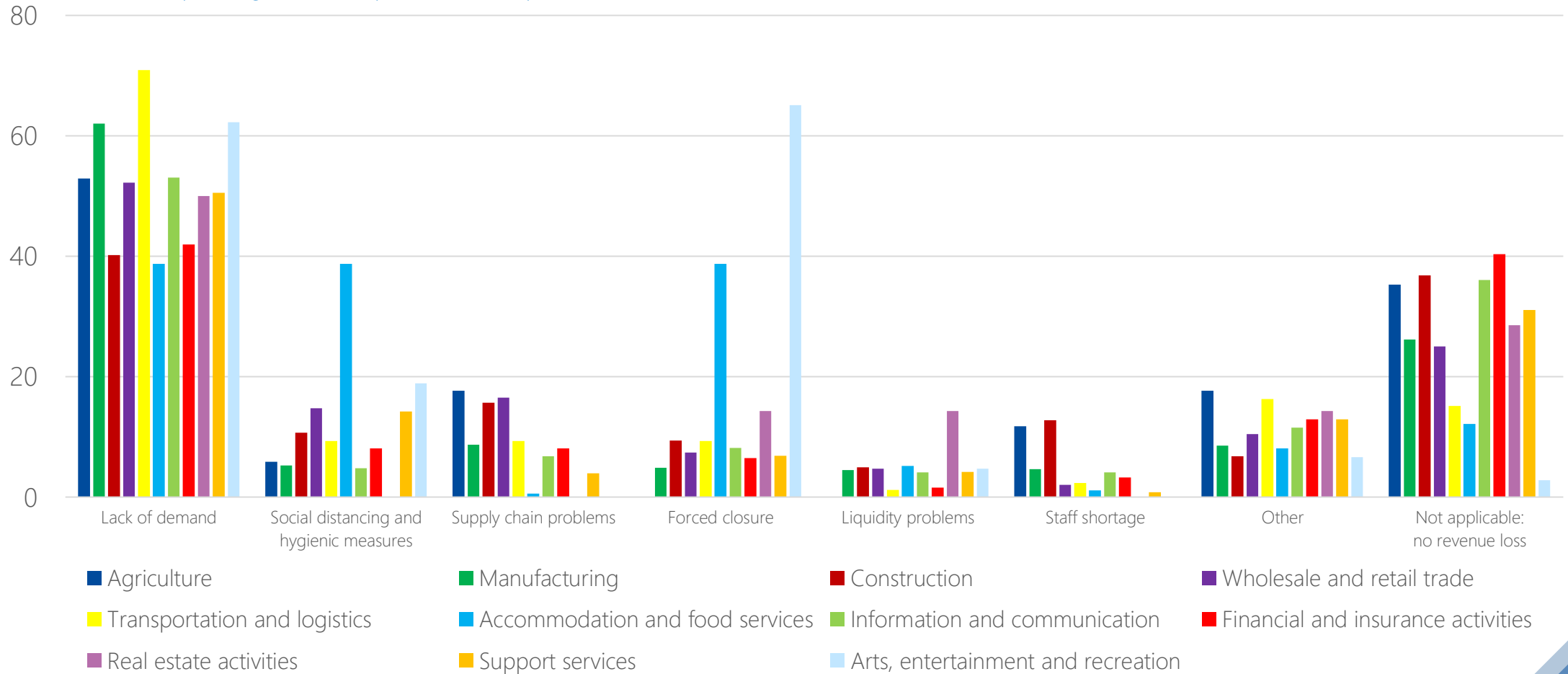
Reported impact on weekly turnover of Round 13 (22 September), by number of employees
(in %, unweighted average¹)



Lack of demand remains the key reason for revenue loss in addition to social distancing, supply chain problems and forced closure

Reasons for revenue loss this week (Round 13)

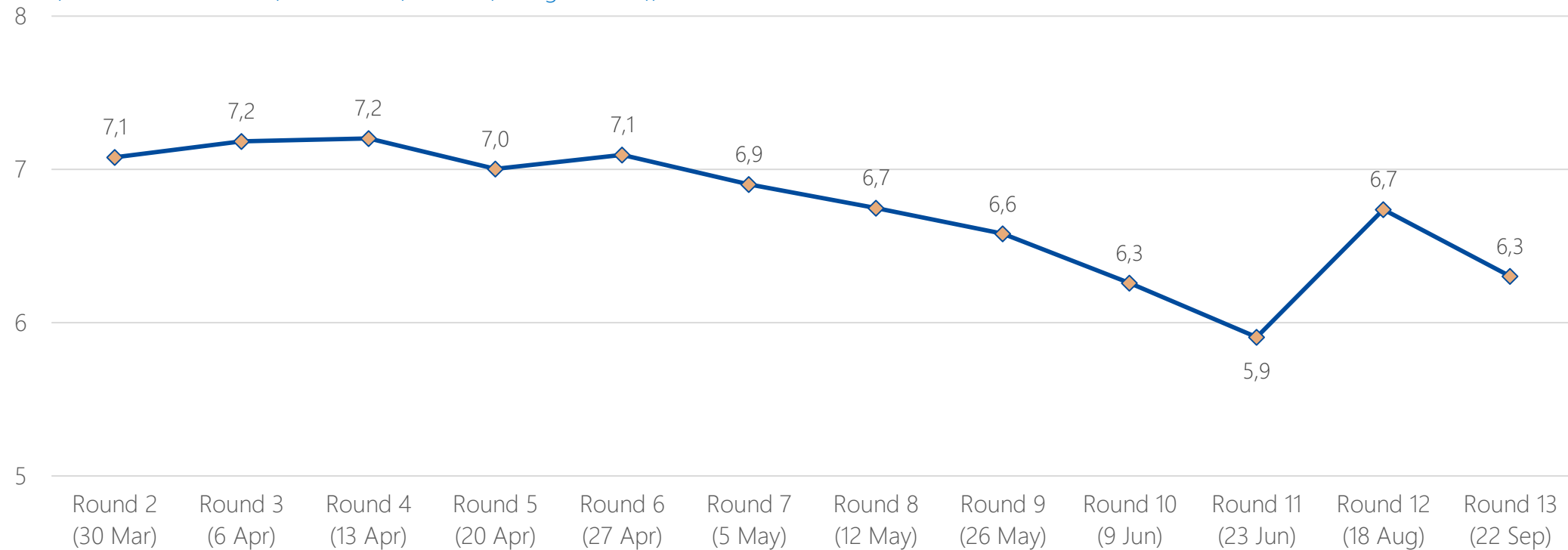
(in % of responding firms, multiple reasons are possible)



The improvement in the concern indicator also stalled over the past two months, in line with the revenue loss developments

Indicator of concern about current situation

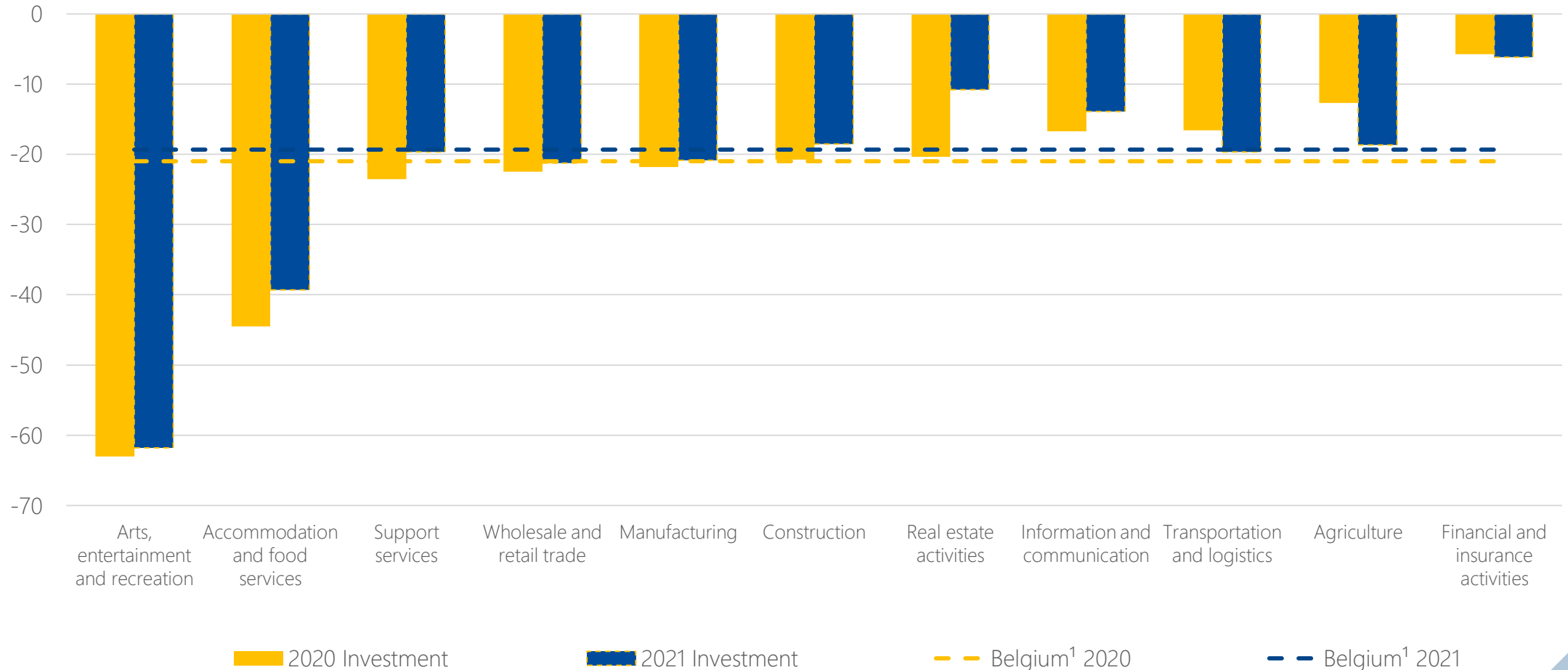
(Indicator¹ between 1 (low concern) and 10 (strong concern))



The average company expects to reduce its investment by 20 % in both 2020 and 2021

COVID-19 impact on expected investment in 2020 and 2021 (Round 13)

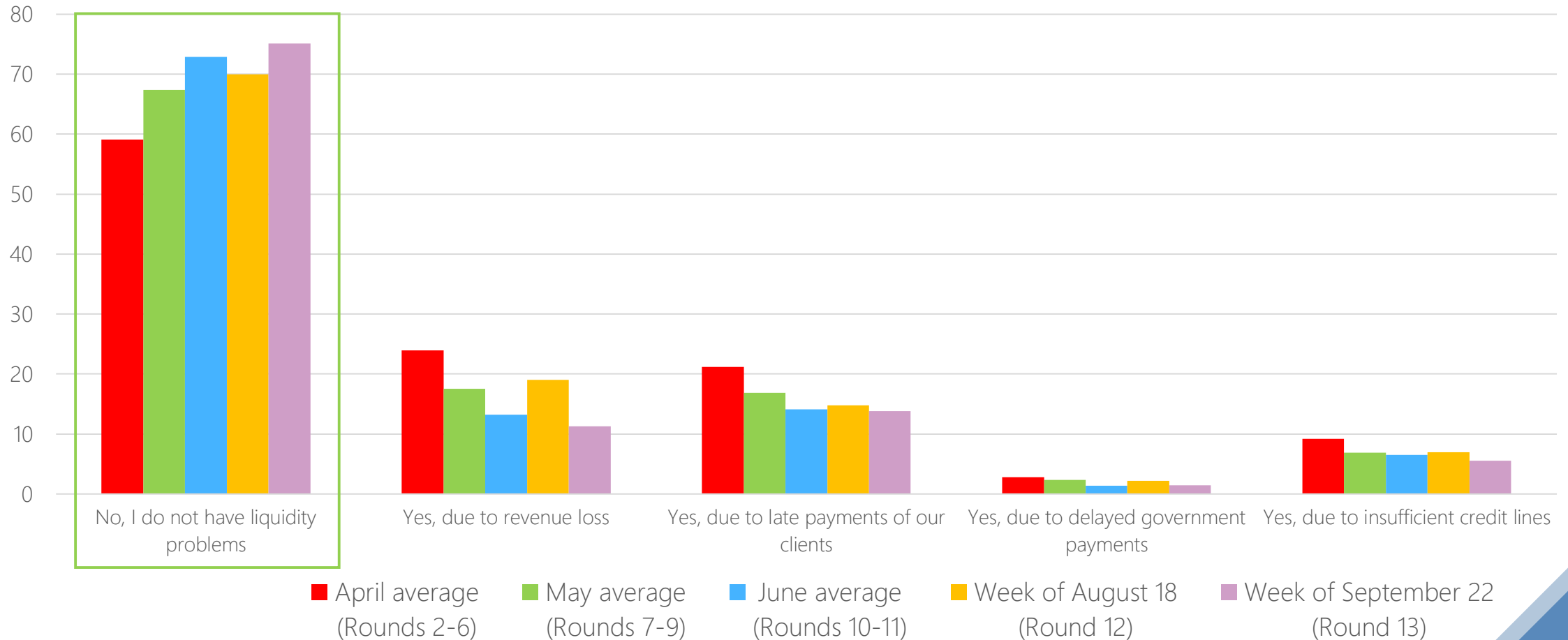
(in %, unweighted average change in investments of the responding firms with investment plans)



Liquidity problems have diminished since the lockdown period, but 25 % of companies still report liquidity problems ...

Do you have liquidity problems?

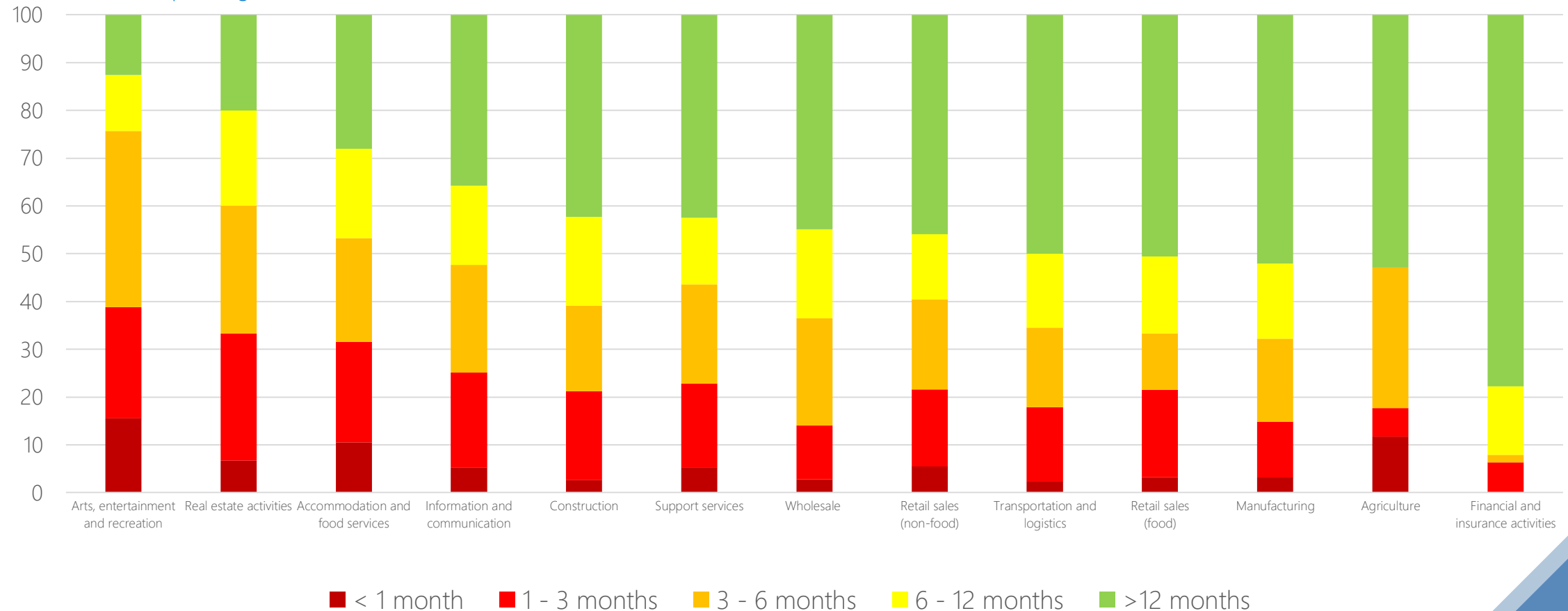
(in % of responding firms¹, multiple answers are possible)



... and half of the firms need additional financing in the short run to meet their current financial obligations

How long can you still meet your current financial obligations (debt repayment, rent, taxes, ...) without having to rely on additional equity or credit? (Round 13)

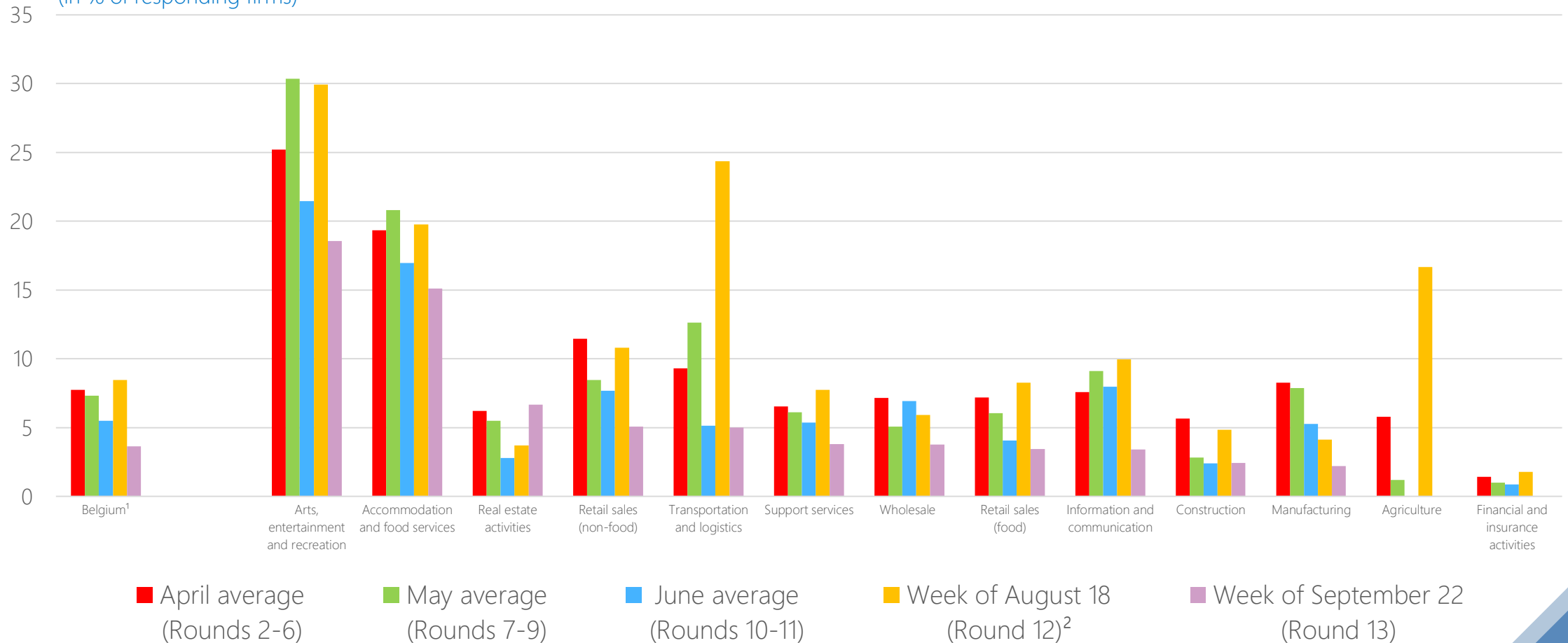
(in % of responding firms¹)



Perceived bankruptcy risk of firms has further decreased, but this could be due to the sample composition² and a survival bias ...

Firms that consider bankruptcy to be likely or highly likely

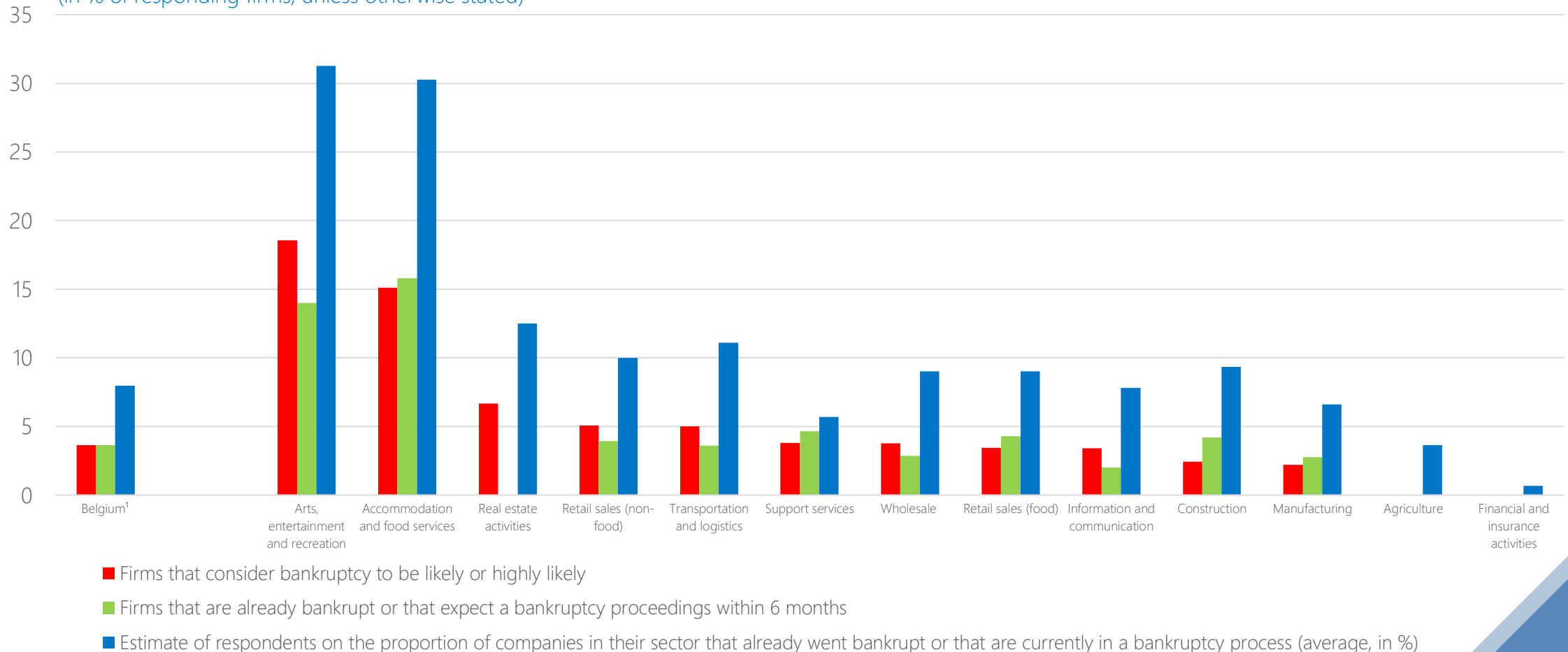
(in % of responding firms)



... as firms assess the bankruptcy risk in their industry to be much higher (suggesting a possible survival bias in the sample)

Bankruptcy risk assessment per sector according to three different questions of the survey (Round 13)

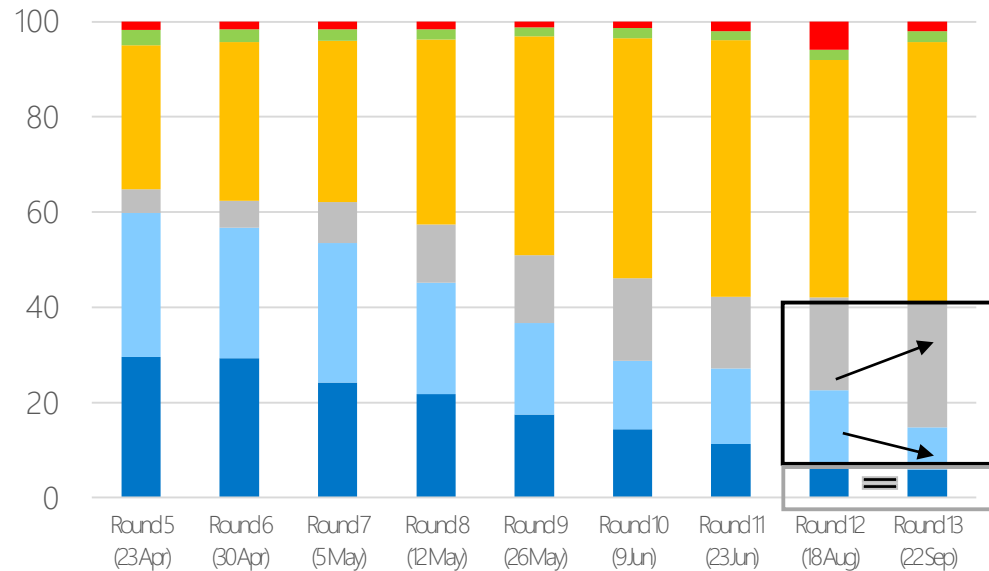
(in % of responding firms, unless otherwise stated)



Many employees shifted from full-time telework to part-time telework, while temporary unemployment has not declined further

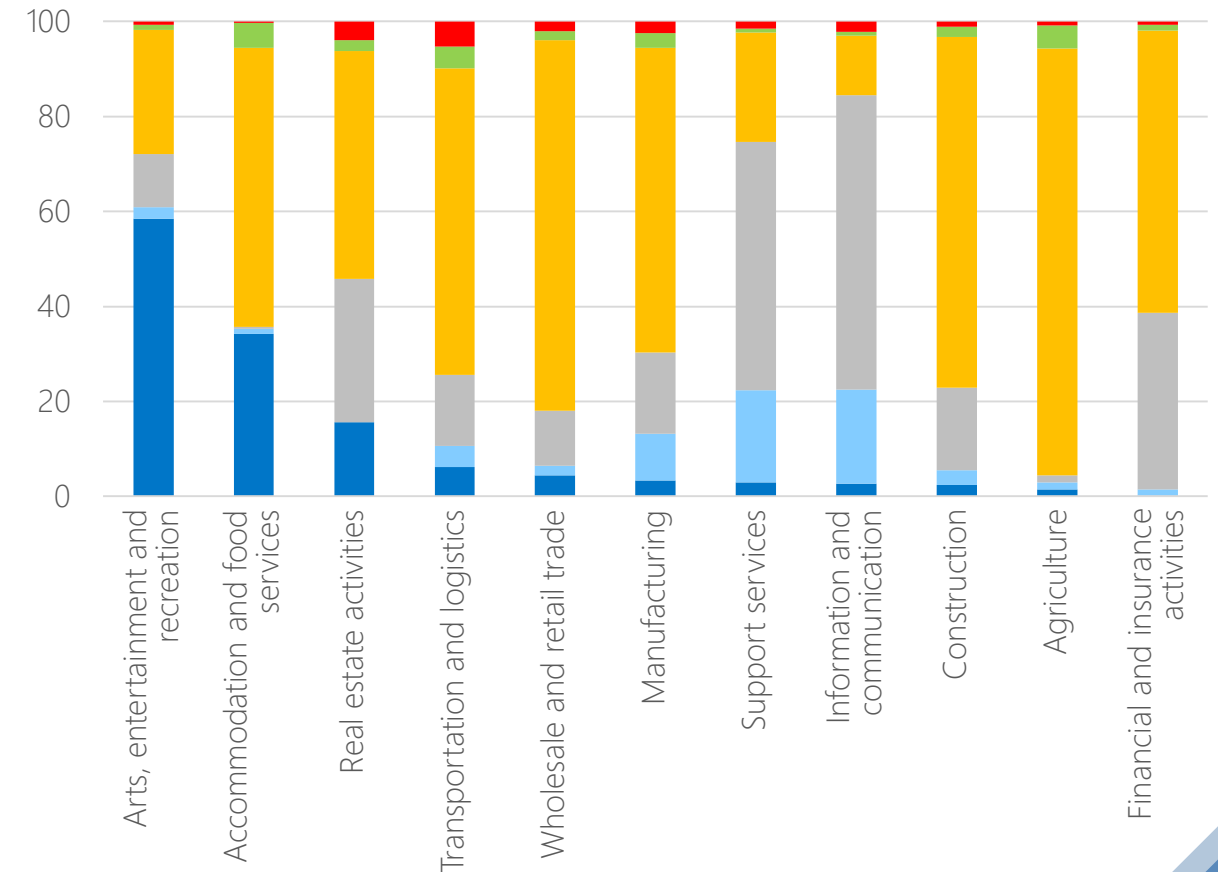
Workforce organisation over time, Belgium¹

(in % of total staff size of the firms in the survey, excl. self-employed)



Workforce organisation by industry (Round 13)

(in % of total staff size of the firms in the survey, excl. self-employed)

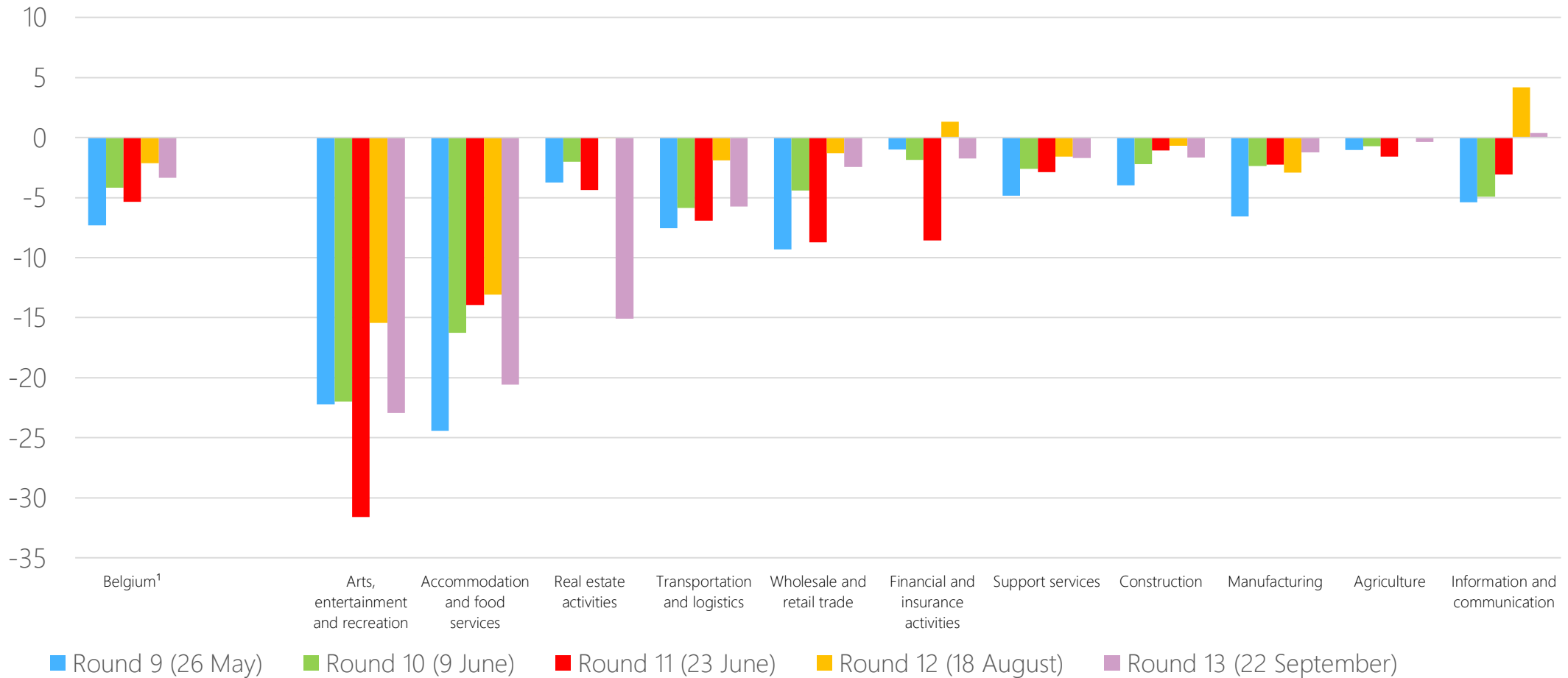


■ temporarily unemployed ■ telework ■ mix telework/workplace ■ at workplace ■ sick leave ■ on leave

Employment expected to decrease strongly in 2020 ... (and the extension of temporary unemployment could imply further lay-offs next year)

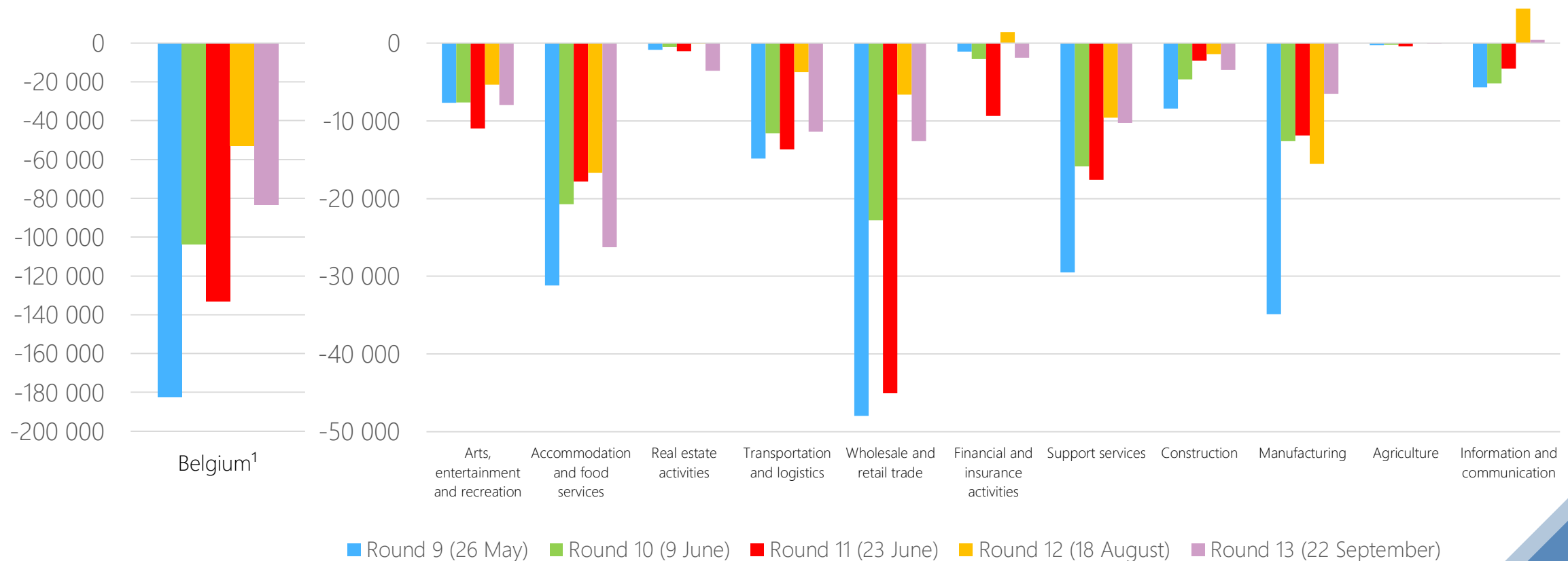
Expected change in staff size by the end of the year compared to the pre-crisis level

(in % of total staff size of the firms in the survey, excluding self-employed)



... pointing to an expected decline by about 84 000 employees in the private sector by the end of the year compared to before the crisis

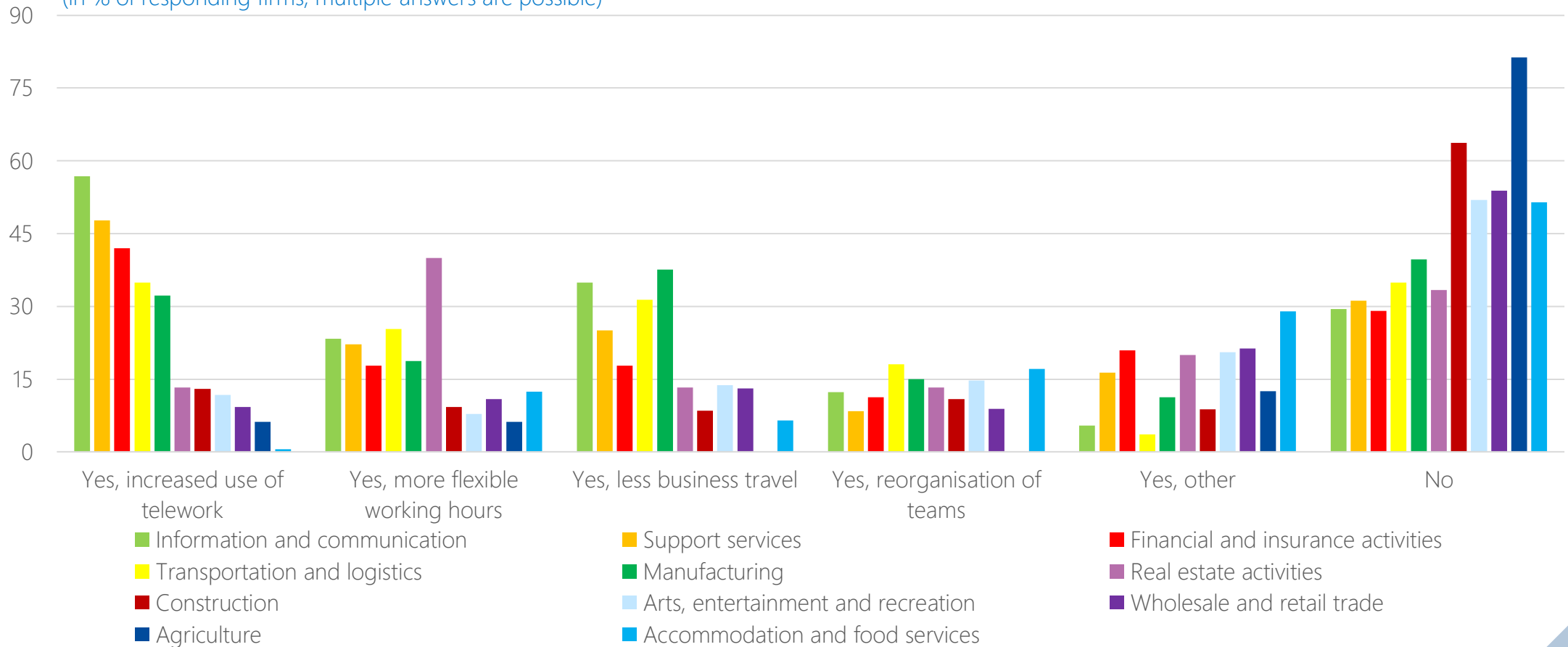
Expected change of staff size by the end of the year compared to the pre-crisis level
(in number of employees, excluding self-employed)



Lasting impact of the crisis on the way of working with increased use of telework, more flexible working hours and less travel

Do you expect that the way of working in your company will be permanently different from the situation before the crisis? (Round 13)

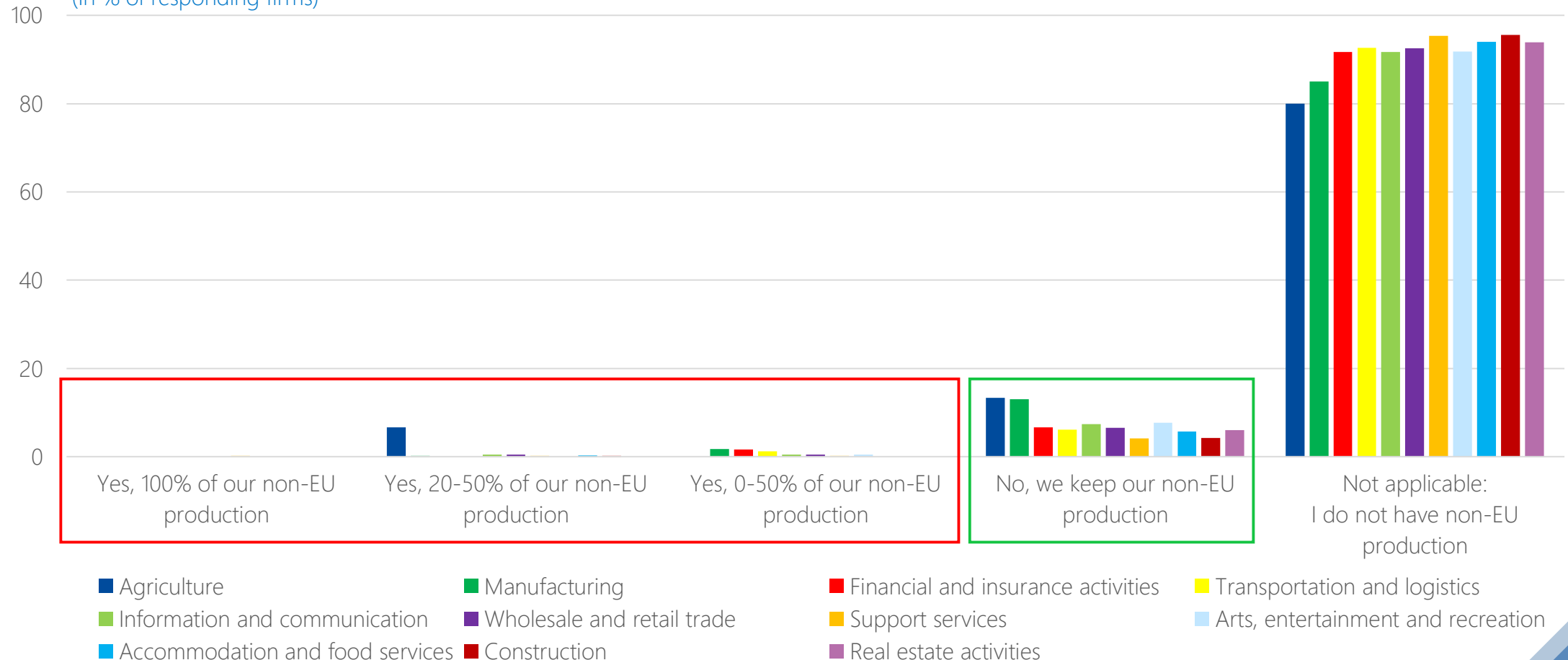
(in % of responding firms, multiple answers are possible)



Few firms have non-EU production and the vast majority of these firms will not reshore this production

Do you expect that, as a result of the COVID-19 crisis, the production of your company that is currently produced outside the EU will be moved to a country within the EU? (Round 12)

(In % of responding firms)



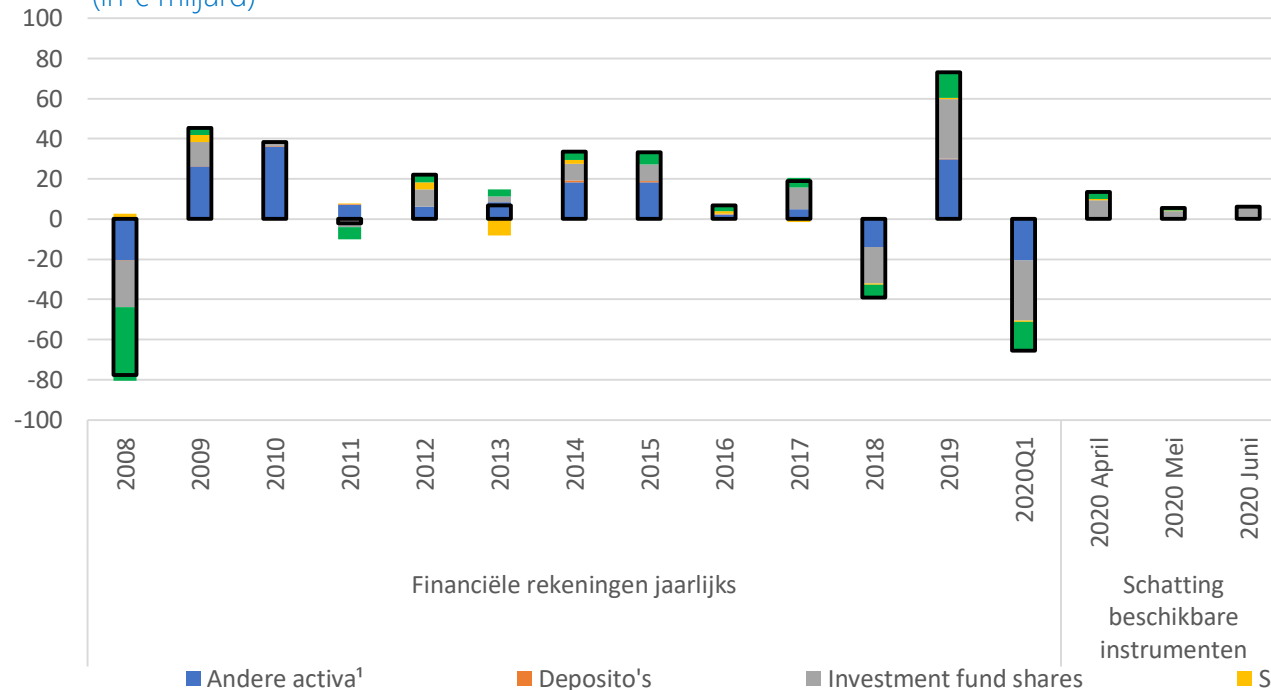


Credit indicators households

Stevige minwaarden op bestaande beleggingen maar meer deposito's en aankoop aandelen en beleggingsfondsen door gezinnen in 2020

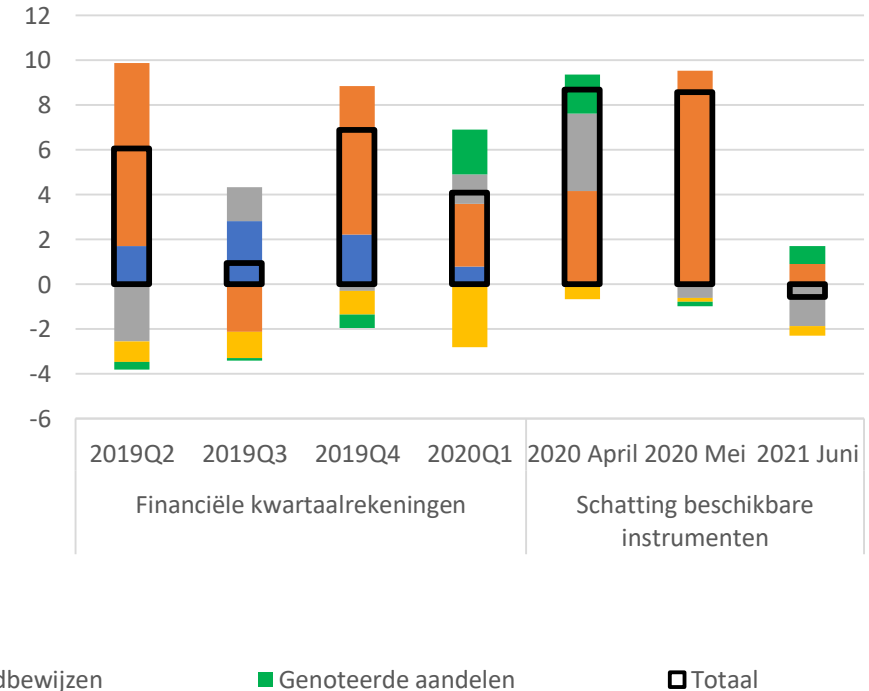
Min- en meerwaarden op financiële activa van huishoudens

(in € miljard)



Netto (des)investeringen

(in € miljard)



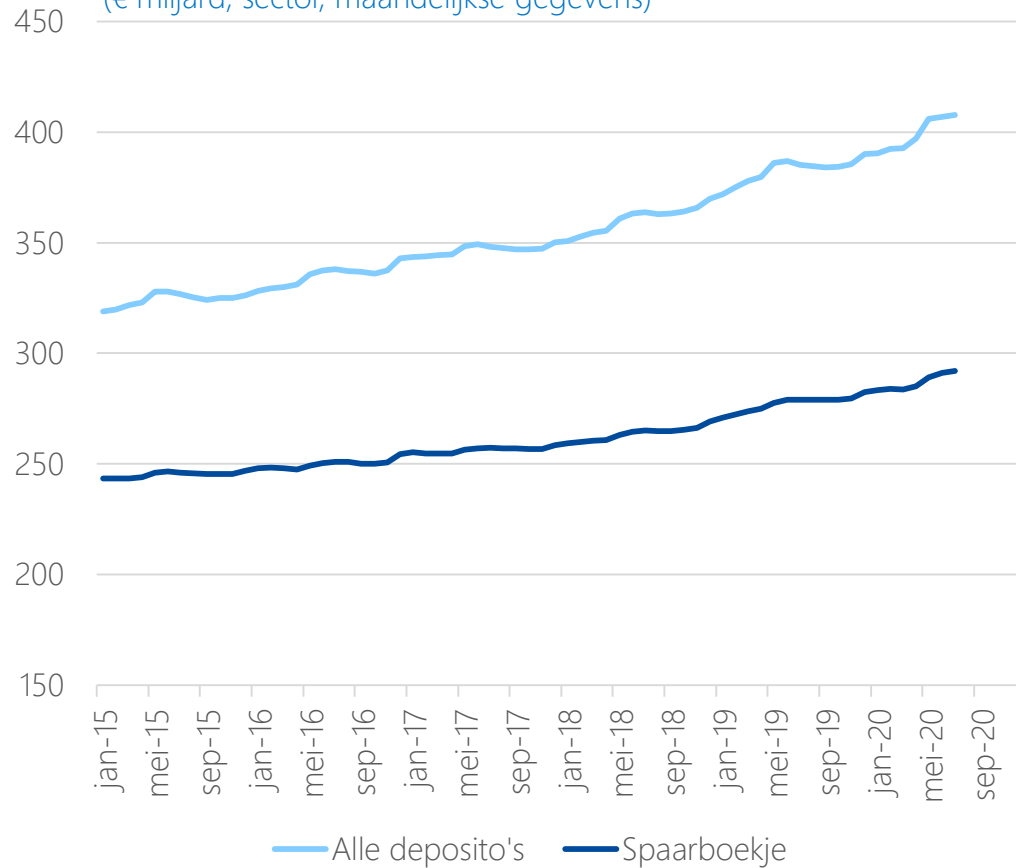
- ◆ In 2020Q1 veroorzaakten de sterke daling in de beurskoersen waardedalingen in de financiële activa van de particulieren voor 65,6 miljard euro.
- ◆ Door het herstel van de beurzen vertonen de maanden april, mei en juni positieve herwaarderingen van totaal 25,4 miljard. Negatieve prijseffecten waren beduidend hoger tijdens de financiële crisis van 2008.
- ◆ p.m. de totale financiële activa van de particulieren bedroeg 1348 miljard eind maart 2020.

- ◆ De transacties in financiële activa van de particulieren in de maanden april en mei tonen forse investeringen voor respectievelijk 8,7 en 8,6 miljard euro, voornamelijk door de stijging van de deposito's, en in mindere mate van de beleggingsfondsen en genoteerde aandelen, illustratief voor het "geforceerd sparen" van de gezinnen. In de maand juni zijn de evoluties minder uitgesproken.

Deposito's van Belgische huishoudens

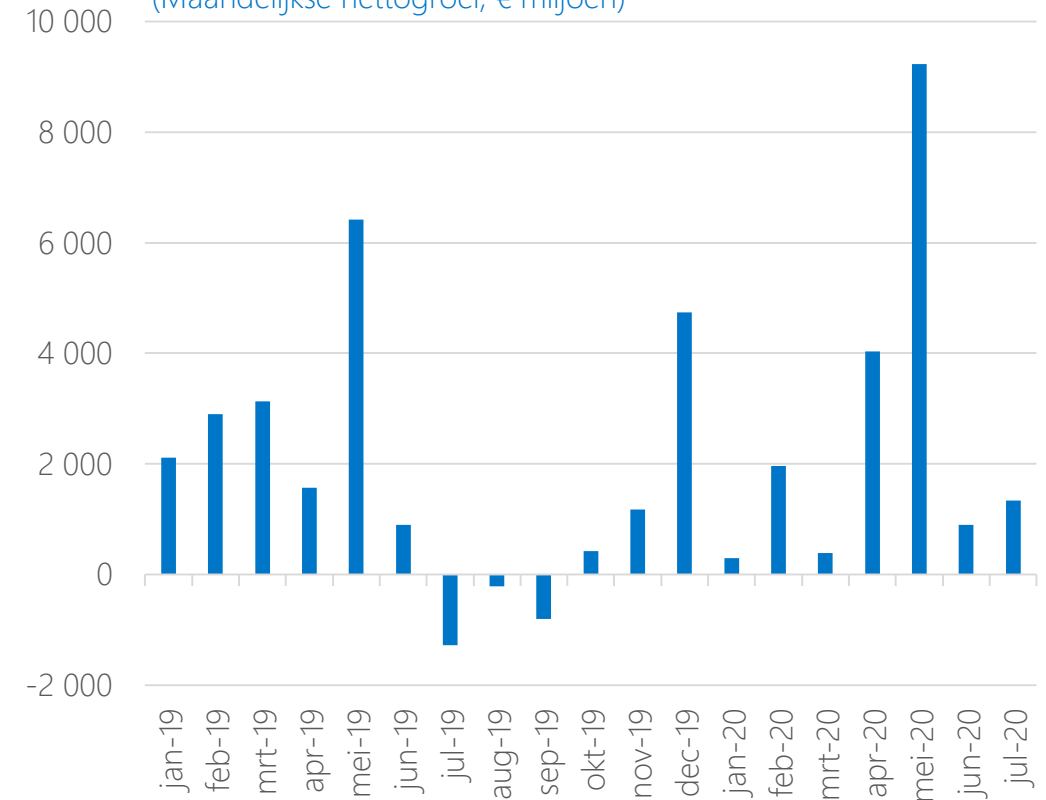
Deposito's Belgische huishoudens

(€ miljard, sector, maandelijkse gegevens)



Alle deposito's

(Maandelijkse nettogroei, € miljoen)



Negatieve saldi op rekeningen / kredietkaarten

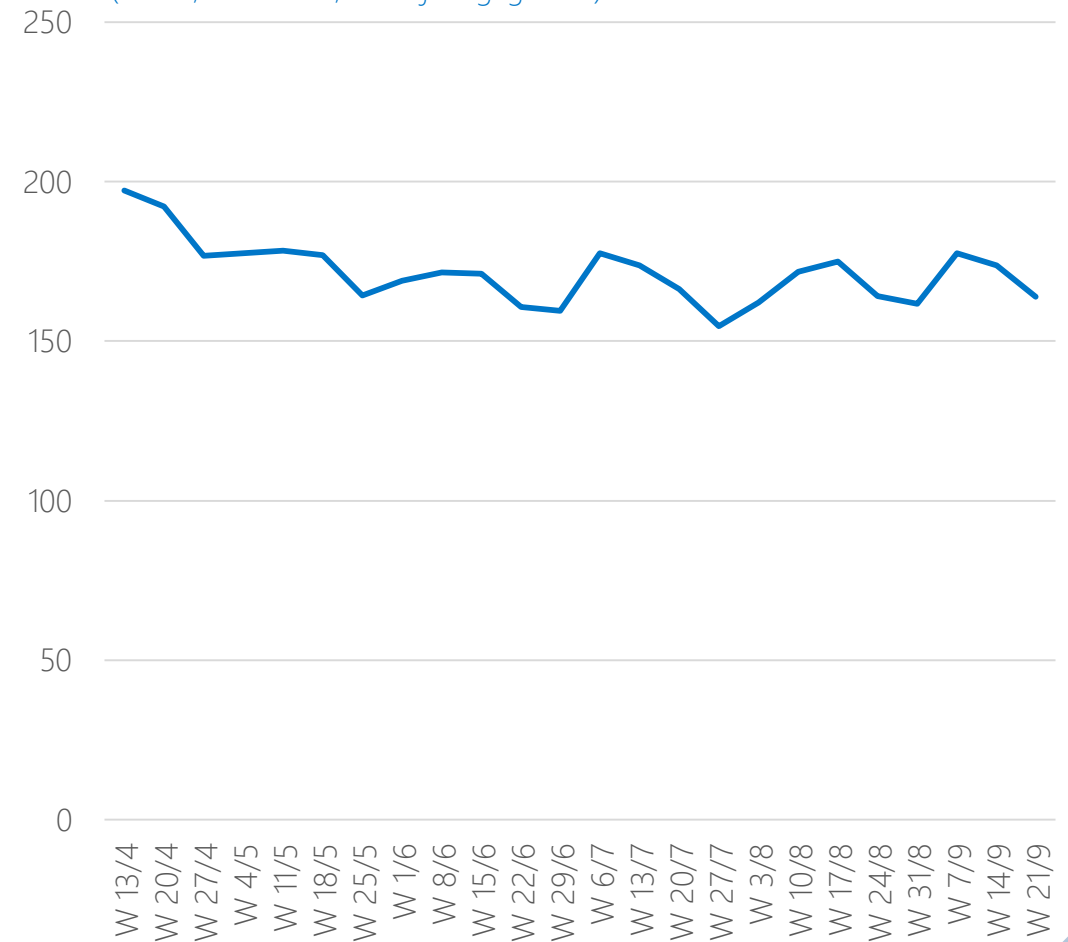
Negatieve saldi op rekeningen

(stock, in € miljoen, maandelijkse gegevens)



Aantal rekeningen "teveel in het rood"

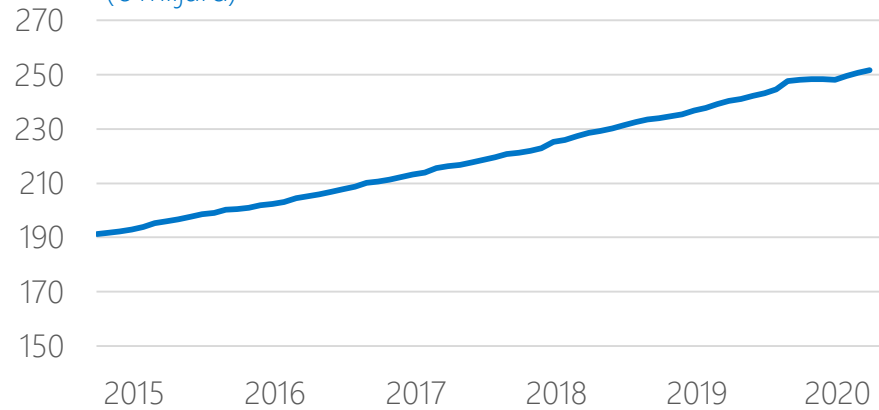
(aantal, in duizend, wekelijkse gegevens)



Bankkredieten van Belgische huishoudens

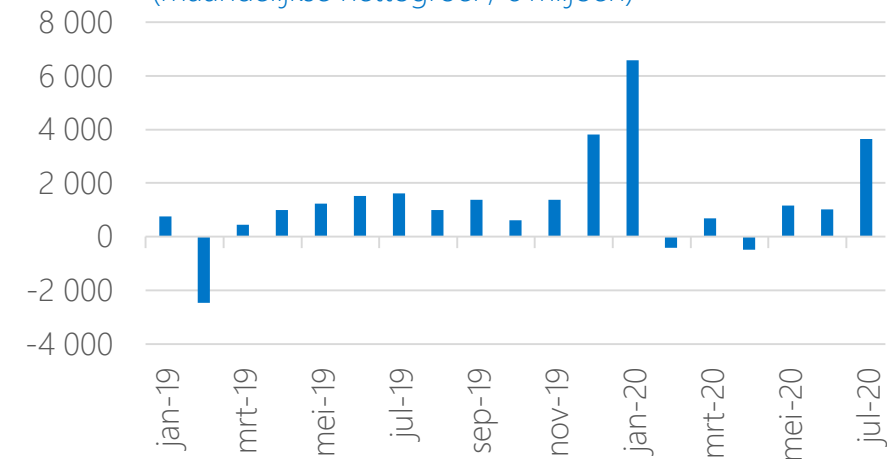
Stock

(€ miljard)



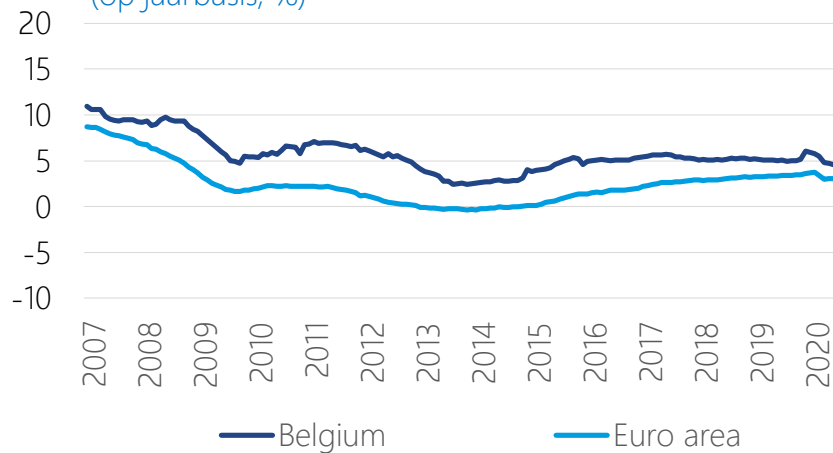
Hypothecaire leningen

(maandelijkse nettogroei, € miljoen)



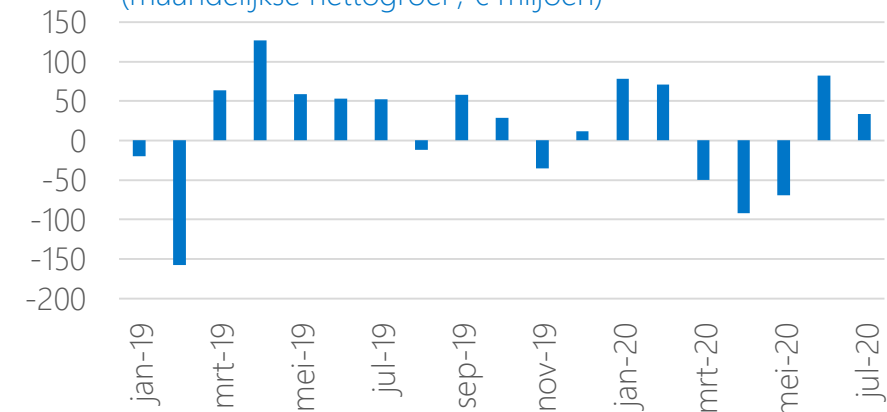
Groeivoet

(op jaarbasis, %)



Consumentenleningen

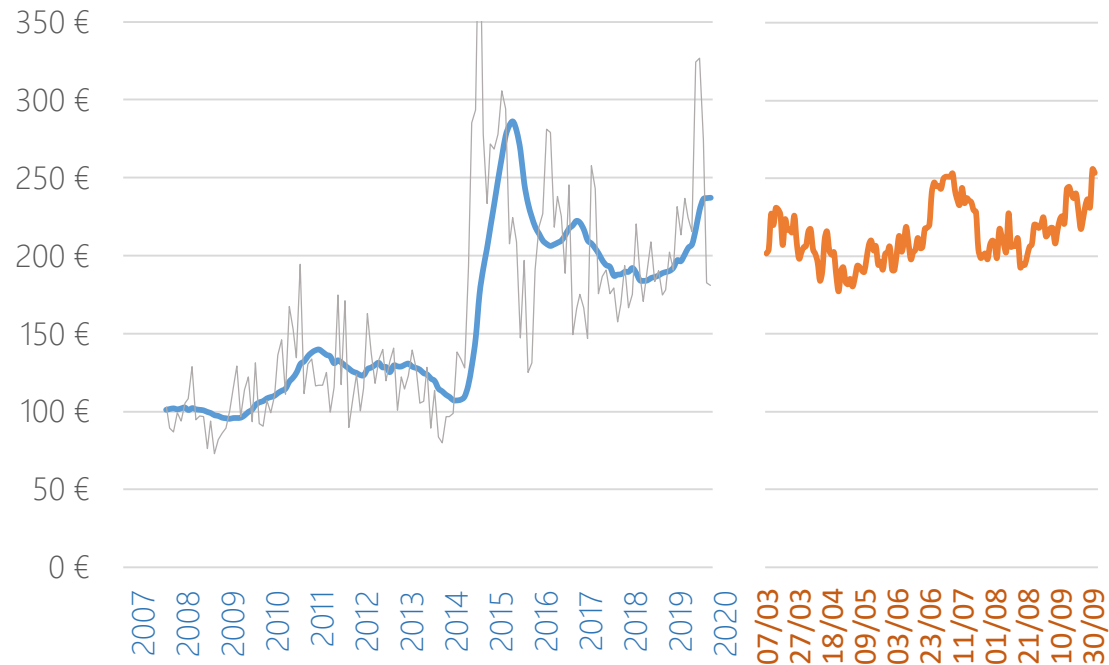
(maandelijkse nettogroei, € miljoen)



Hypotheekleningen: nieuwe leningen en wanbetalingsgraad

Nieuwe leningen

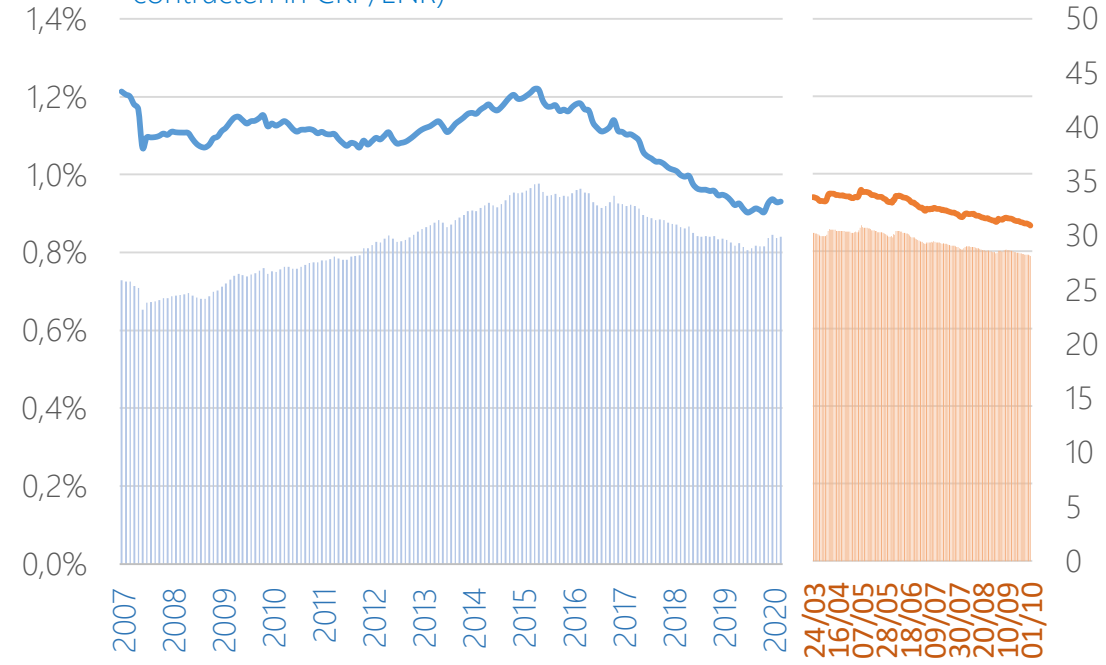
(geregistreerd bedrag per werkdag in CKP, in € miljoenen)



- Gemiddelde per werkdag over de laatste 12 maanden
- Gemiddelde per werkdag over de laatste maand
- Gemiddelde per werkdag over de laatste 5 werkdagen

Wanbetalingsgraad

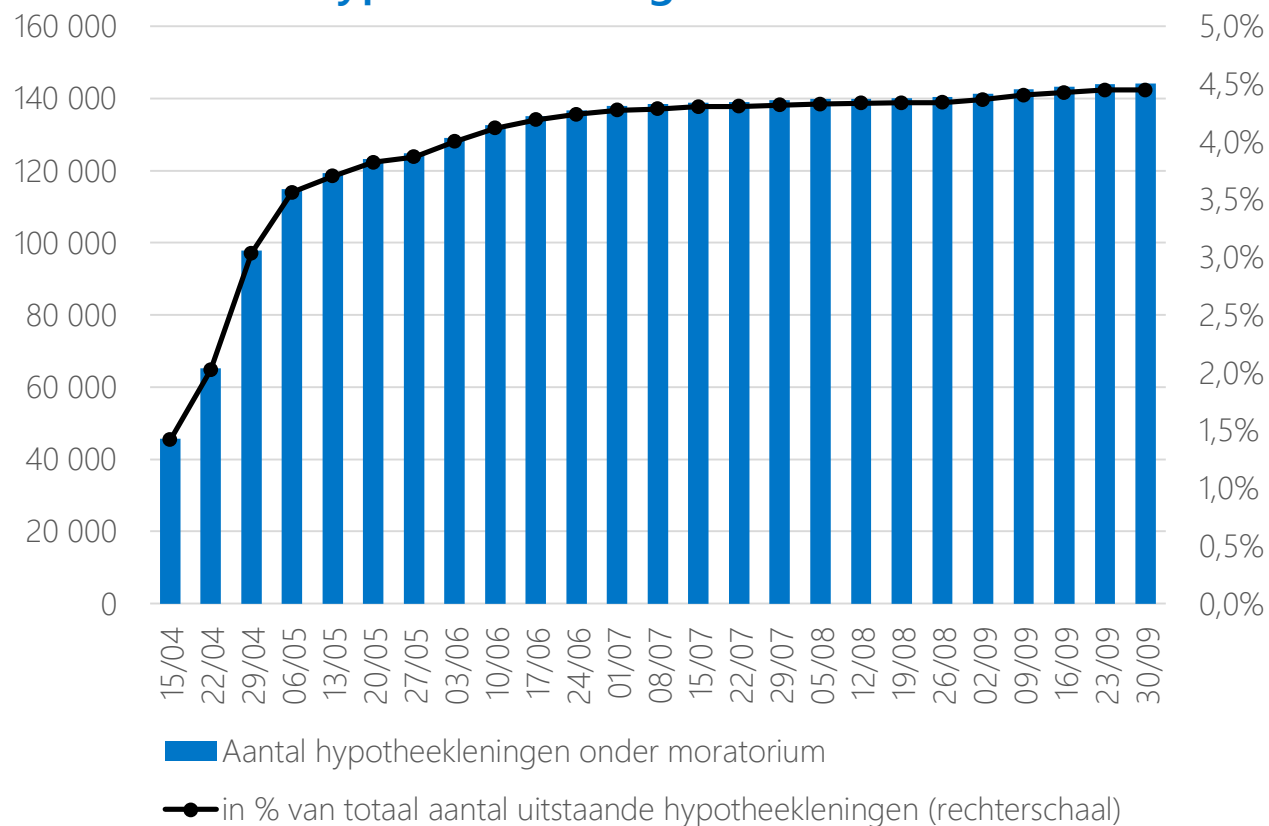
(Aantal uitstaande achterstallige contracten, % van alle uitstaande contracten in CKP/ENR)



- Aantal uitstaande achterstallige contracten (maandelijkse gegevens, rechterschaal in duizenden)
- Wanbetalingsgraad (maandelijkse gegevens)
- Aantal uitstaande achterstallige contracten (dagelijkse gegevens, rechterschaal in duizenden)
- Wanbetalingsgraad (dagelijkse gegevens)

Hypotheekleningen: moratoria geregistreerd in CKP¹

Aantal hypotheekleningen onder moratorium



Cijfers 30/9

kredieten

| | |
|--------------|---------|
| ◆ in duizend | 144 252 |
| ◆ in % stock | 4,4 % |

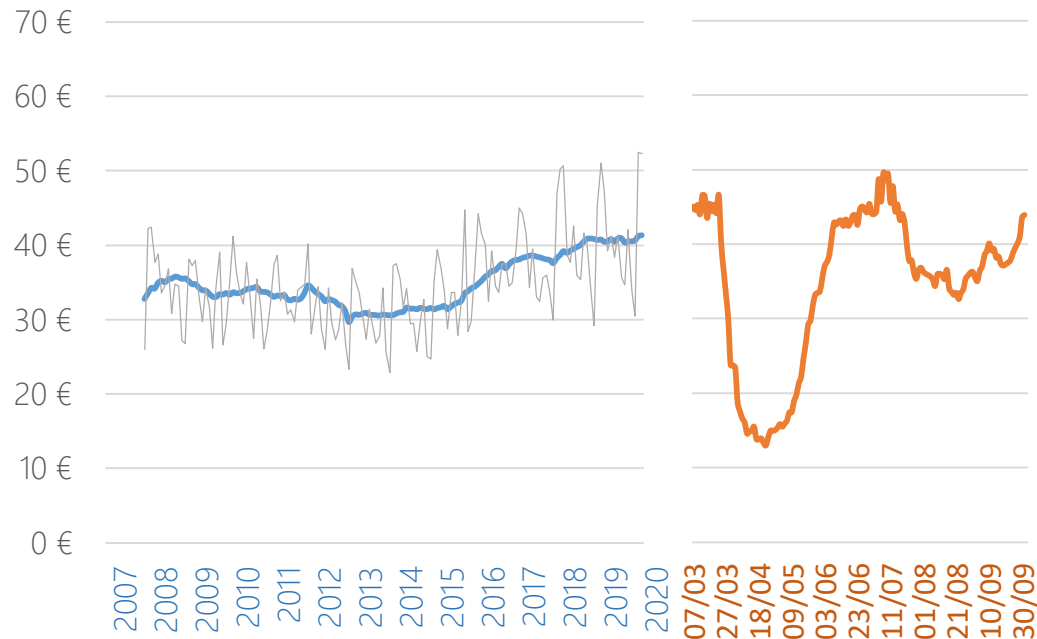
€ initieel kredietbedrag²

| | |
|--------------|-------|
| ◆ in miljard | 17,9 |
| ◆ in % stock | 5,1 % |

Consumentenkredieten¹: nieuwe leningen en wanbetalingsgraad

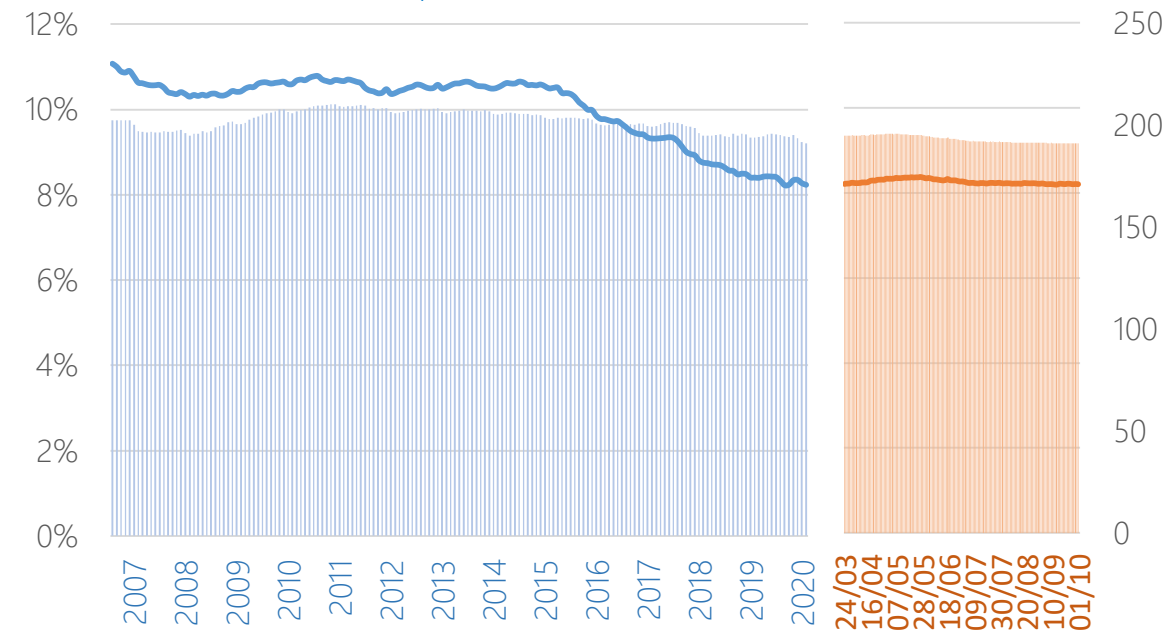
Nieuwe leningen

(geregistreerd bedrag per werkdag in CKP, in € miljoenen)



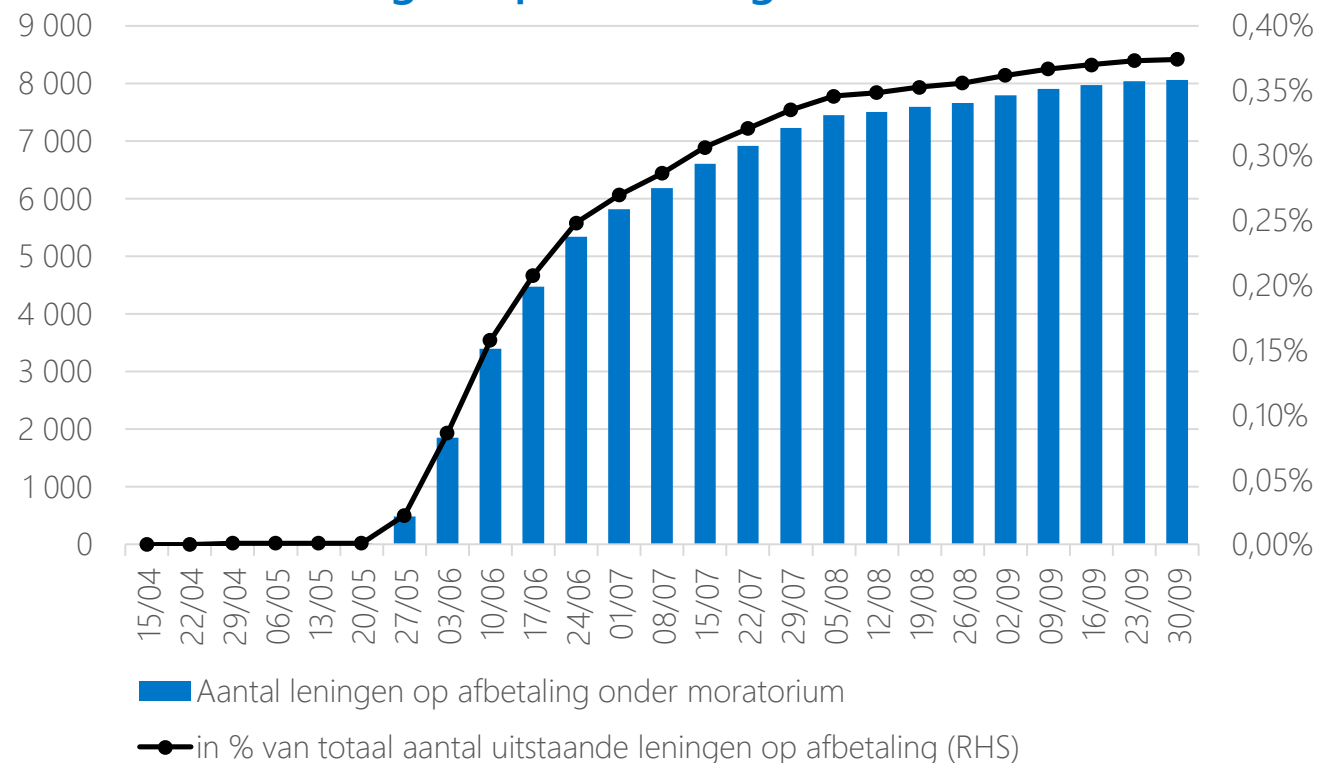
Wanbetalingsgraad

(Aantal uitstaande achterstallige contracten, % van alle uitstaande contracten in CKP/ENR)



Consumentenkredieten: moratoria geregistreerd in CKP¹

Aantal leningen op afbetaling onder moratorium



Cijfers 30/09

kredieten

| | |
|-------------------------|-------|
| ◆ in aantal | 8 276 |
| - Lening op afbetaling | 8 061 |
| - Verkoop op afbetaling | 36 |
| - Kredietopening | 179 |
| ◆ in % v/d stock | |
| - Lening op afbetaling | 0,4 % |

€ kredieten (initieel ontleend bedrag)

| | |
|-------------------------|-------|
| ◆ in miljoen | 236,1 |
| - Lening op afbetaling | 234,5 |
| - Verkoop op afbetaling | 1,0 |
| - Kredietopening | 0,6 |
| ◆ in % v/d stock | |
| - Lening op afbetaling | 0,6 % |

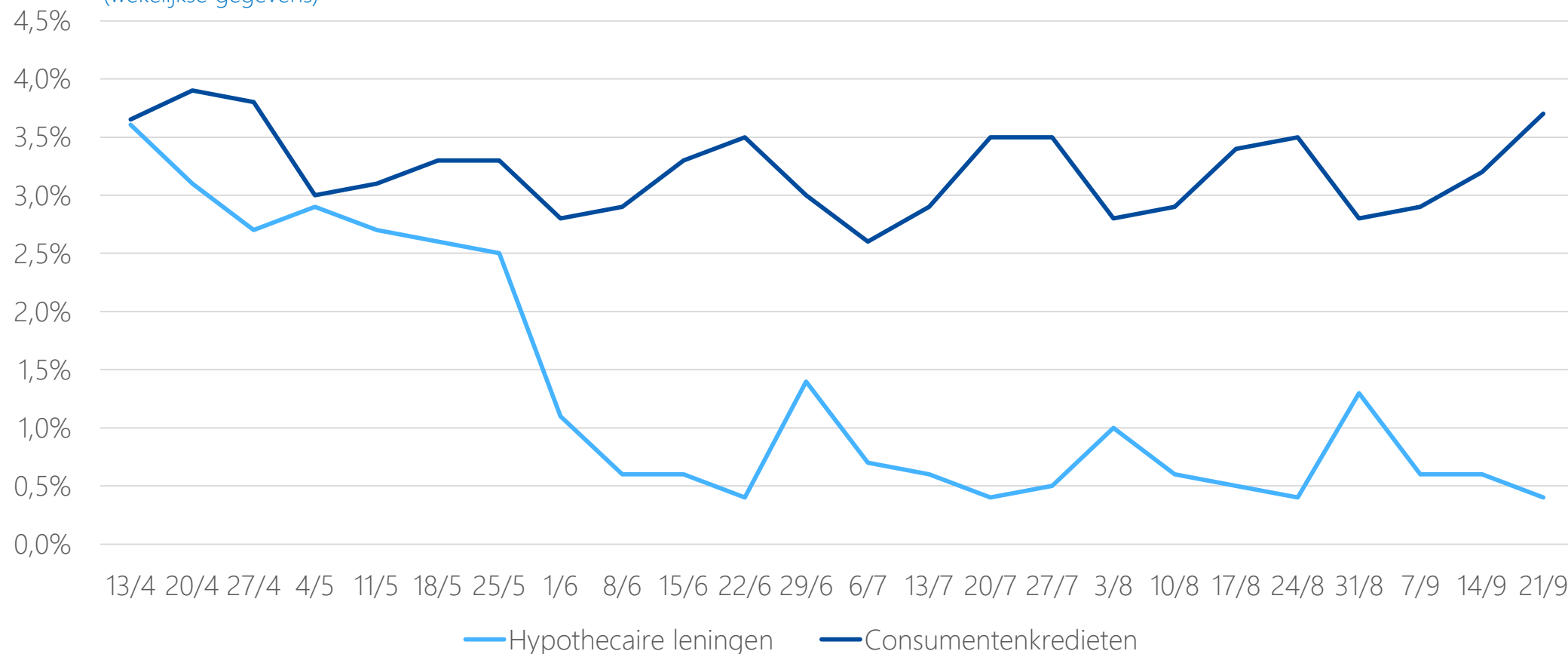
Bron: CKP, laatste beschikbare gegevens: 30 september 2020

¹ De cijfers meten het totaal aantal geregistreerde moratoria in CKP, dus exclusief de aangevraagde moratoria waarvoor de verwerking nog loopt en de verleende moratoria die nog geregistreerd moeten worden in CKP.

² Het resterend uitstaand kredietbedrag is niet beschikbaar in CKP.

Achterstanden bij leningen aan huishoudens stabiel sinds juni

Betalingsachterstand (1-30 dagen) op hypothecaire leningen en consumentleningen
(wekelijkse gegevens)



The background of the slide features a large, detailed, and somewhat translucent image of a virus particle, likely representing the COVID-19 virus, centered in the frame. The virus has a spherical shape with numerous spike-like protrusions extending from its surface. The overall color palette is a mix of light blue and white, with the virus particle appearing in a slightly darker, more textured blue. The text 'Credit indicators corporates' is overlaid on the virus particle in a dark blue, sans-serif font.

Credit indicators corporates

Impact of the COVID-19 crisis on lending to non-financial corporations (NFCs)

- ◆ Credit developments: (see next slides)

- ◇ While annual NFC growth of utilised loans had accelerated in March and April (in large part due to drawdowns of credit lines by multinationals), it has slowed since May.
- ◇ The annual growth rate of authorised (granted) credit is comparable to that observed before the pandemic
- ◇ Monthly growth rates of utilised and authorised were negative in June
- ◇ Loan arrears have been stable since May
- ◇ Small or medium-sized enterprises (SMEs) have larger proportions of loans in moratorium than larger firms

- ◆ According to the July 2020 Bank lending survey:

- ◇ Demand for loans from Belgian enterprises in 2020Q2 was driven by liquidity needs, but also curbed by a decline in fixed investment
- ◇ Slight tightening in credit standards prompted by higher risk perception and lower risk tolerance

Firms perceived less favorable credit conditions

◆ Belgian firms reported for the second time a deterioration of their credit conditions in 2020Q2

- ◇ Deterioration in the assessment of the general credit conditions by firms
 - In all branches of activity and all categories of firms irrespective of size
 - From 2020, the balance of the opinions (favorable vs unfavorable) is below the historical mean
- ◇ Small deterioration with respect to 2020Q1 regarding requirements for collateral, costs other than interest rates and level of interest rates

(source: NBB survey on credit conditions)

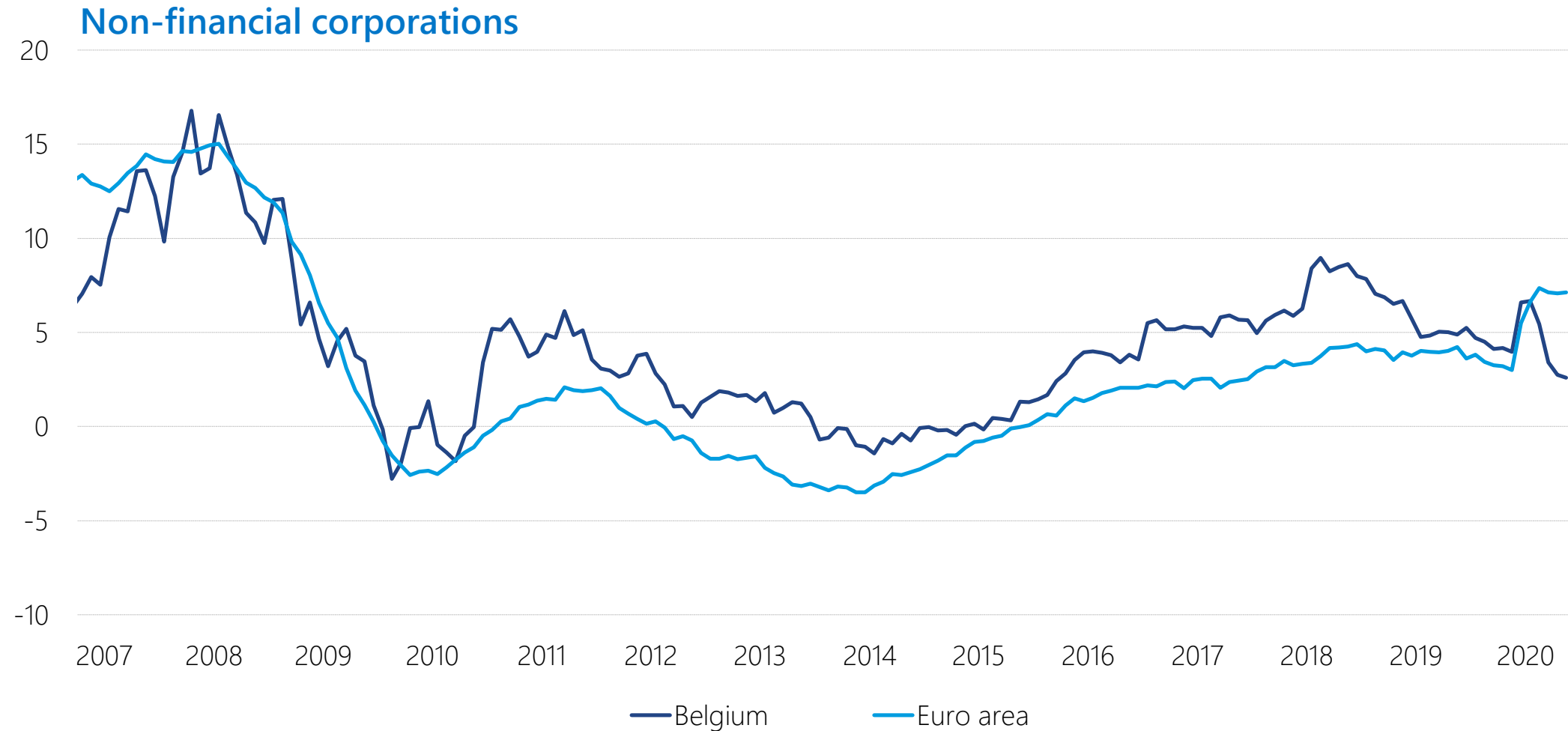
◆ SMEs feared a significant impact on bank loan availability in 2020Q2

- ◇ No significant changes regarding obstacles impeding access to bank financing between October 2019 and March 2020
 - Proportion of SMEs not applying for bank credit because of possible rejection, or applying for a loan but only receiving a limited part of the amount requested, refusing credit because the cost was too high, or having their application rejected = 5,2 % (against 5,9 % on average in 2017-2019)
- ◇ But SMEs expected a sharp deterioration in availability of bank loans over the next six months (April-September 2020)
 - Widespread across sectors

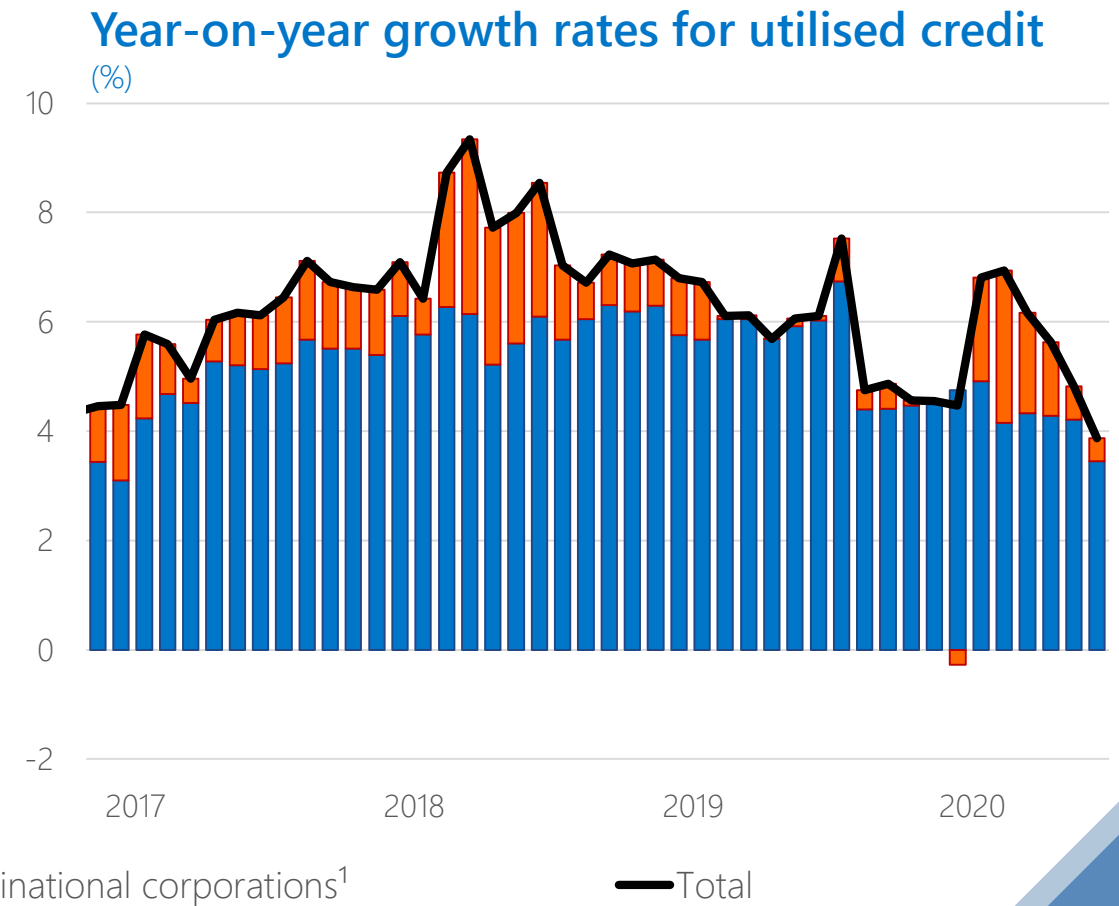
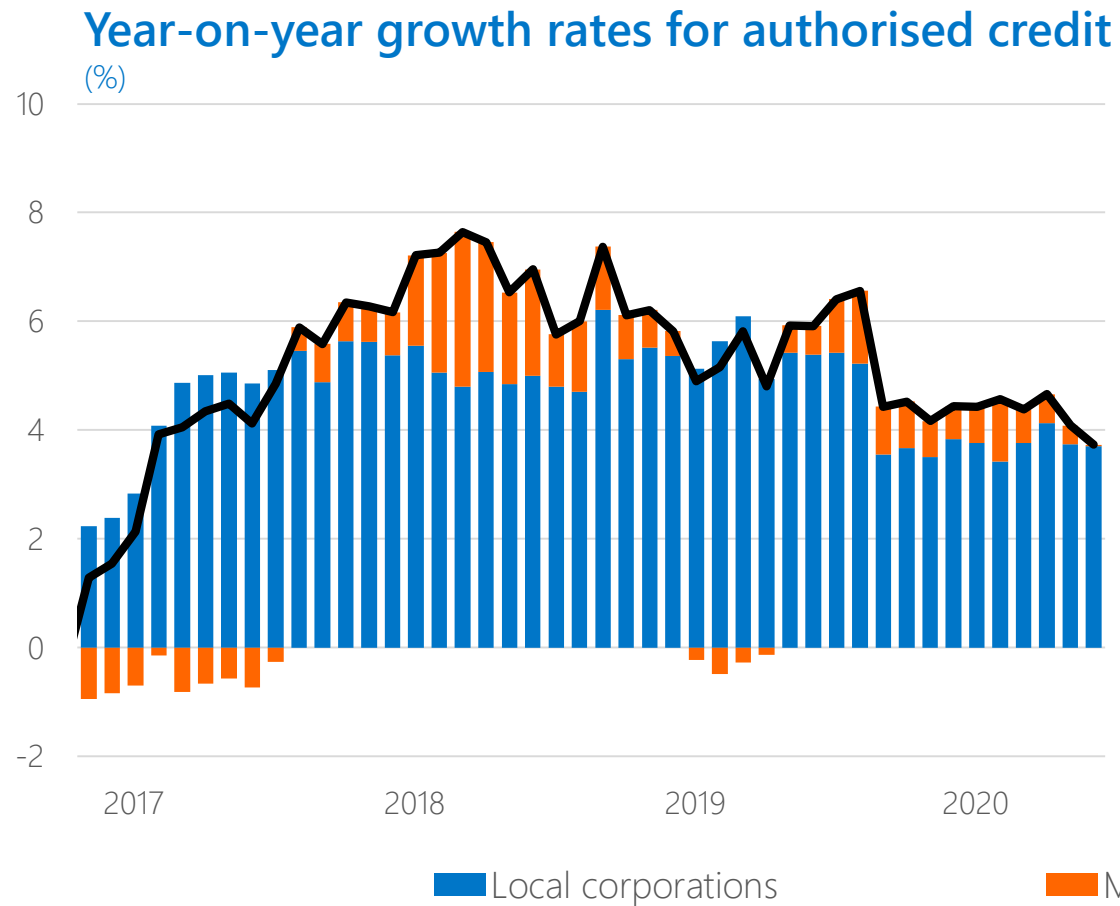
(source: SAFE survey, conducted between 2 March and 8 April 2020.)

NFC credit growth in Belgium: slowdown after the peak in March and April

(year-on-year % changes¹, up to August 2020)



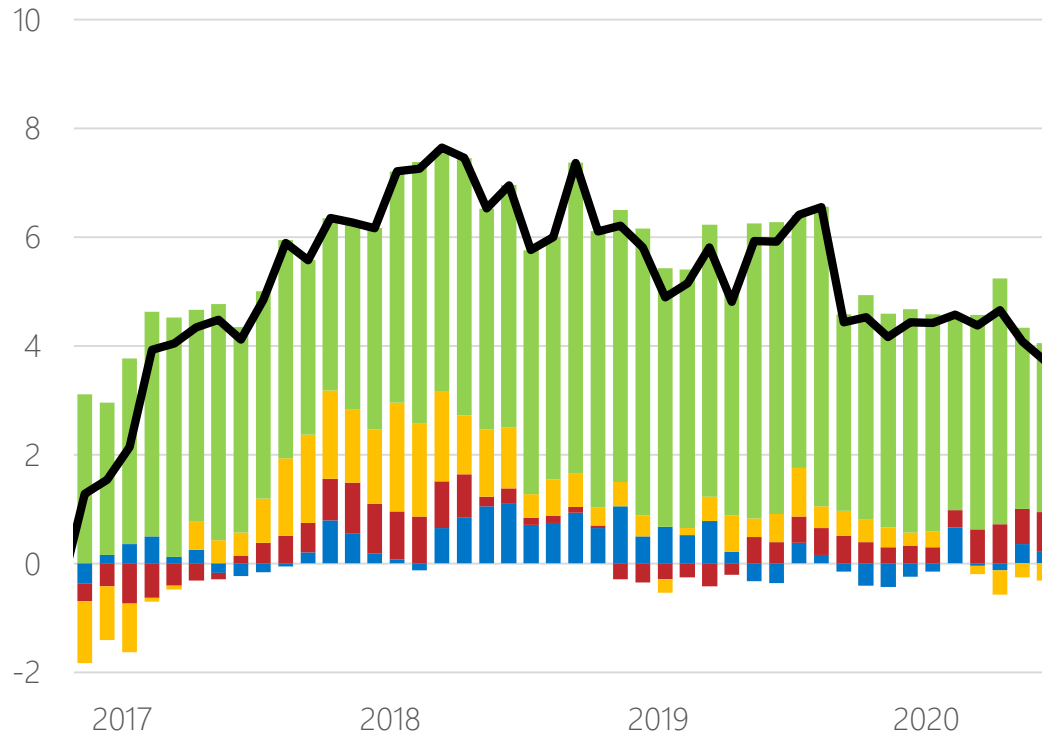
Reduced contribution of multinational corporations to total credit growth, after massive drawdowns of credit lines in March and April ...



... which also translates into a lower contribution of short-term loans

Decomposition of YoY authorized corporate credit growth by maturity

(%)



Up to one year (or undefined)

One to two years

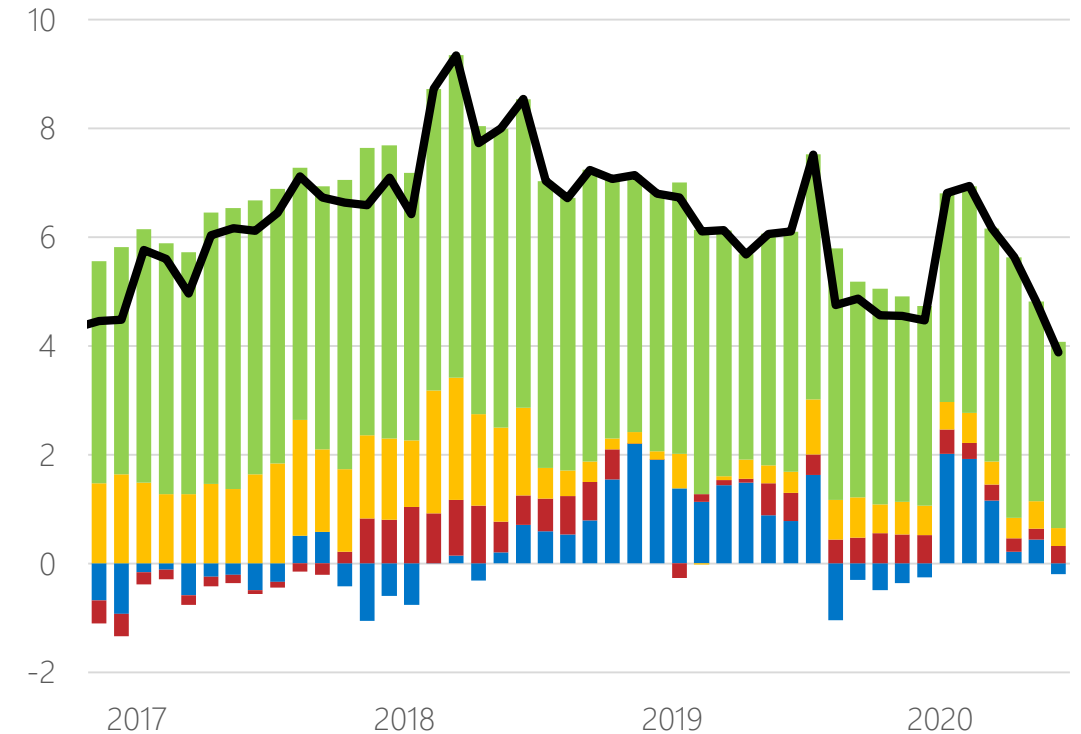
Two to five years

Over five years

Total

Decomposition of YoY used corporate credit growth by maturity

(%)

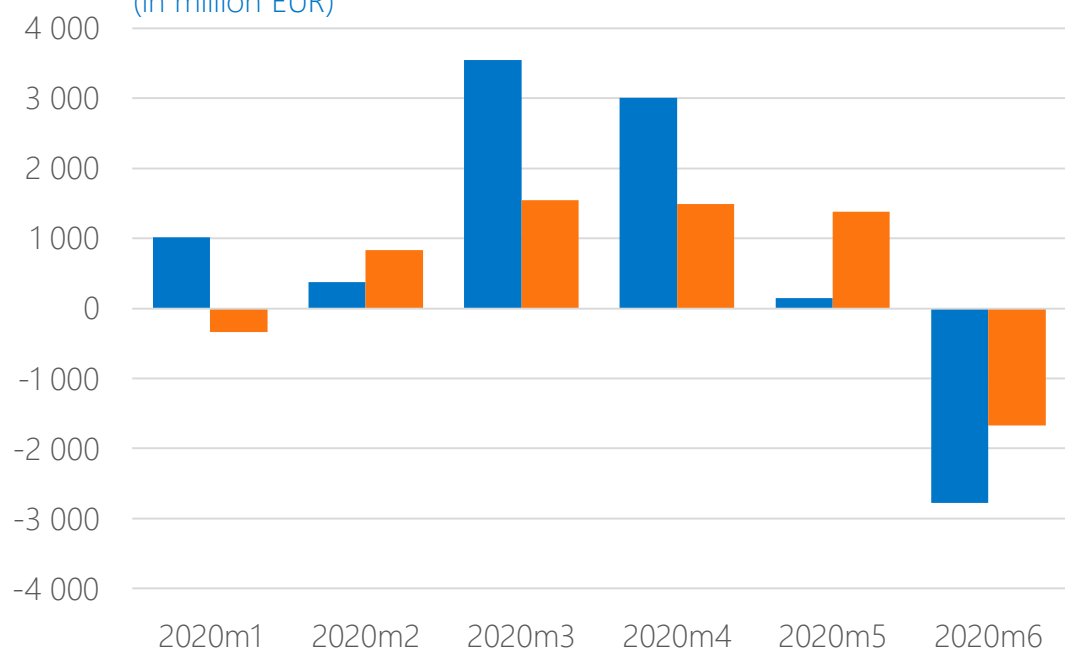


Monthly decline of authorised and utilised loans in June

(also the case for last year)

Monthly changes in authorised and utilised loans

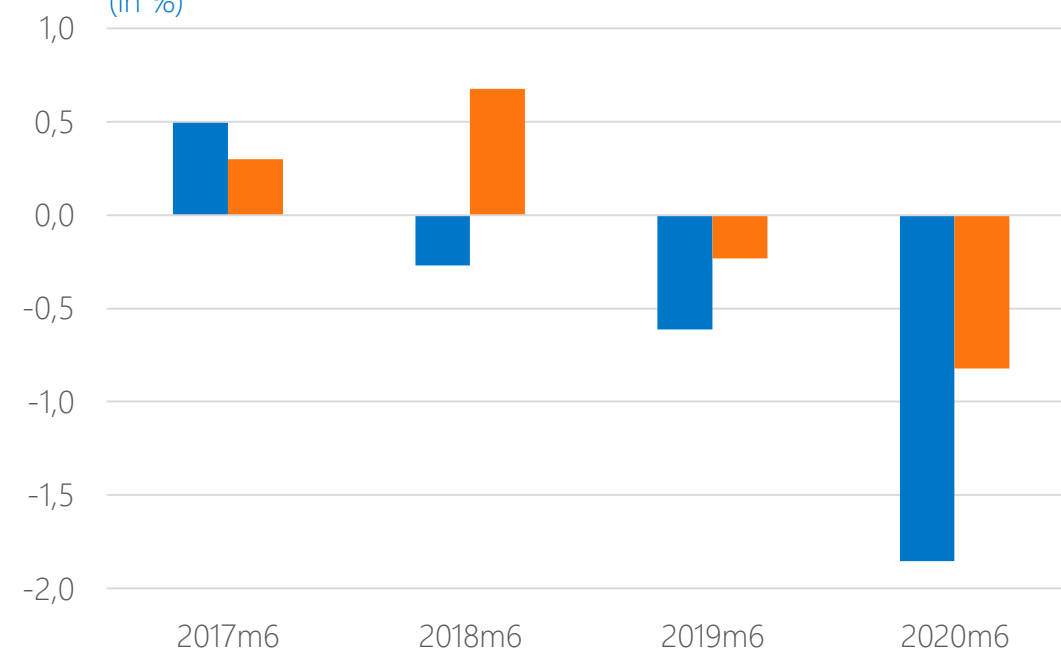
(in million EUR)



■ utilised

Monthly growth rates of loans for June of previous years

(in %)

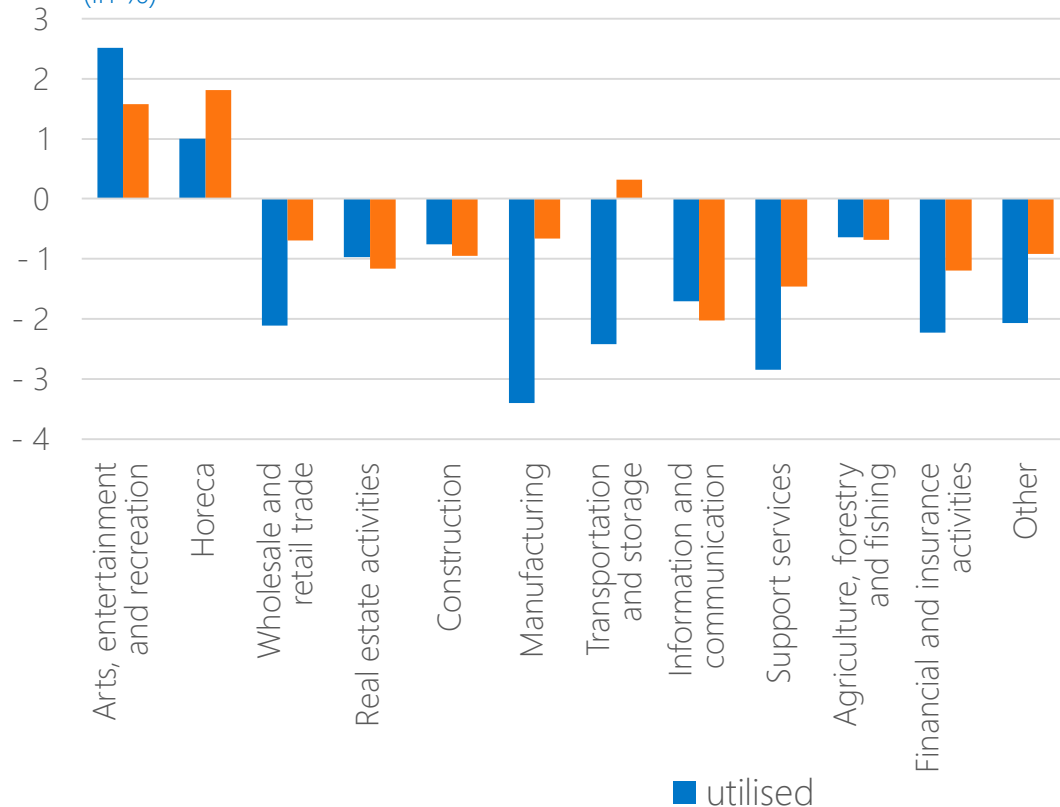


■ authorised

Higher loan growth in arts and entertainment and horeca sectors in June

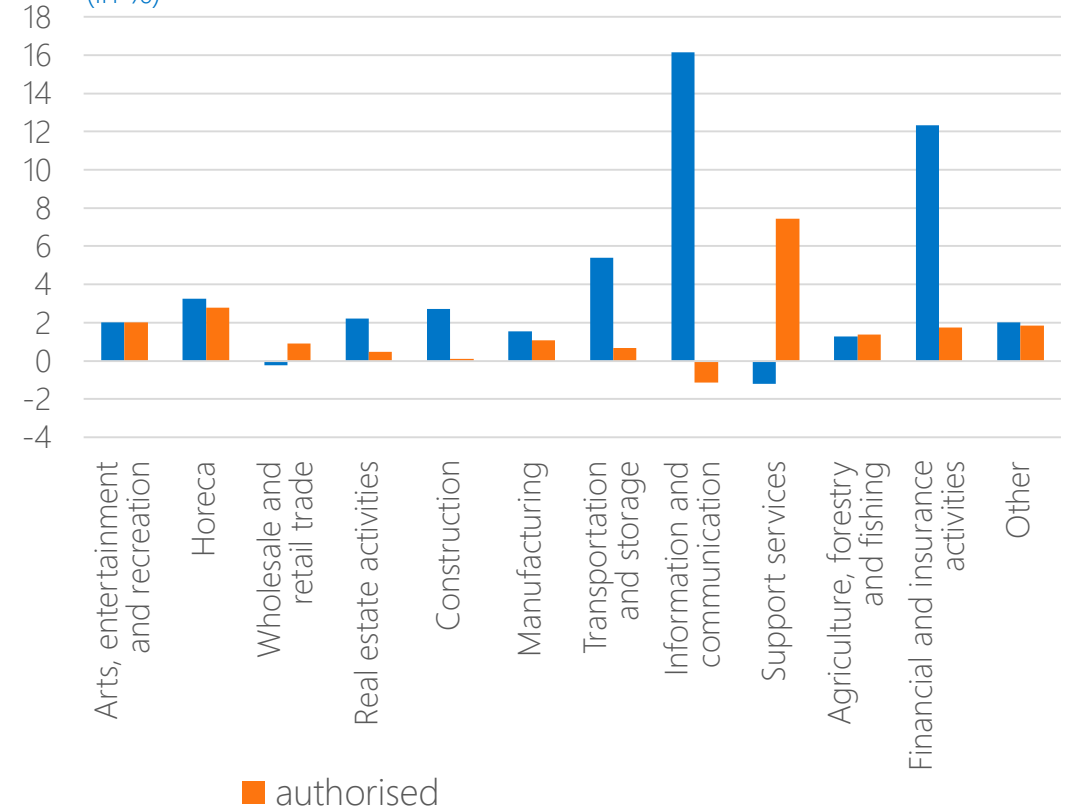
Monthly growth rates June 2020

(in %)



Four-month growth rates March-June 2020

(in %)

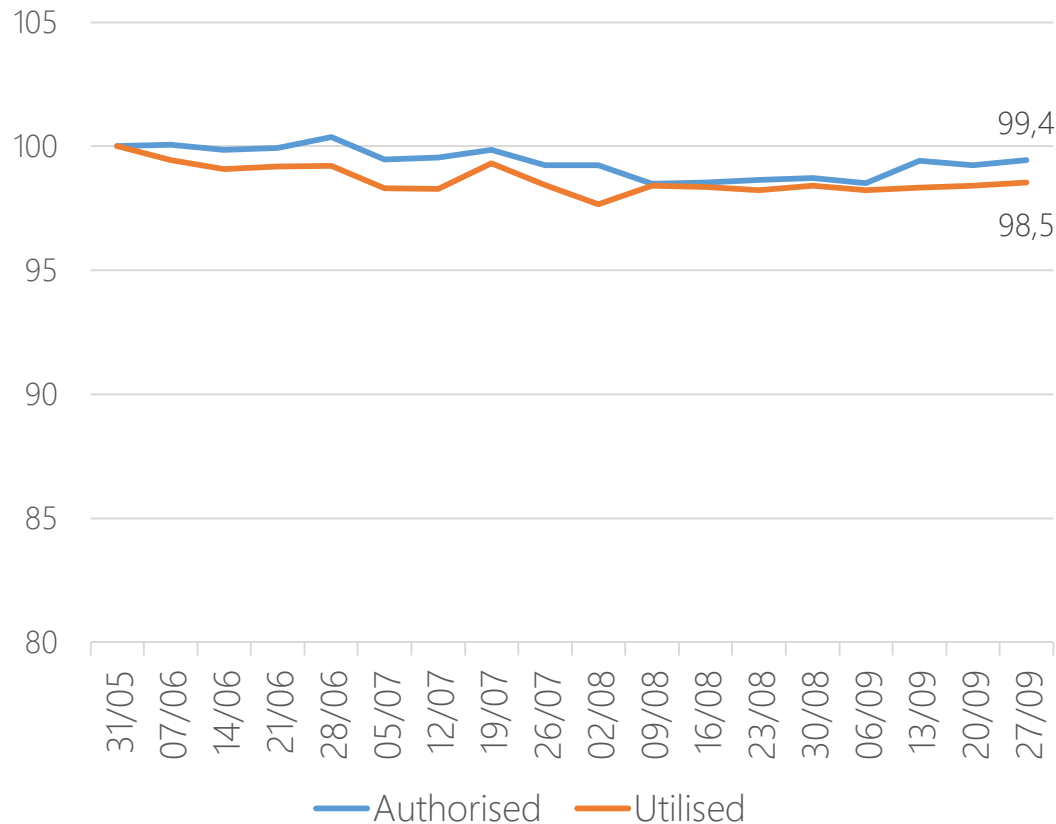


Loan developments - weekly

NFCs in weekly reporting = Self-employed + SMEs + Corporates + Public Sector Entities

Evolution of total loans to NFCs

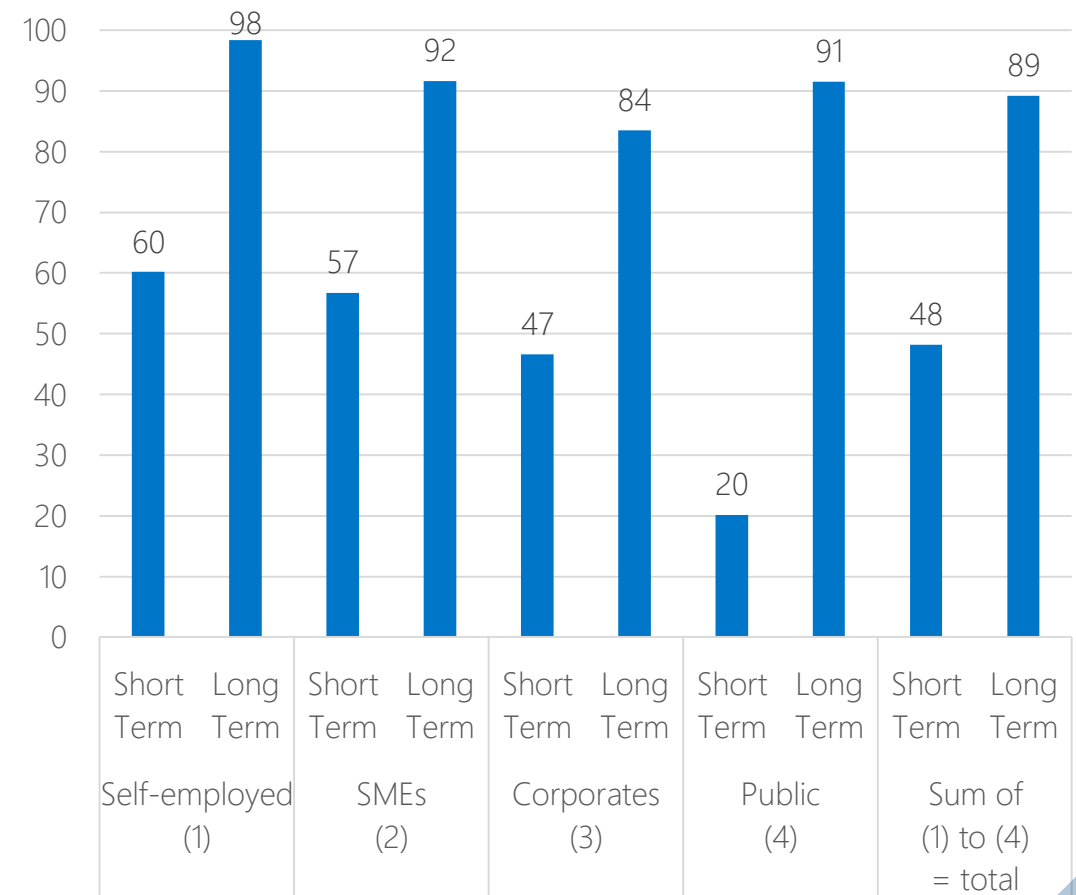
(in %)



Total loans to NFCs represented as an index normalized to 100 % by end May stock of loans

Utilisation rate (=utilised/authorized)

(last weekly observation, in %)

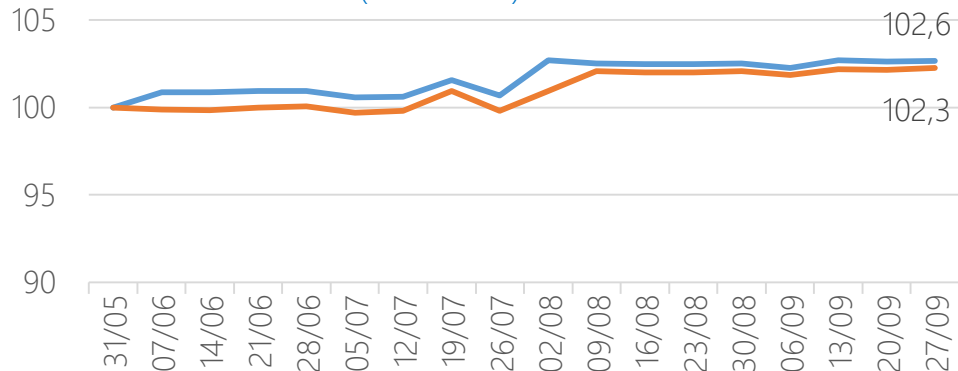


Stable loans for firms except for a slight decline for corporates

NFCs in weekly reporting = Self-employed + SMEs + Corporates + Public Sector Entities

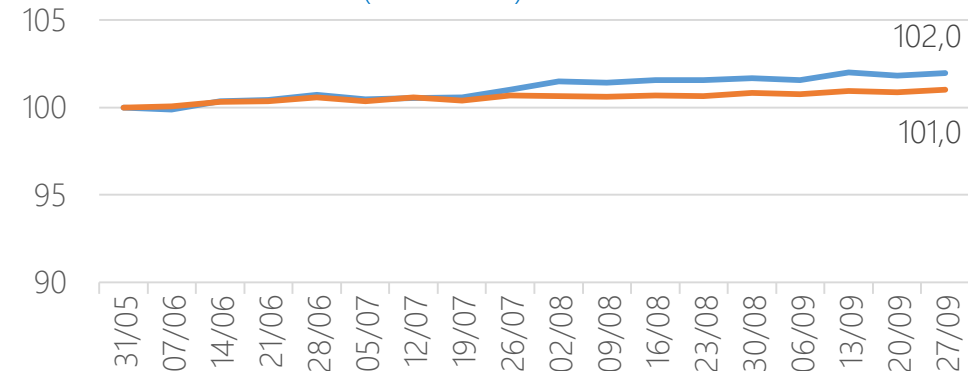
Evolution of total loans to self-employed

Latest observation (authorized) 23 billion EUR



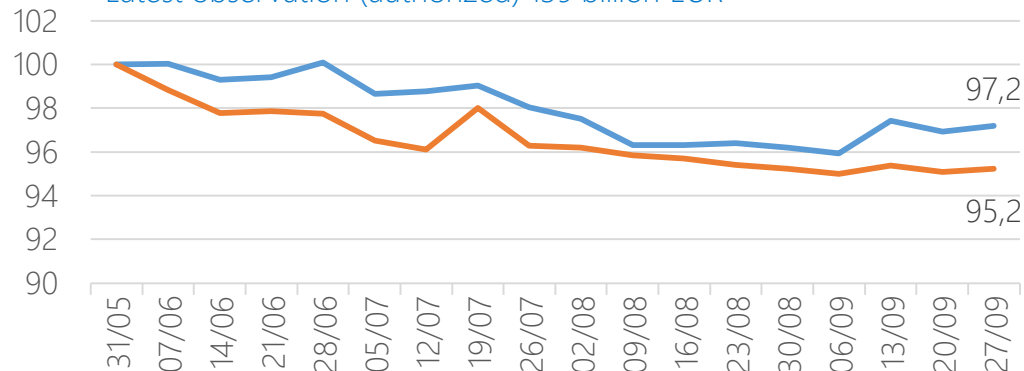
Evolution of total loans to SMEs

Latest observation (authorized) 83 billion EUR



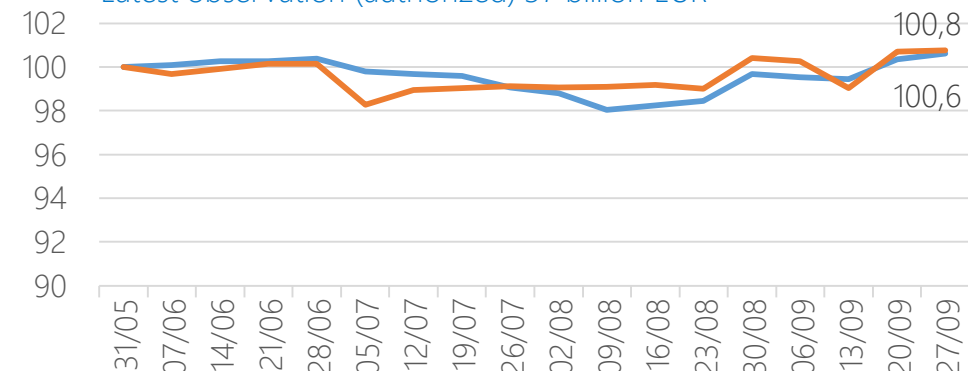
Evolution of total loans to corporates

Latest observation (authorized) 139 billion EUR



Total loans to public sector entities

Latest observation (authorized) 37 billion EUR



— Authorised

— Utilised

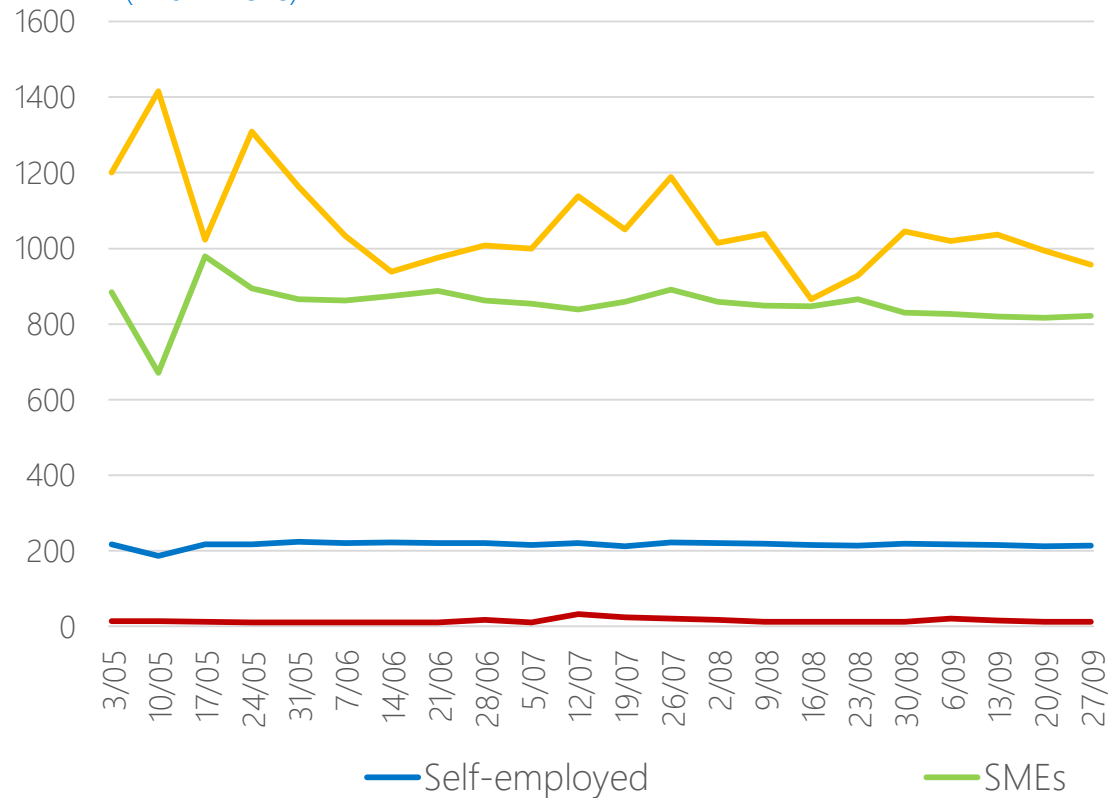
Total loans to NFCs represented as an index normalized to 100 % by end May stock of loans

Amounts and number of loans in arrears or in default are not increasing (yet?)

(arrears – weekly)

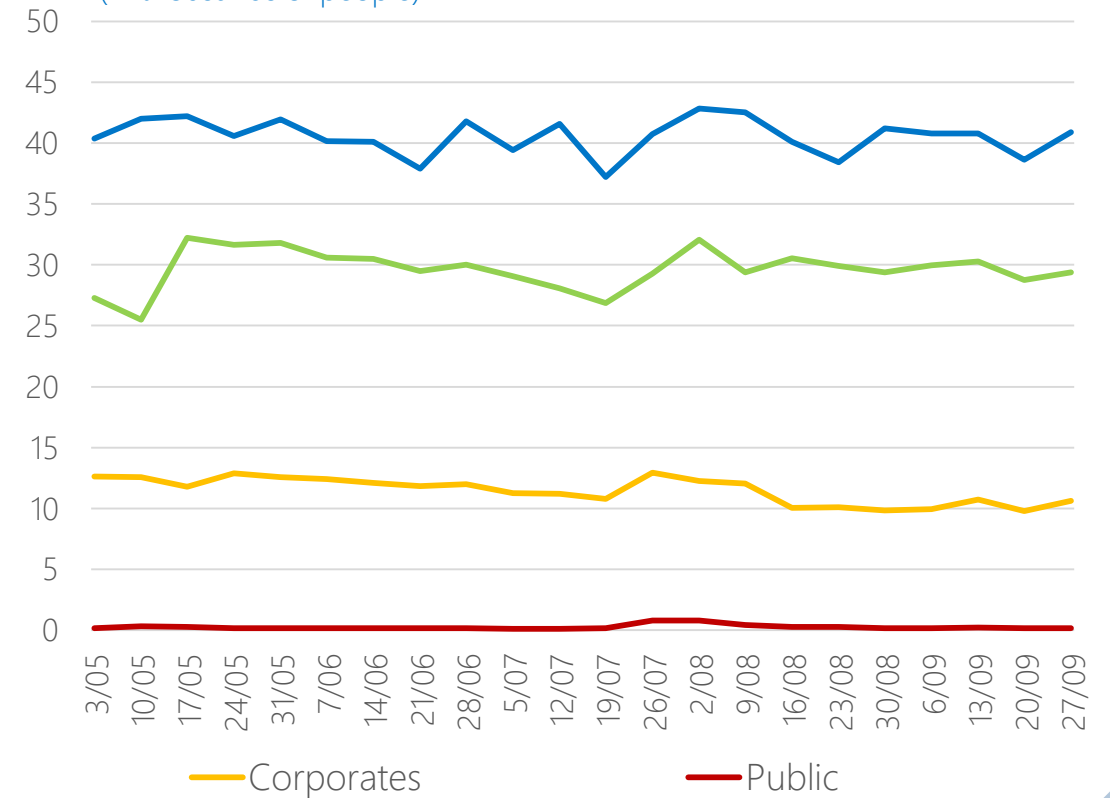
Amounts in arrears or in default

(in € millions)



Number of loans in arrears or in default

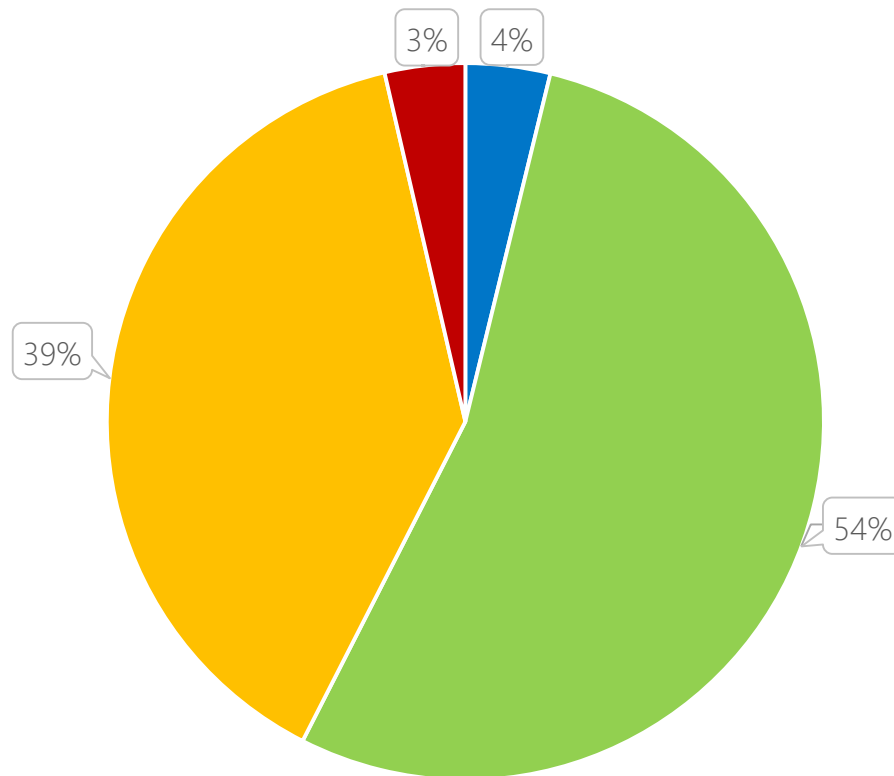
(in thousands of people)



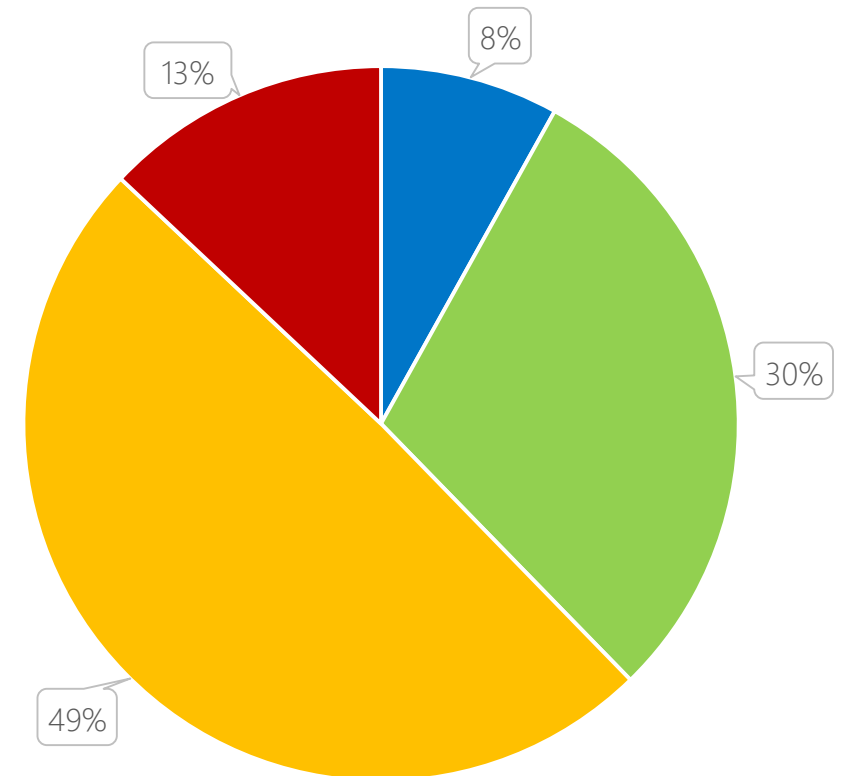
SMEs are the main beneficiaries of moratorium relative to their share of total loans

(moratorium – weekly)

Loan amounts in moratorium by type of counterparty



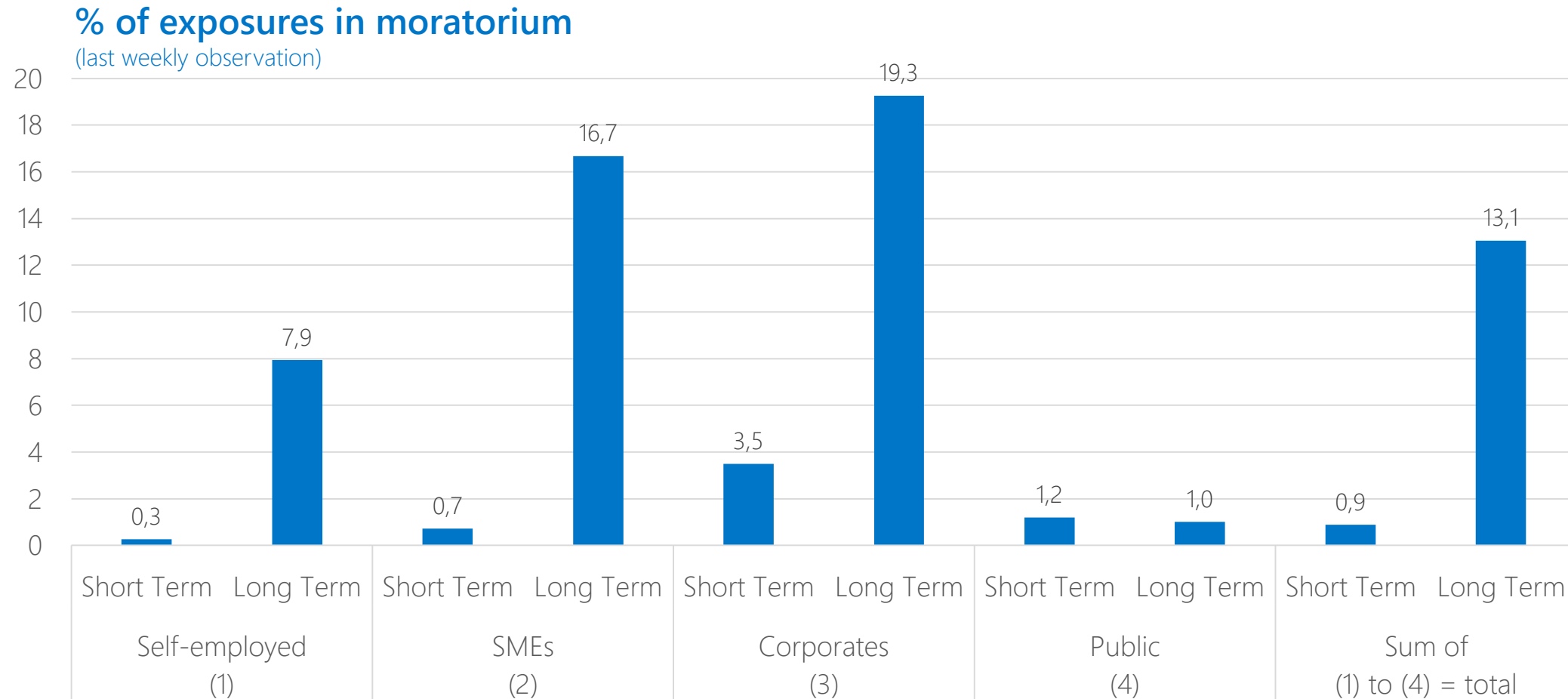
Total loan amounts by type of counterparty



■ Self-employed ■ SMEs ■ Corporates ■ Public

Long term loans are the main type of loans in moratorium

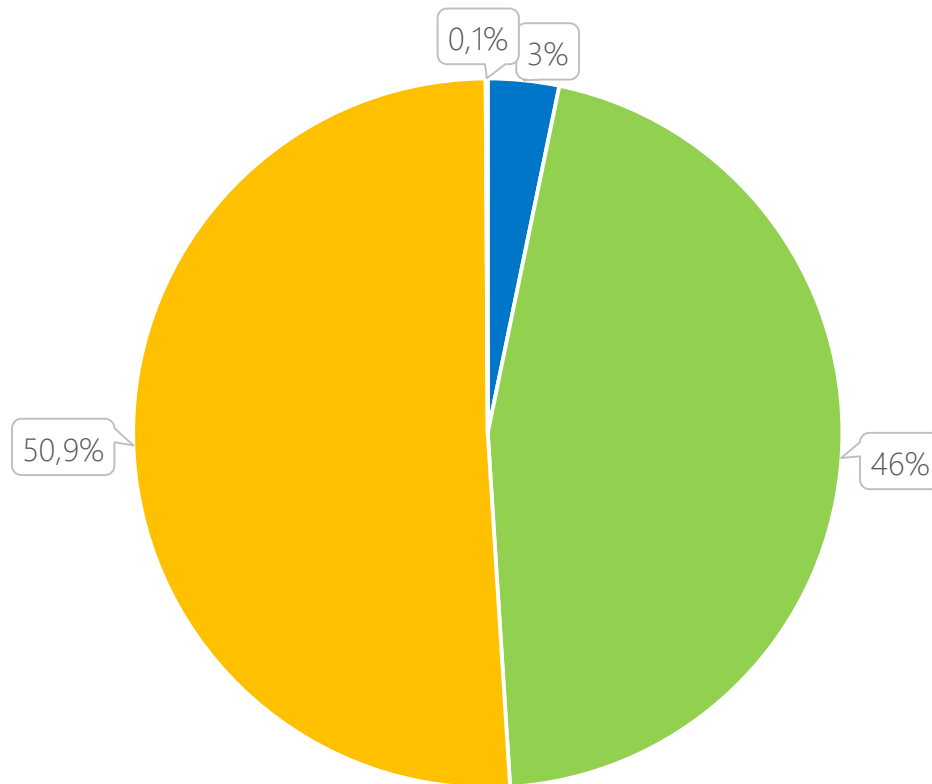
(moratorium – weekly)



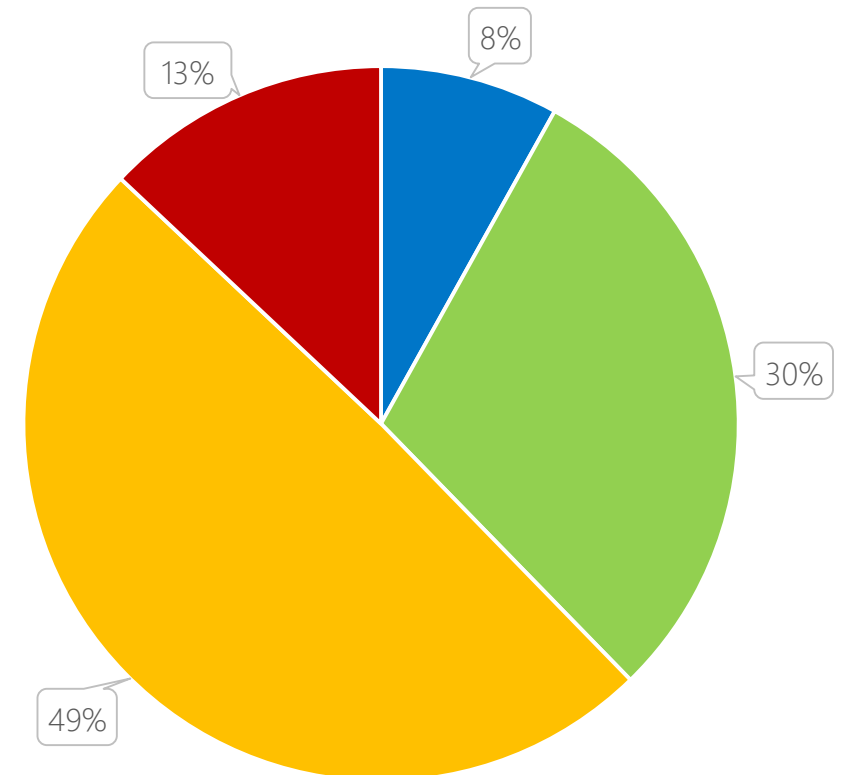
Take-up of the state guarantee - by type of counterparty

Results, taking into account only state guarantee I
(weekly data)

Loan amounts under state guarantee by type of counterparty



Total loan amounts by type of counterparty



■ Self-employed ■ SMEs ■ Corporates ■ Public

The background of the slide features a large, detailed illustration of a coronavirus particle, showing its characteristic spherical shape and numerous spike proteins extending from its surface. The particle is rendered in a light blue and white color scheme, giving it a translucent, ethereal appearance. It is centered on the slide, with the title text overlaid on it. The overall aesthetic is clean and professional, with a focus on the theme of the presentation.

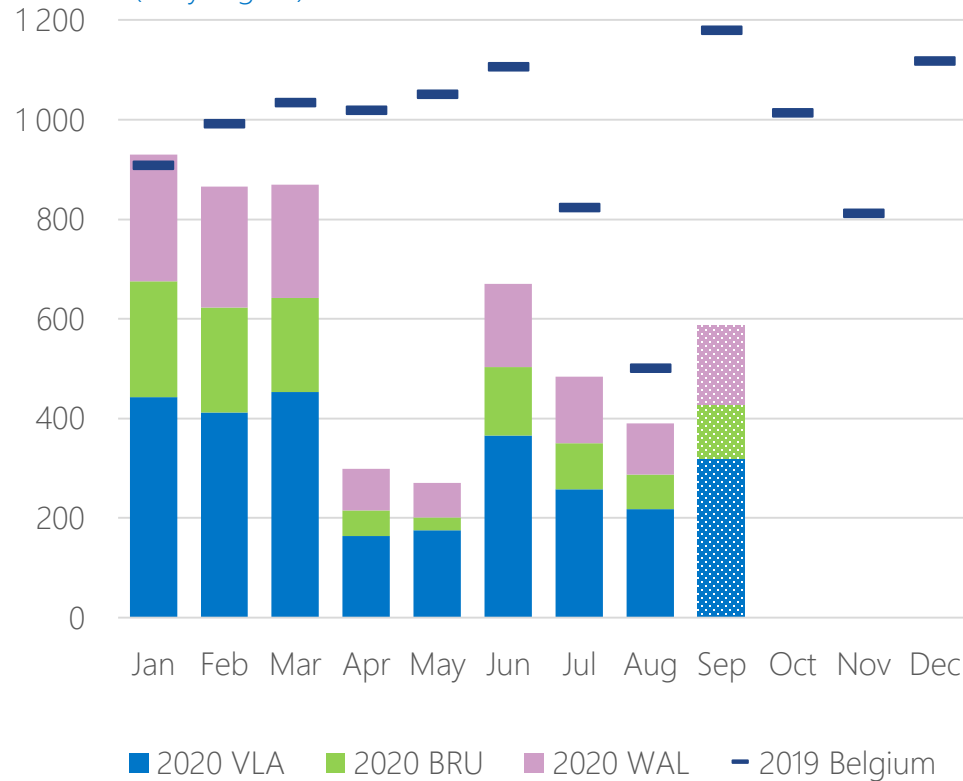
Bankruptcies and new business registrations

Number of bankruptcies¹ remains relatively low after lockdown ...

... partially explained by (temporary) support measures and procedural reasons²

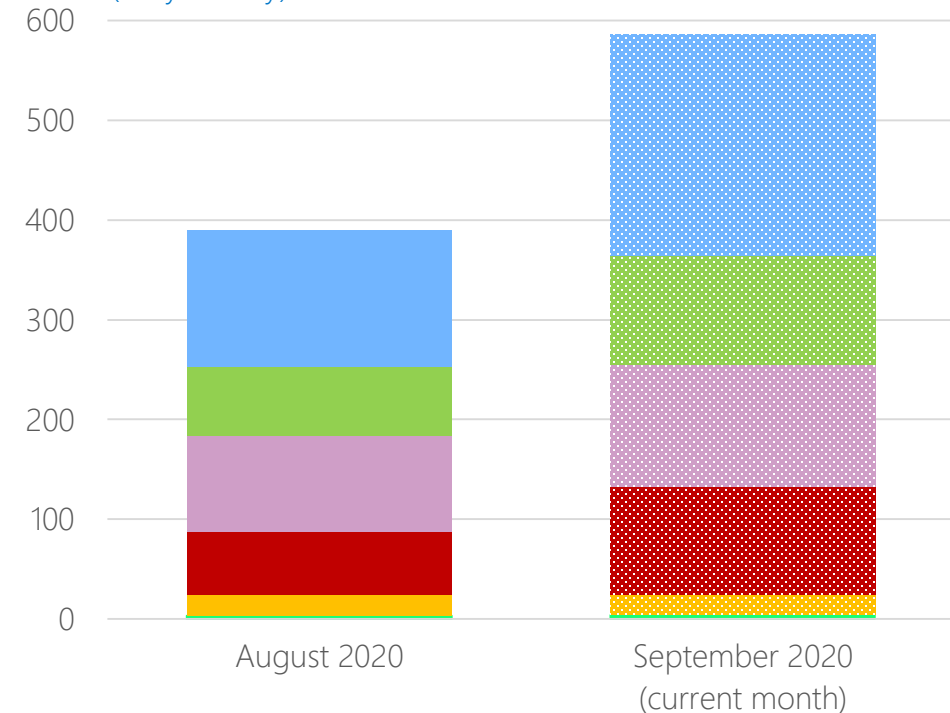
Bankruptcies

(# by region)



◆ About 96 % of bankruptcies are within the '0 to 9 workers' company size class

(# by activity)

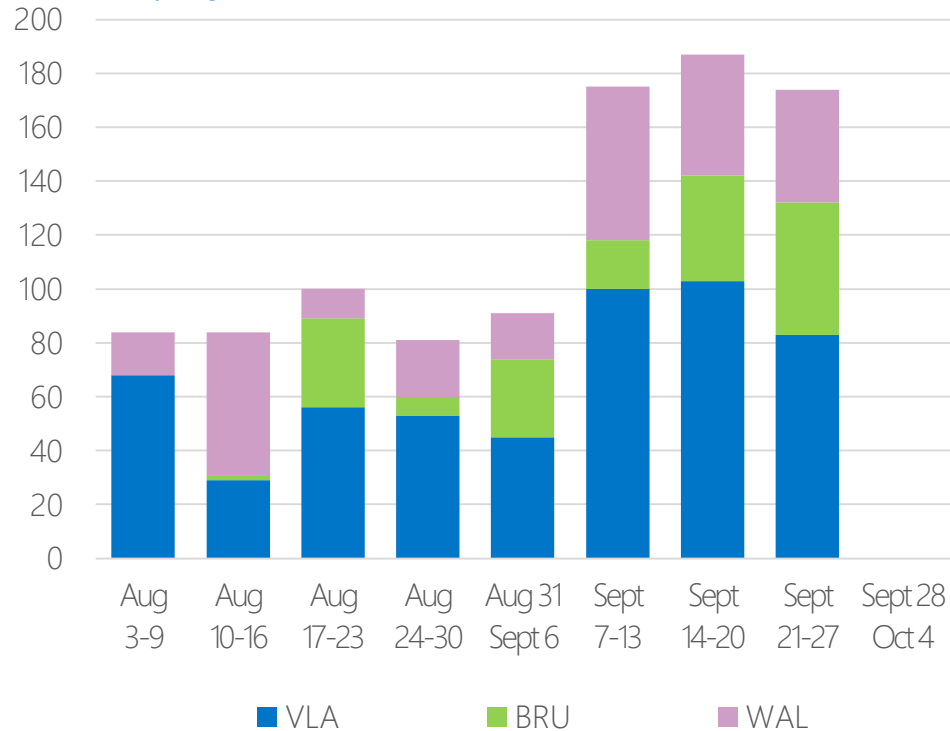


Transport & other services
Hotel & restaurant
Trade
Building
Industries & energy
Agriculture & fisheries

... but marked growth in September

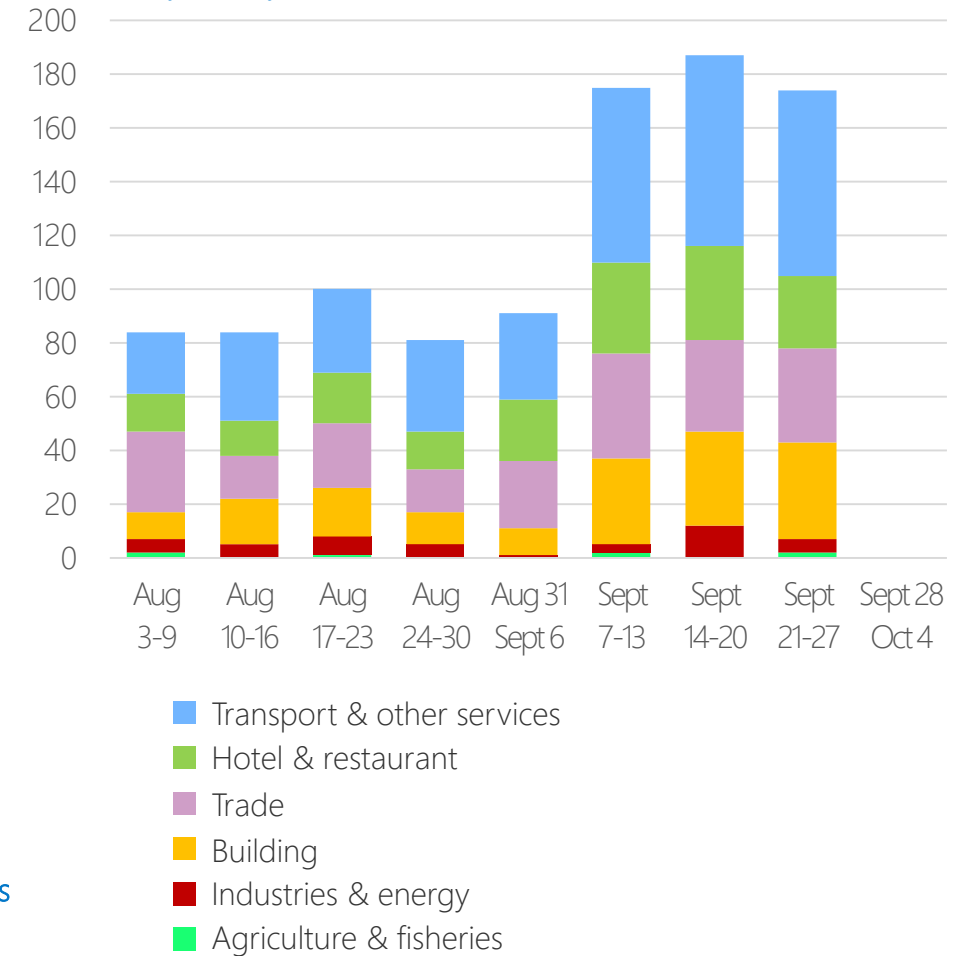
Bankruptcies¹

(# by region)

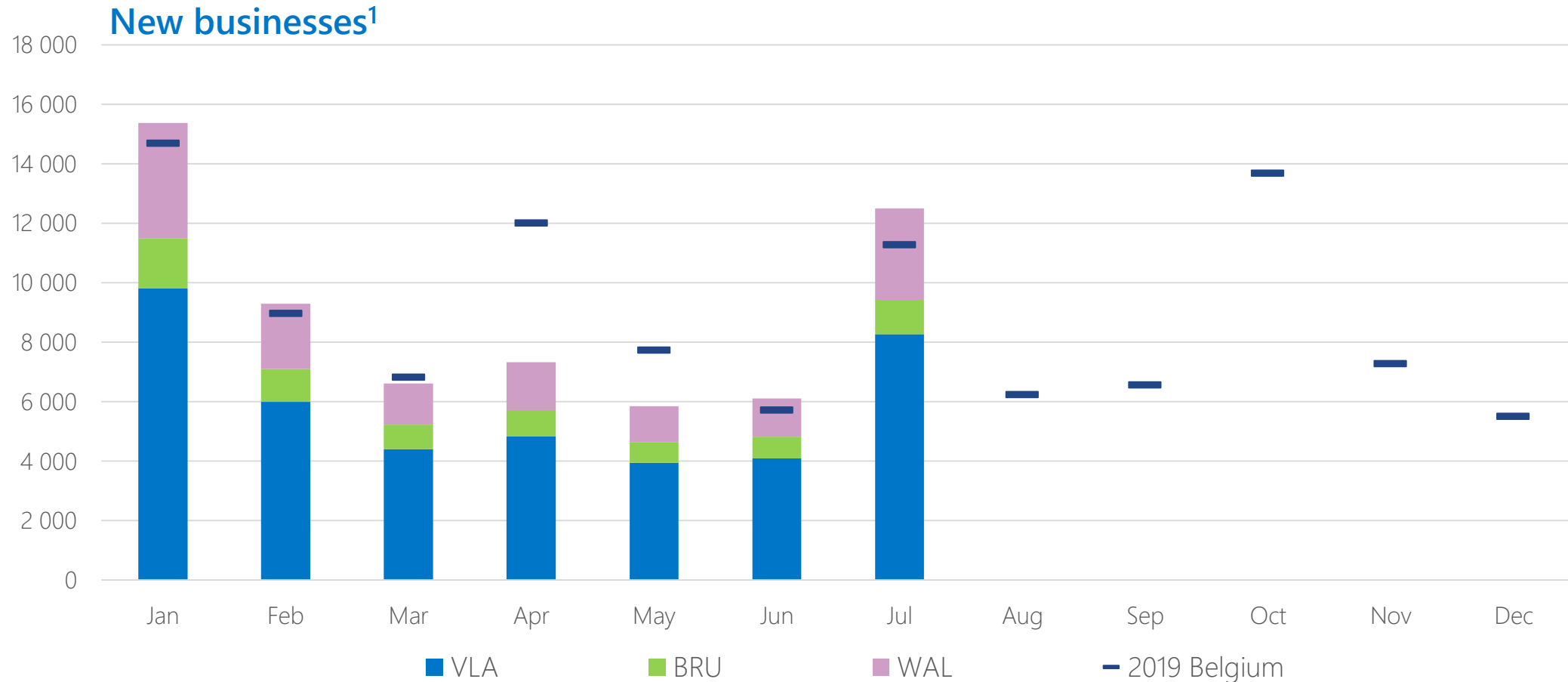


- ◆ On 27/9 the number of bankruptcies is 50 % above the August level
- ◆ Still below the weekly maximum since 16/3: week 29/6-5/7: 211 bankruptcies

(# by activity)



Significant number of business startups after three months marked by the lockdown



The background of the slide features a light blue gradient with several stylized, semi-transparent images of coronavirus particles. These particles are spherical with prominent, irregular spikes protruding from their surfaces. They are scattered across the frame, with one large, detailed particle centered behind the main text.

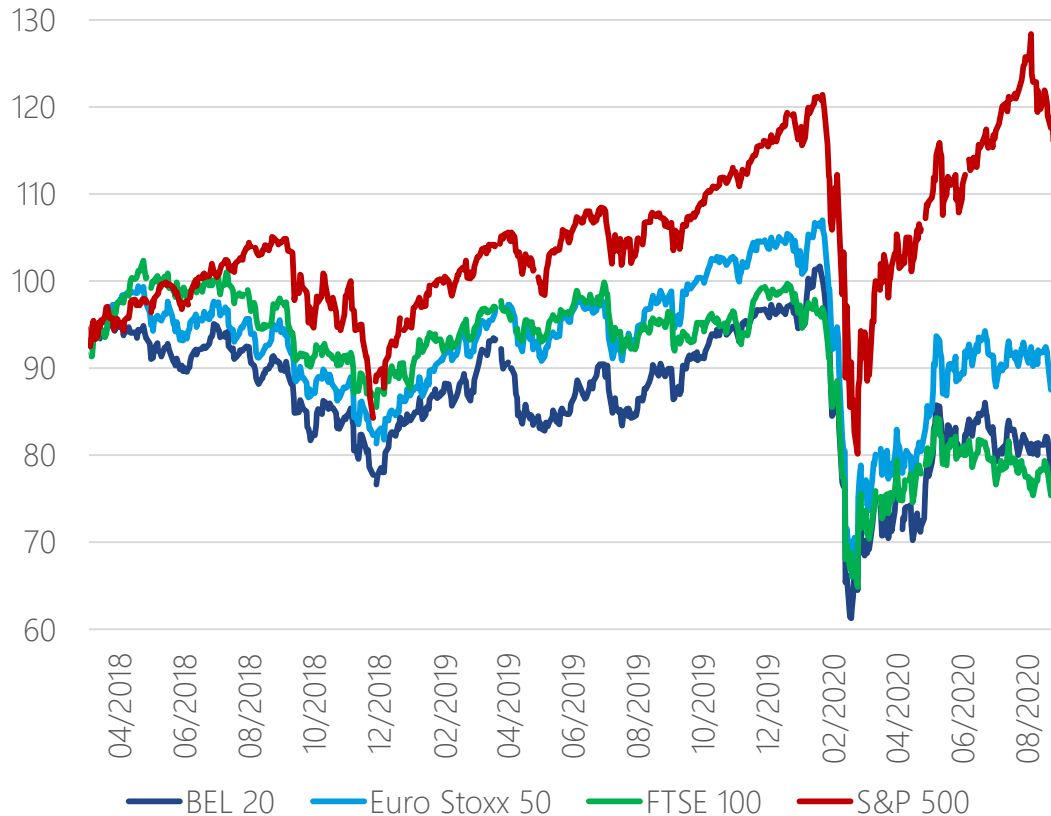
Financial markets

Financial markets are still affected by the pandemic

- ◆ Stock prices fell following a correction in the tech segment and renewed fears for the global recovery (increasing COVID-19 cases in Europe leading to renewed restrictions, weaker than expected September Service PMI in the euro area, uncertainty around a new round of fiscal support in the US, Brexit negotiations, ...)
- ◆ Volatility remains elevated in an uncertain environment

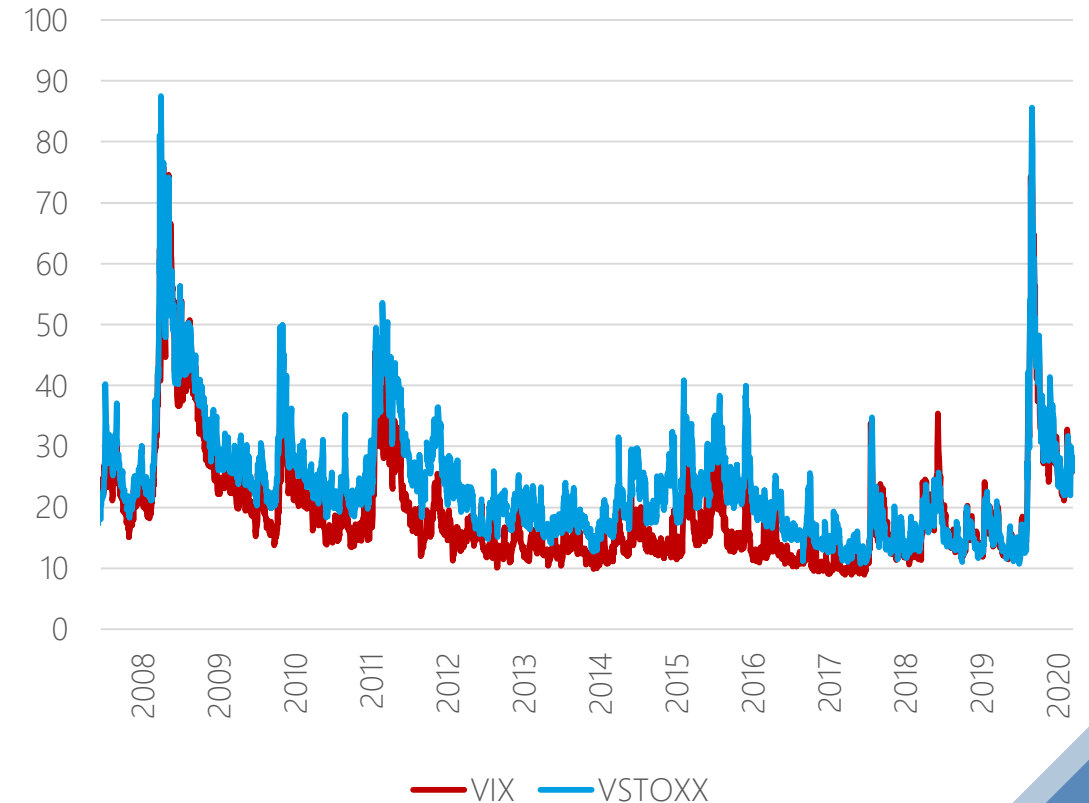
Major stock market indices

(01/2018=100)



Major stock market indices

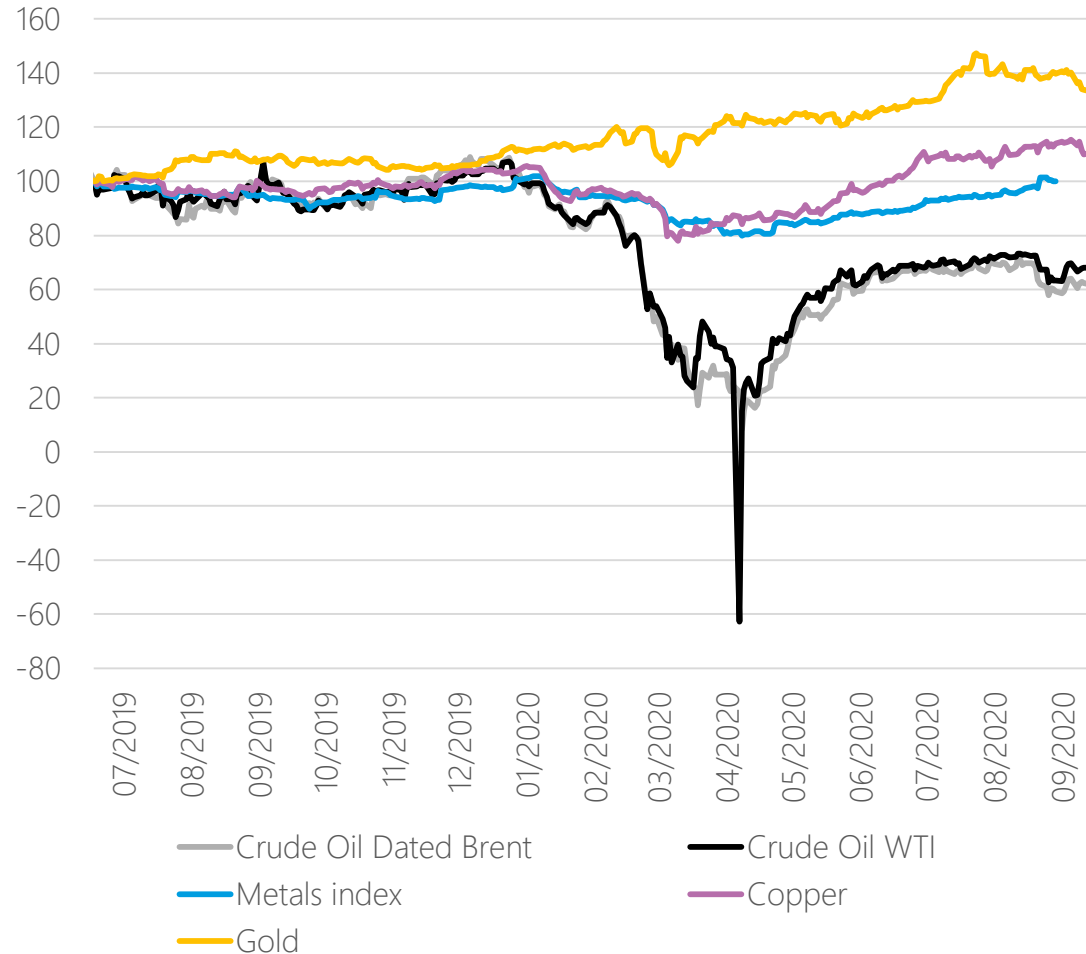
(01/2018=100)



Oil price fell while gold price remains elevated

Commodity price indices

(01/07/2019 = 100)

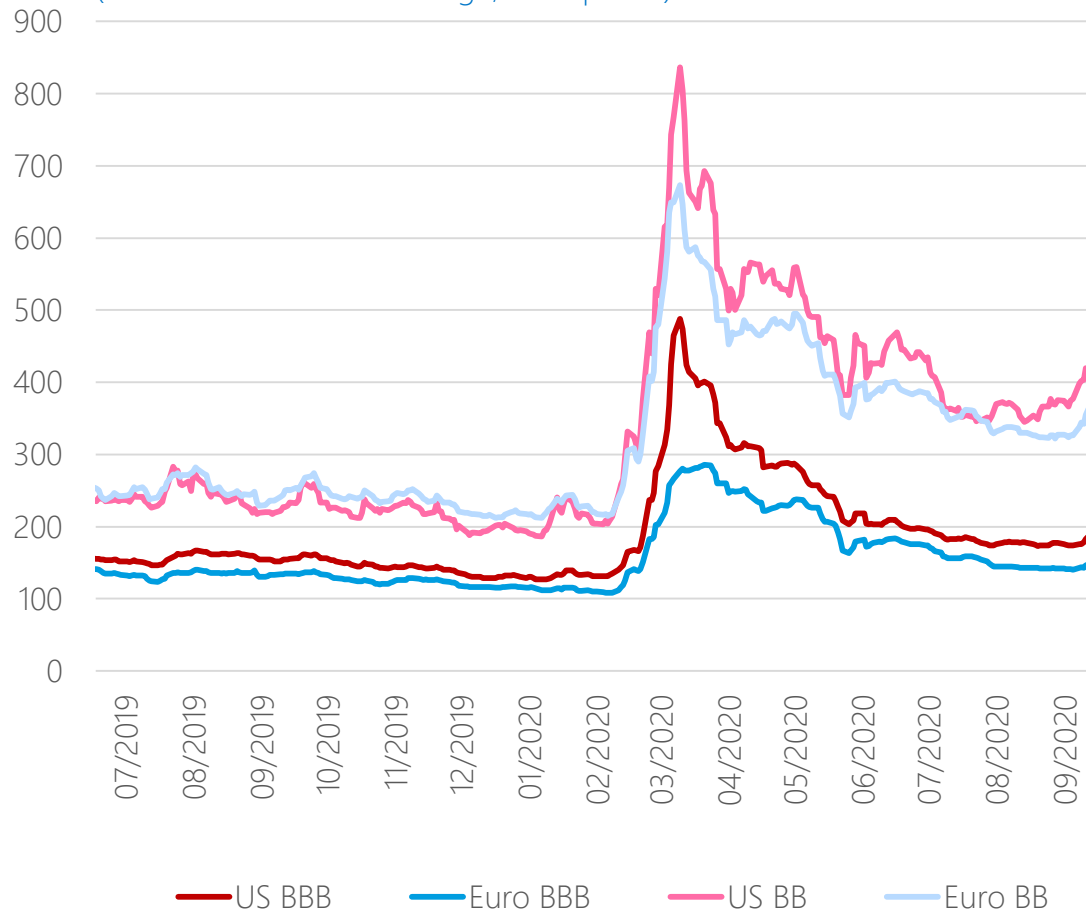


- ◆ Oil price recently fell from already relatively low level on signs that oil demand could be weakening (including an increase in the US oil inventories published by the EIA) and uncertainty around the recovery
- ◆ Gold price reached all-time high in August supported, by the uncertain environment (flight-to-safety), low yields of sovereign bonds, and the weakening of the US dollar
- ◆ While gold price declined recently with the US dollar recovery, it remains well above its pre-crisis level in a still uncertain environment
- ◆ Copper price increased with Chinese demand, but the recovery in other industrial metals is less pronounced

Corporate spreads still above their pre-crisis level for the most vulnerable companies

Corporate bond spreads (€ or \$ denominated)

(Difference vis-à-vis sovereign, basis points)

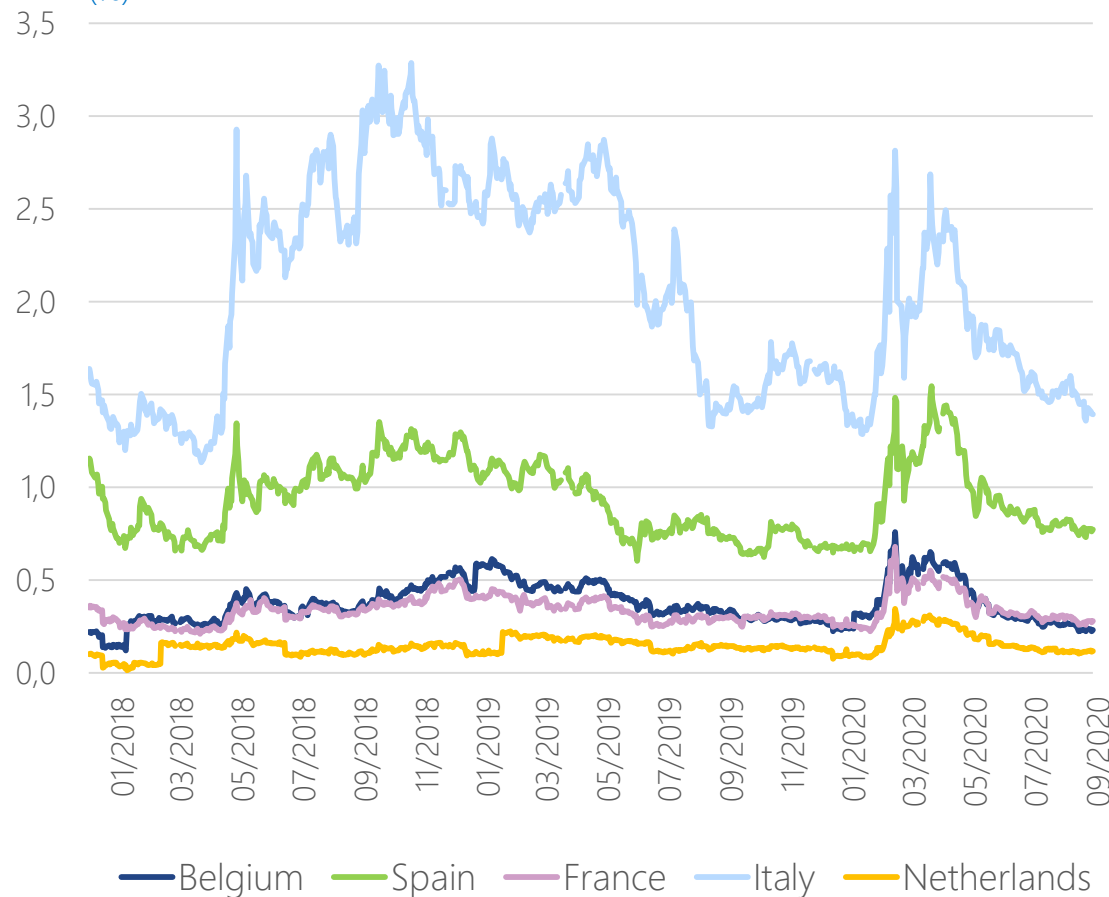


- ◆ Despite episodes of renewed uncertainty related to the sanitary and economic prospects, spreads eased gradually since late March, helped by supportive monetary and fiscal policies and a gradual easing of lockdown restrictions.
- ◆ Recently, uncertainty over the pace of the recovery in the US and euro area was associated with an increase in yields for the most fragile US and European companies

Sovereign bond spreads trending downwards

10-year spreads vis-à-vis Germany (EA)

(%)

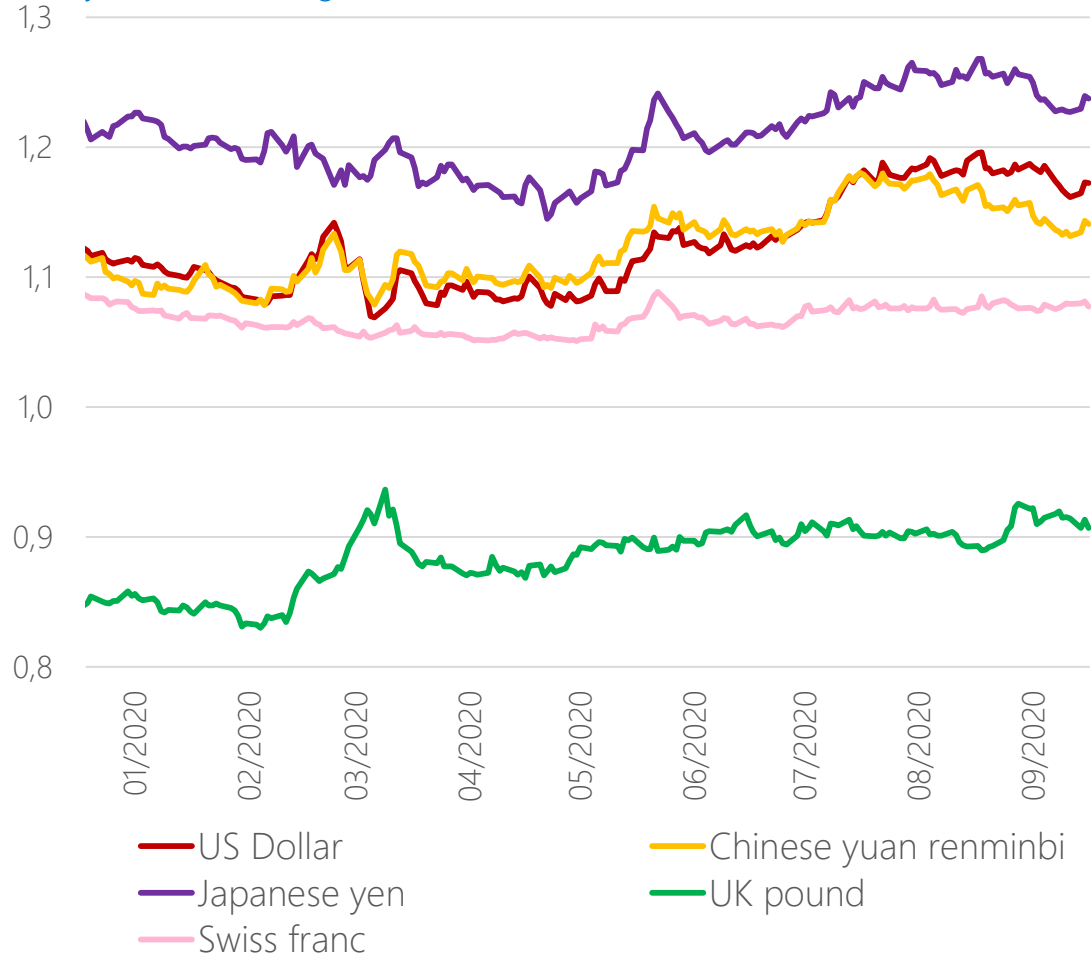


- ◆ Sovereign spreads now closer to their pre-crisis levels
- ◆ The early-September small spikes in FR, IT, and SP spreads might be related to the increase in Covid cases, governments' preparation for upcoming new bond issuances to support fiscal measures, and to the poor performance of stock markets.
- ◆ Most recently, IT spread fell following the results of regional elections

The appreciation of the euro is losing steam

Exchange rates from major currencies to euro

Increases when the euro appreciates. Note Chinese yuan (/7) and Japanese yen (/100) exchange rates are rescaled



- ◆ After losing ground to safe-heaven currencies, such as the Japanese yen and the Swiss franc at the height of the COVID-19 crisis, the euro appreciated from mid-May to mid-September
 - ◇ During this period, the euro appreciation is especially strong against the USD, which weakened amid rising concerns over the US economy.
- ◆ Most recently, the euro appreciation stalled amid rising COVID-19 cases in Europe



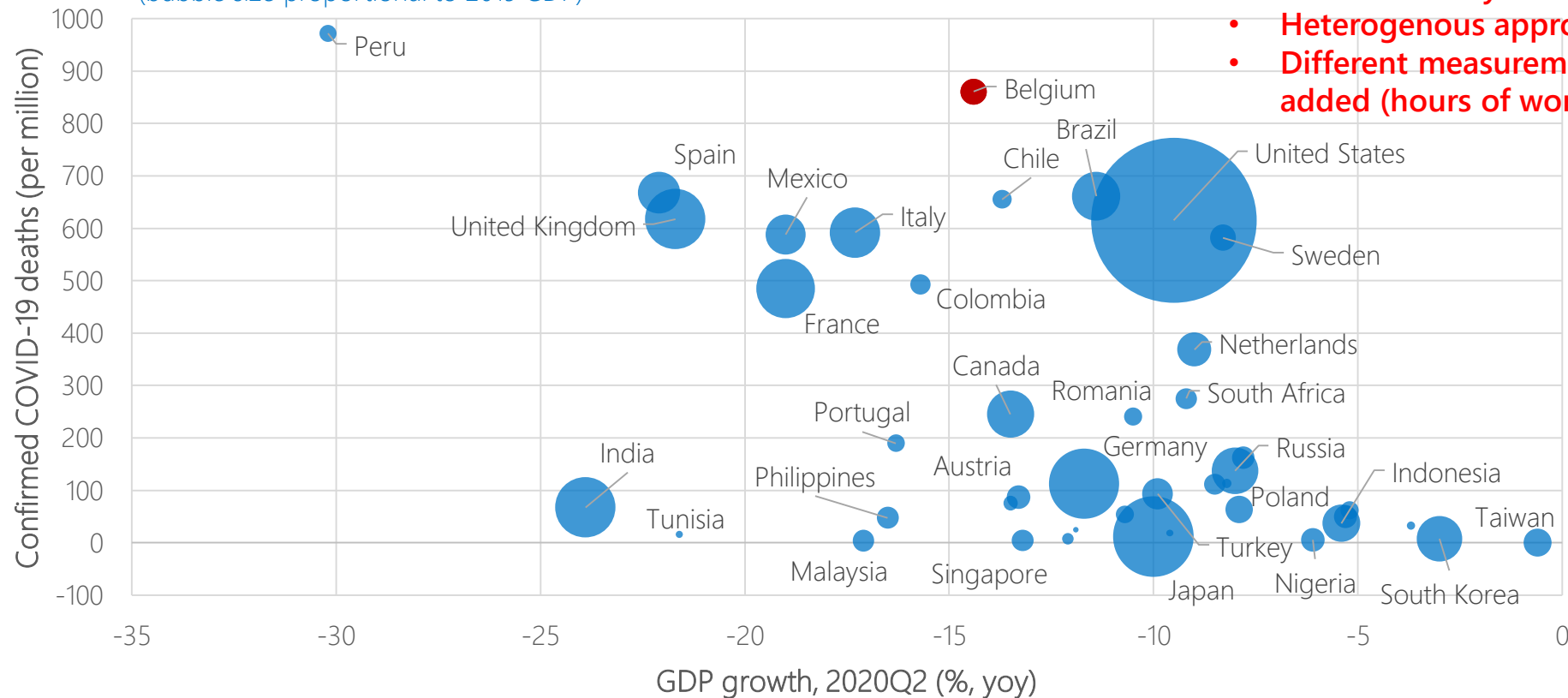
International outlook

The great dive:

the harder the sanitary shock, the deeper Q2 GDP contraction

Economic decline in 2020Q2 vs confirmed COVID-19 deaths¹

(bubble size proportional to 2019 GDP)



Caveats to country comparisons:

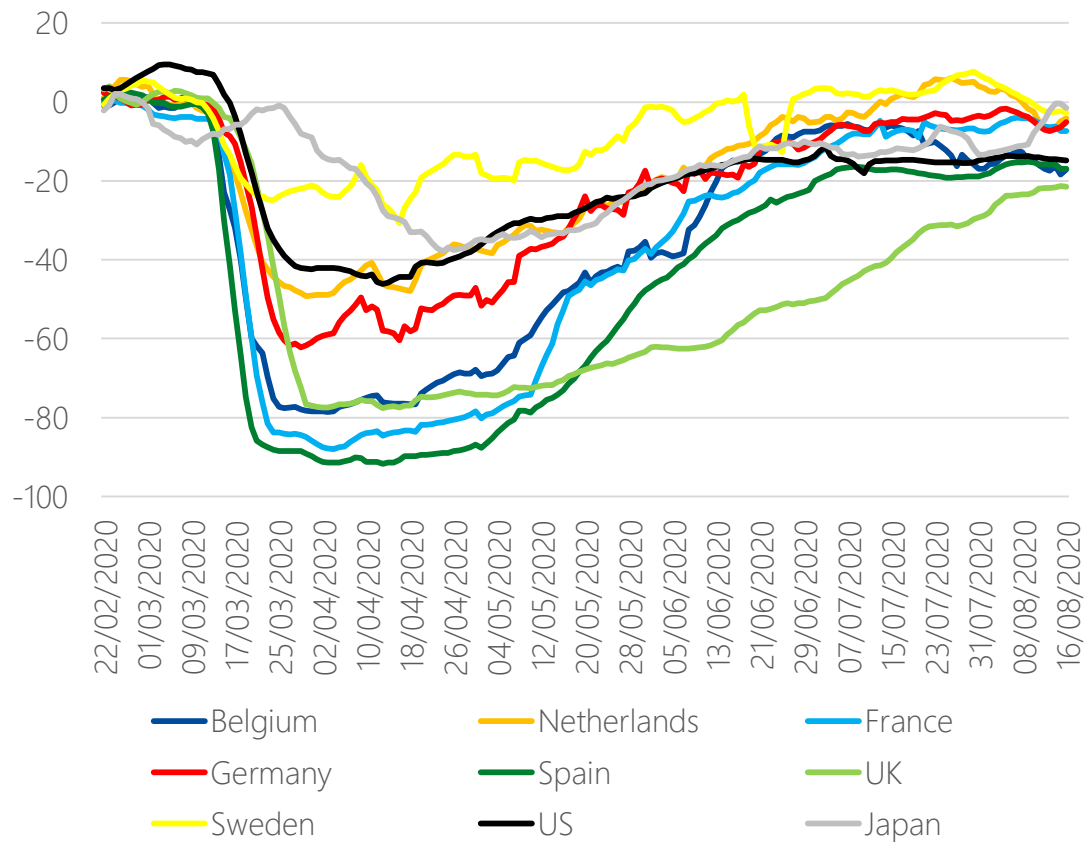
- Heterogenous approaches to COVID death count.
- Different measurement of public sector value added (hours of work in FR, UK vs. wages in DE).

Rebound hinges on epidemiologic dynamics

Fear of virus, mobility and economic activity

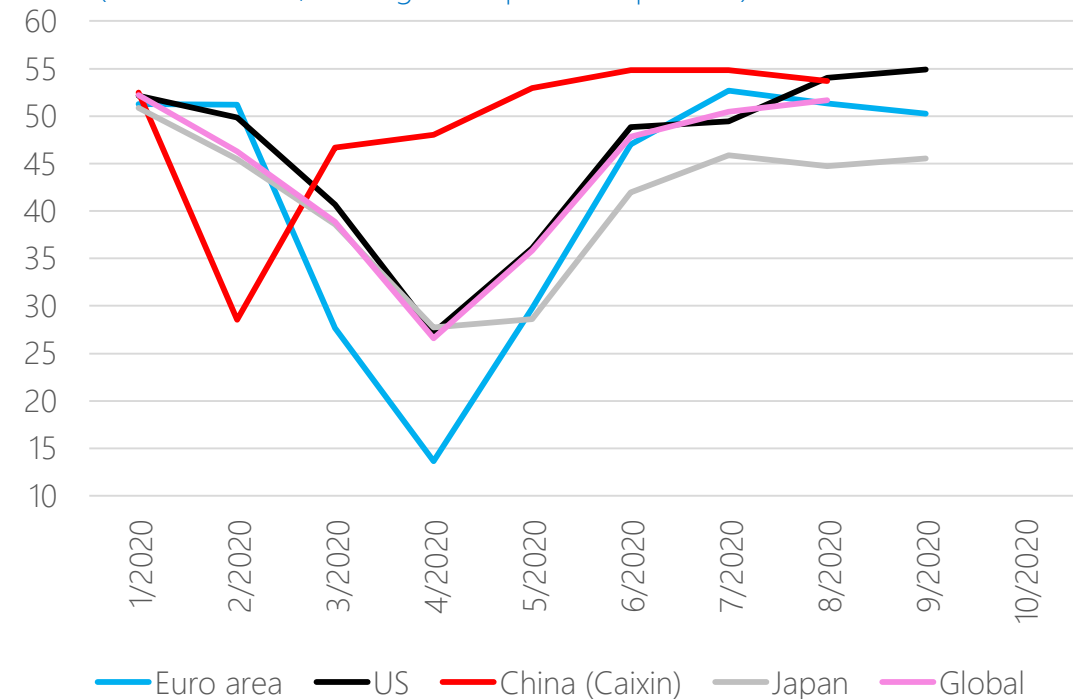
Google retail and recreation mobility trend¹

(% change from pre-COVID-19 baseline; 7-day moving average)



Composite Purchasing Manager Index – new orders

(diffusion index; 50+ signals expected expansion)

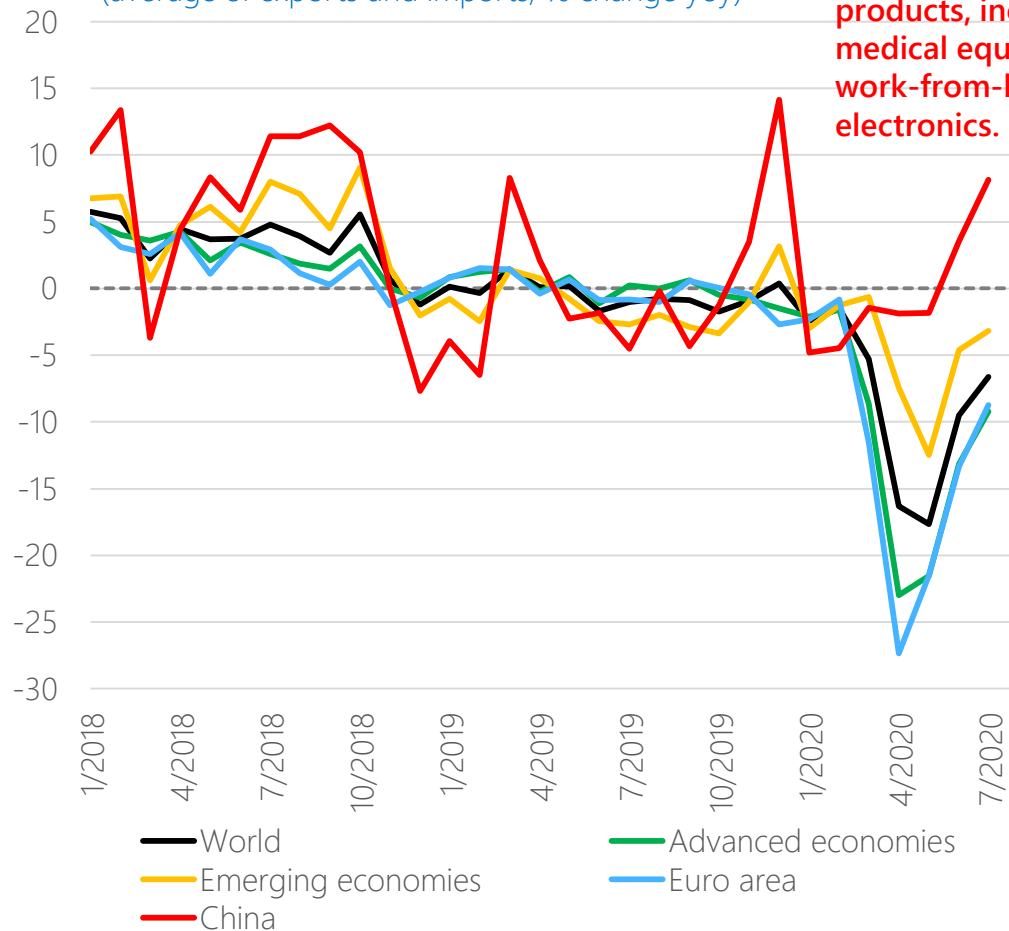


World trade

Towards a protracted repair of global value chains?

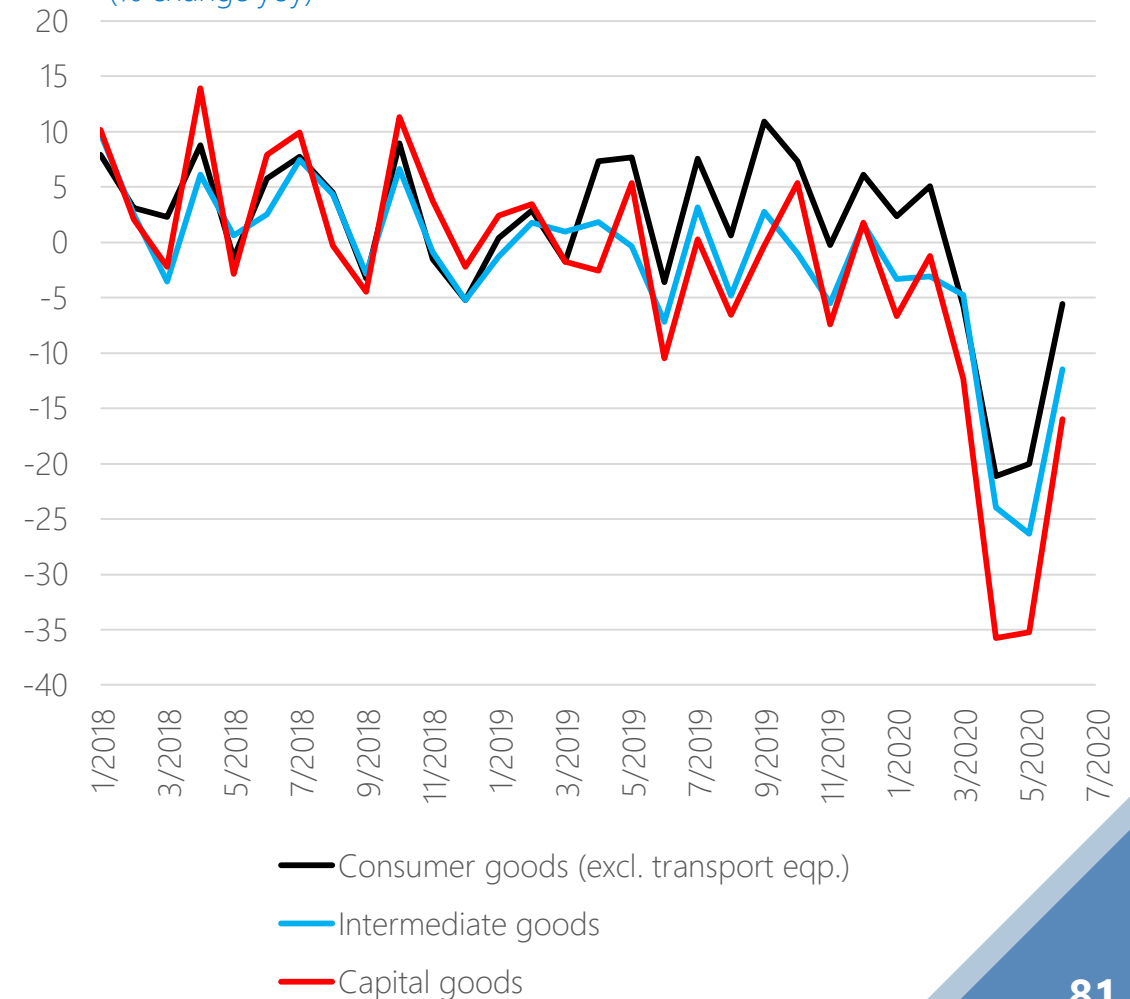
World goods trade volumes¹

(average of exports and imports, % change yoy)



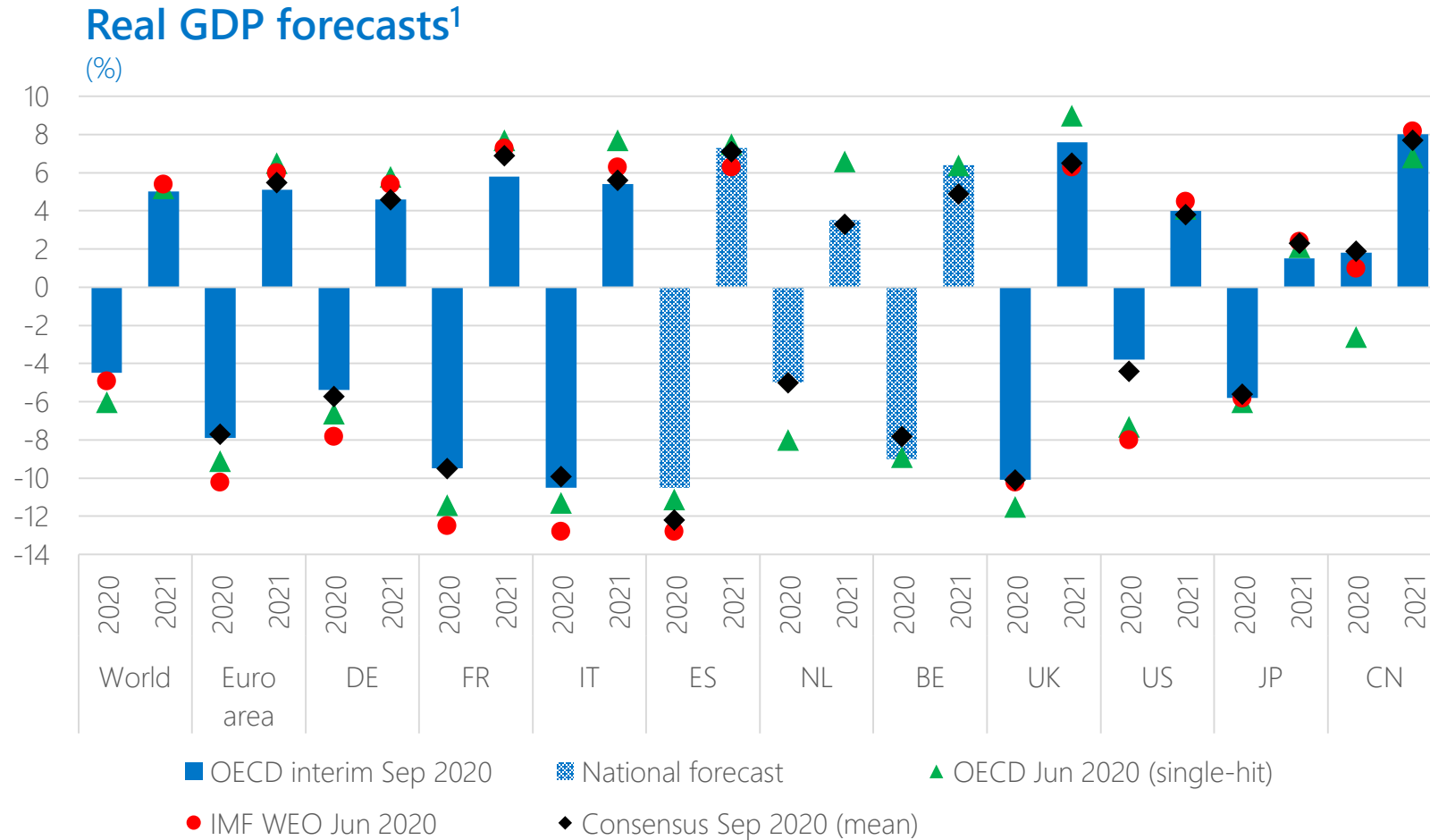
Euro area: goods export volumes²

(% change yoy)



Forecasts for 2020/2021

Is the bottom shallower than expected?



Upward revisions reflect:

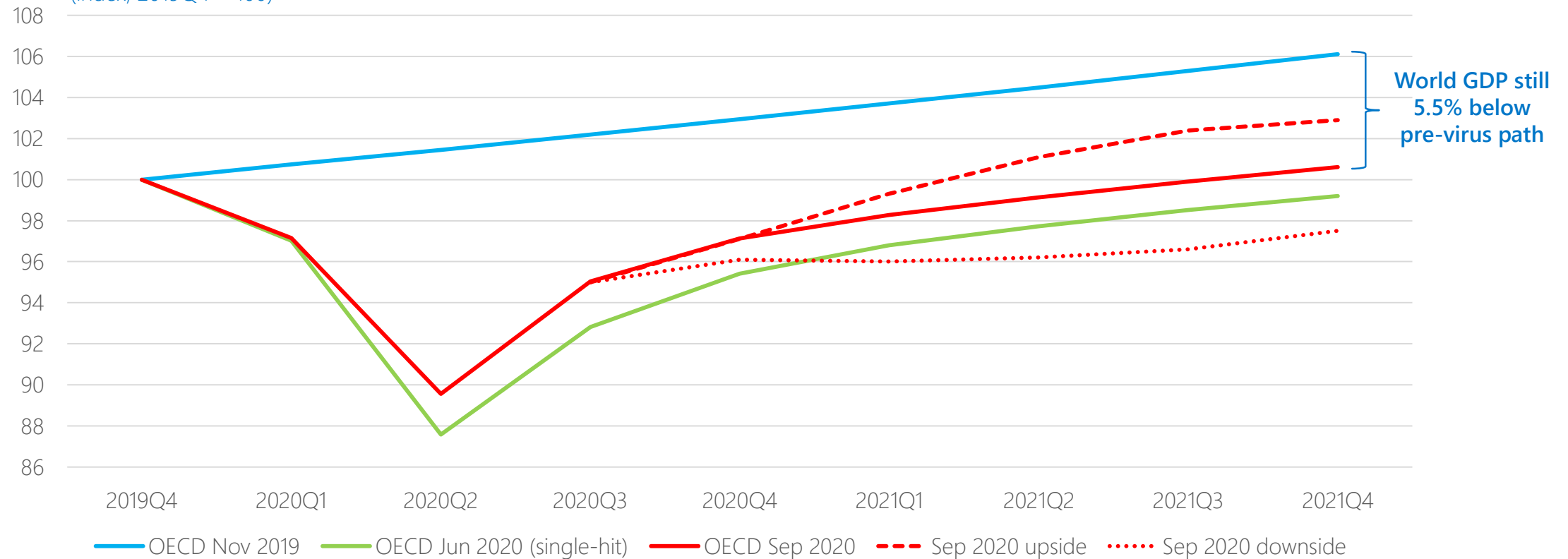
- ◆ Massive deployment of emergency measures
- ◆ Faster than expected recovery in some sectors, incl. consumption of durable goods (pent-up demand), and in China
- ◆ Absence of new broad-based lockdowns

World economy

Bottoming out along an uncertain path

World GDP¹

(index, 2019Q4 = 100)

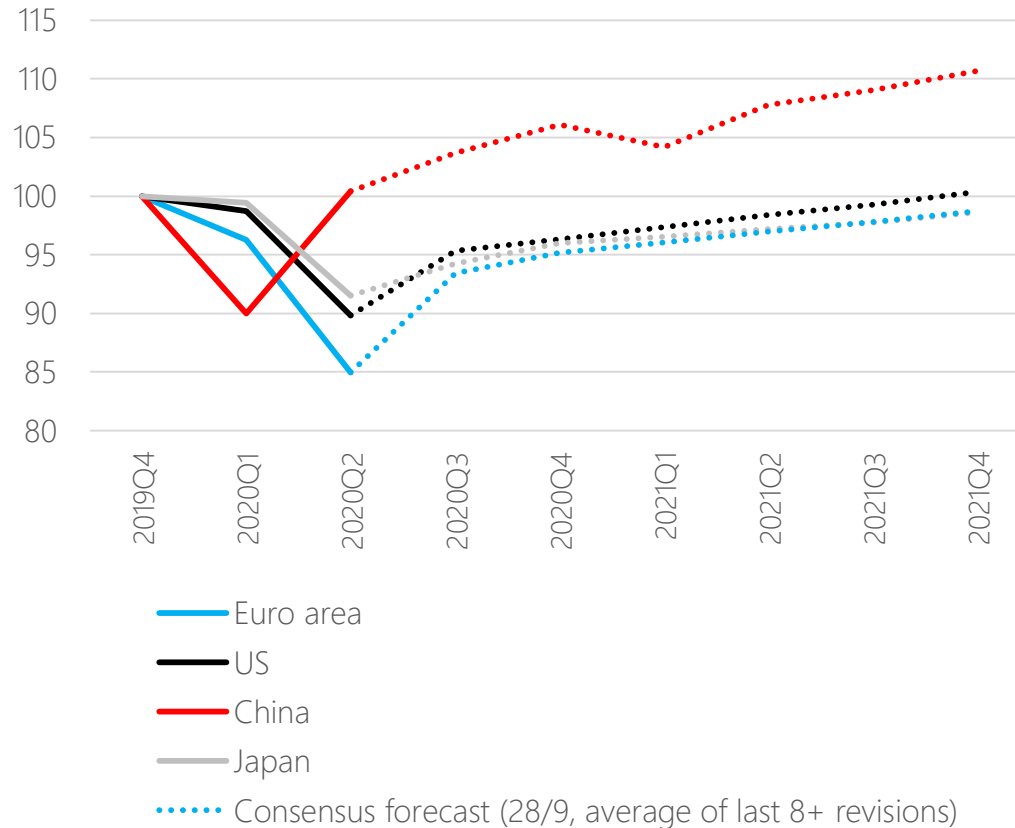


Expected recovery

Variations across countries

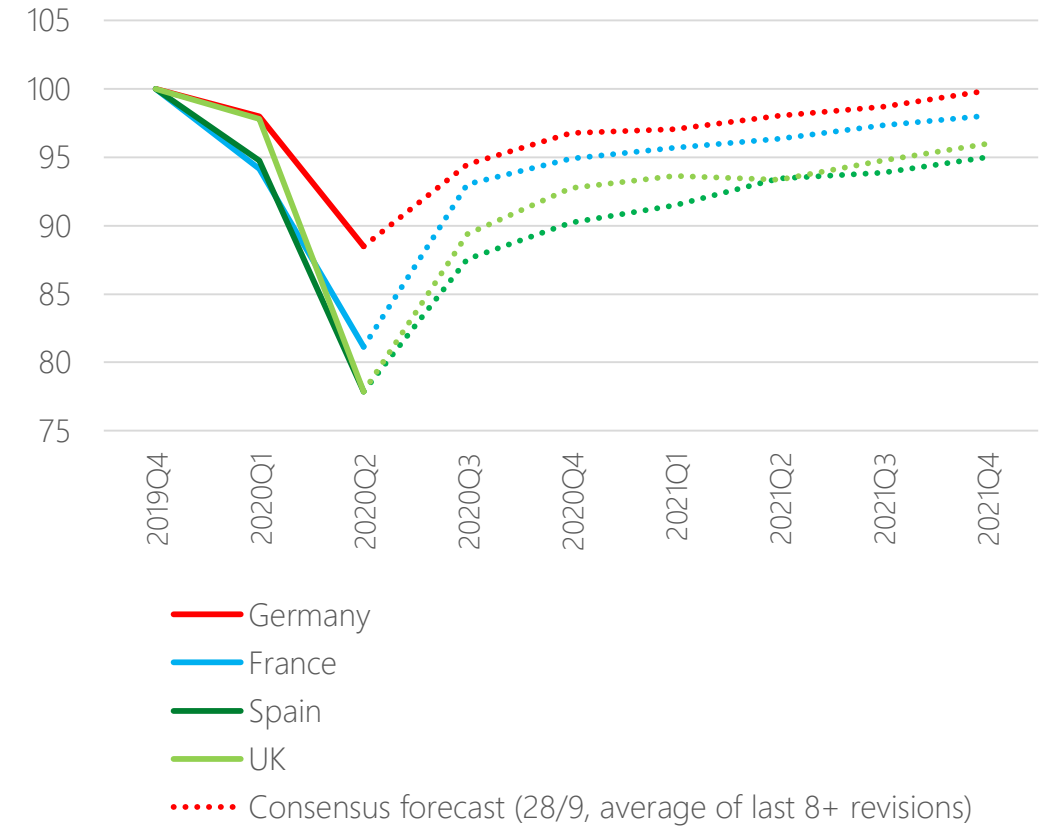
Major blocs: Real GDP¹

(index, 2019Q4 = 100)



Selected European countries: Real GDP¹

(index, 2019Q4 = 100)

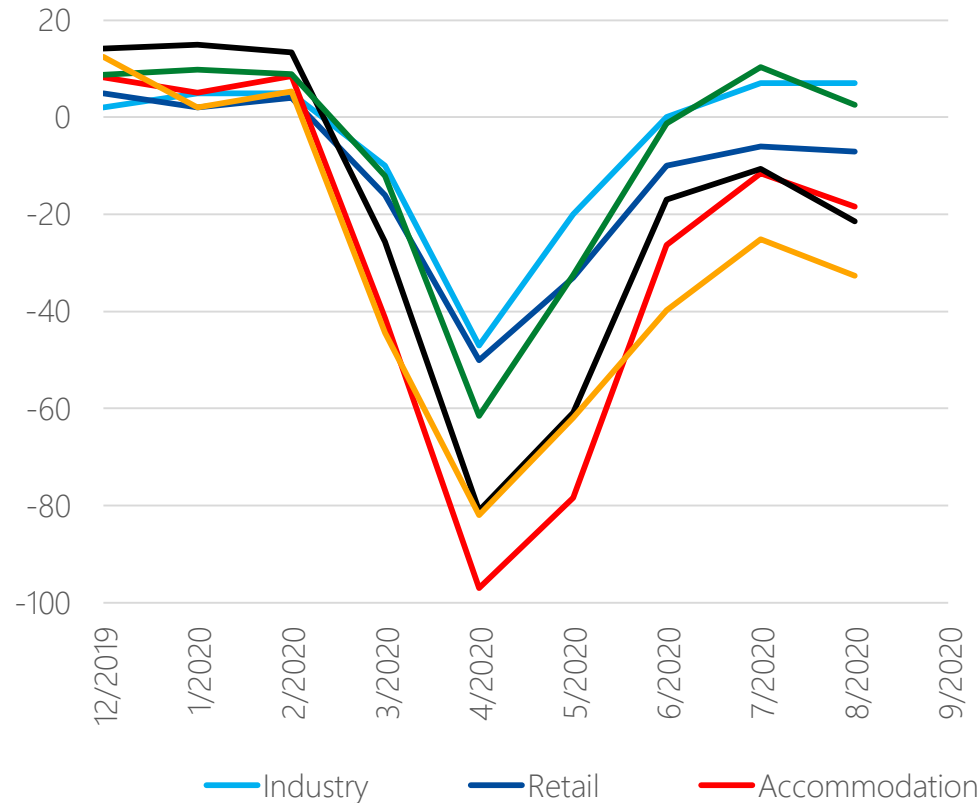


K-recovery in the making?

Heterogeneity across sectors: V for some, long-lasting scars for others

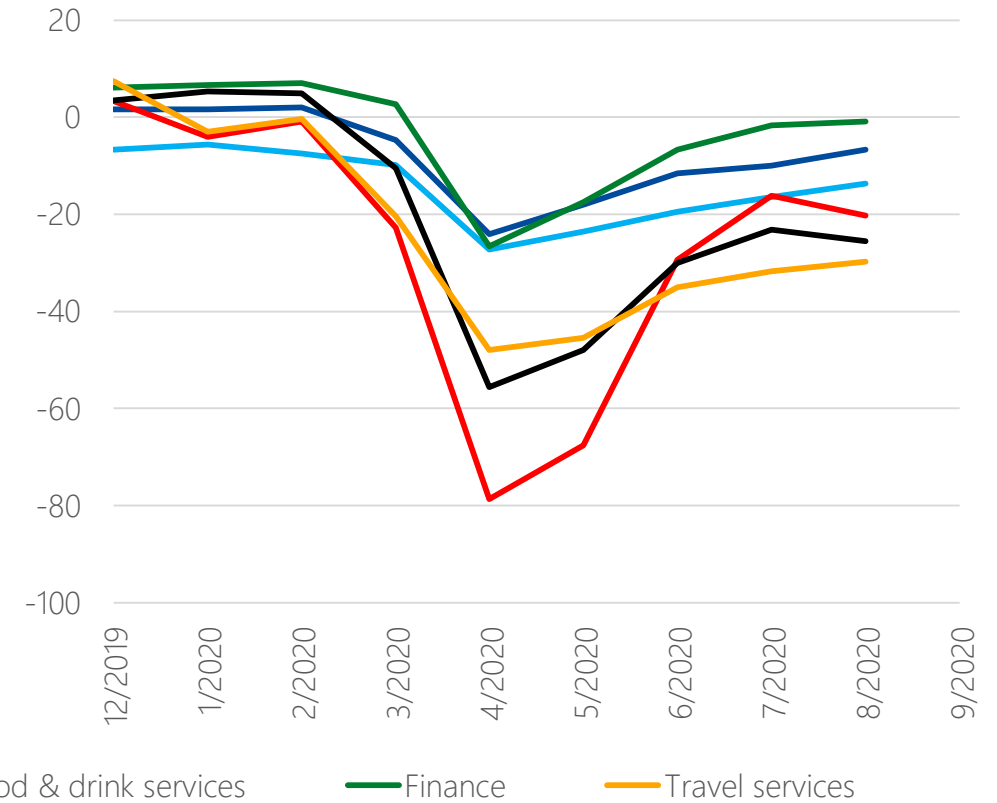
Euro Area: Demand expectations

(balance of firms; expectations over next 3 months)



Euro Area: Employment expectations

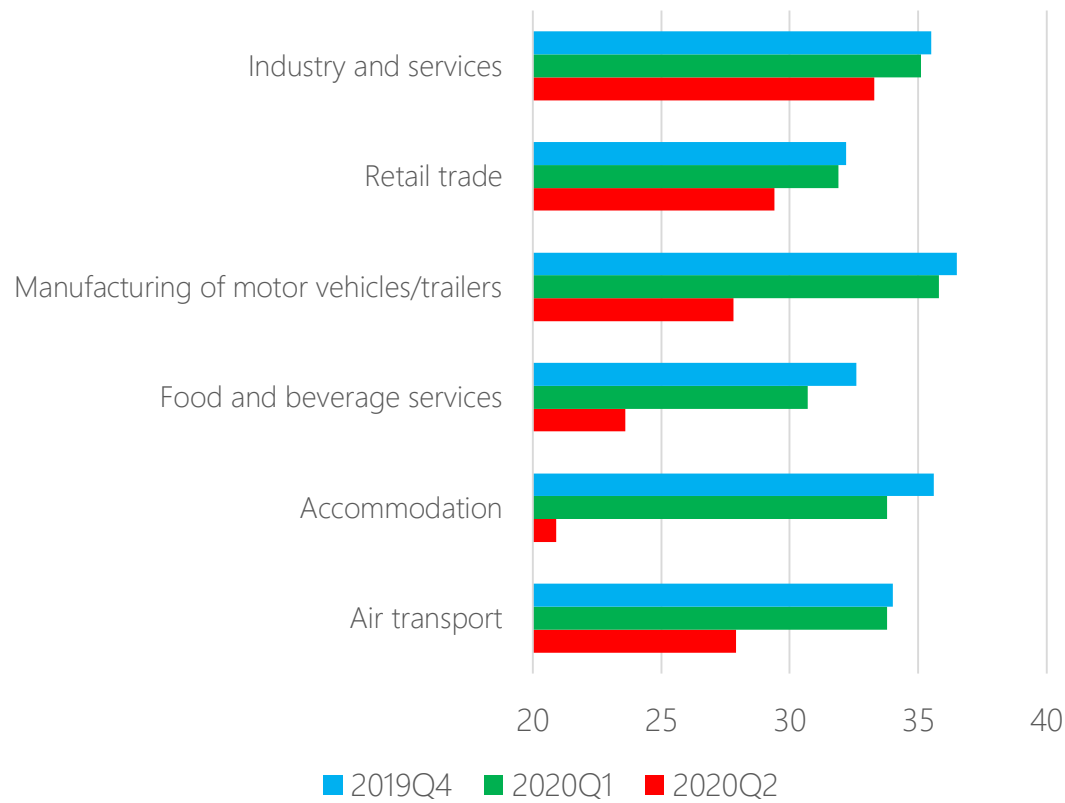
(balance of firms; expectations over next 3 months)



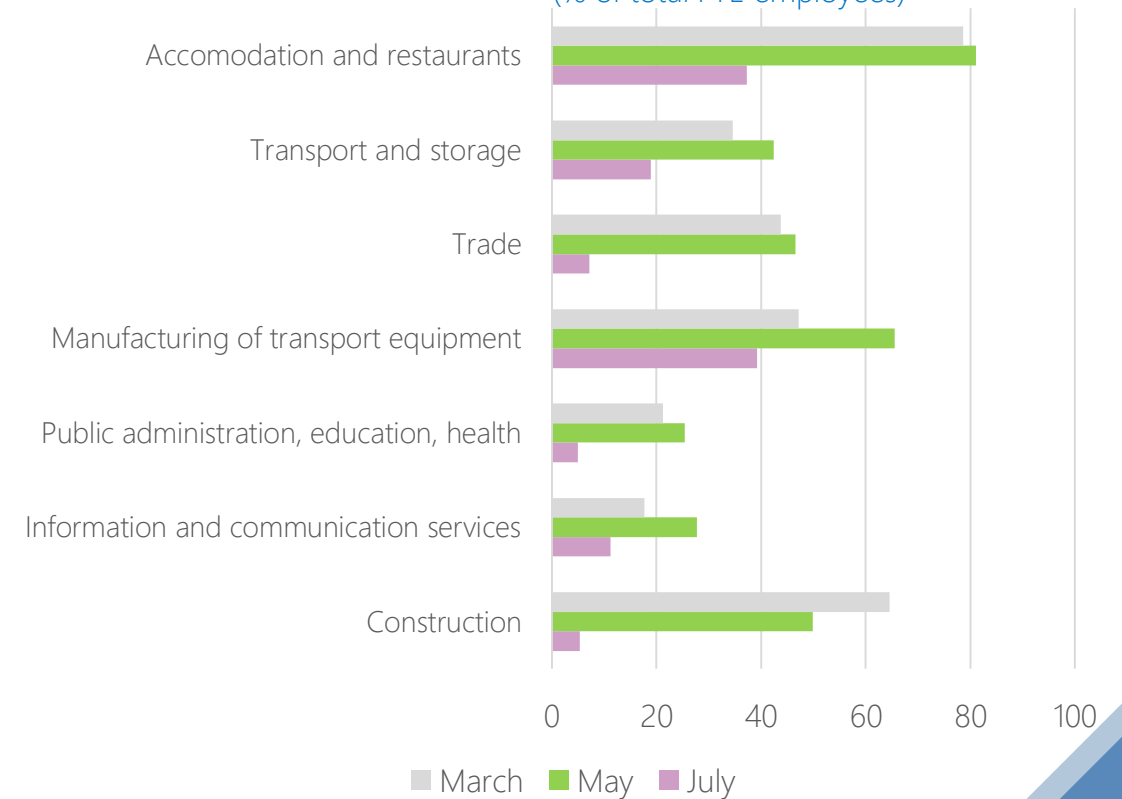
K-recovery in the making?

Labour market view... paving the way for sectoral reallocations?

Germany:
Average weekly paid working hours



France:
Share of employees in temporary unemployment
(% of total FTE employees)



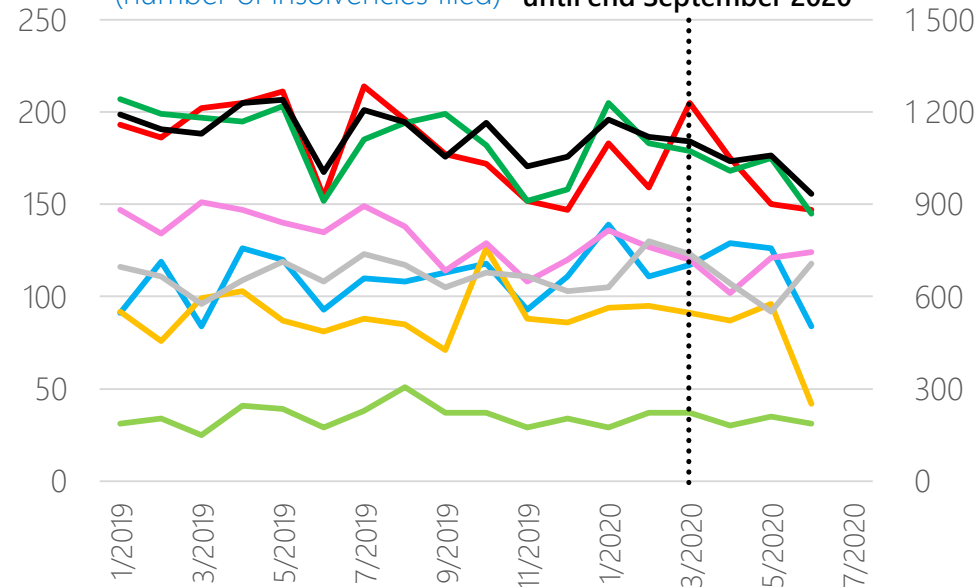
Zombification or creative destruction?

Too early to tell as temporary measures protect against destruction

Germany: Company insolvency proceedings

(number of insolvencies filed)

Obligation to file for insolvency suspended until end September 2020

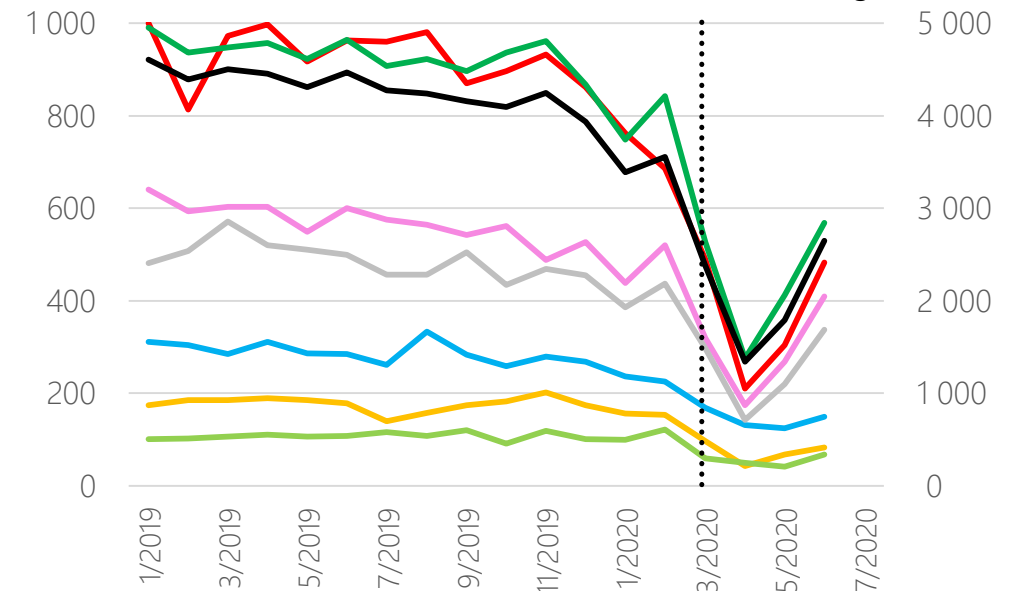


- Manufacturing
- Construction
- Wholesale, retail trade, repair of motor vehicles
- Transport and storage
- Accommodation and restaurants
- Information and communication services
- Business support services
- All sectors (right-hand scale)

France: Company failures

(number of legal entities)

Obligation to file for insolvency suspended until end August 2020



- Industry
- Construction
- Sale, maintenance and repair of motor vehicles
- Transport and storage
- Accommodation and restaurants
- Information and communication services
- Business support services
- All sectors (right-hand scale)

Impeding reallocation?

Job retention schemes in Germany and France

Germany's "Kurzarbeit"

France's "Activité Partielle"

| | | |
|---------------------------|--|--|
| Firm eligibility | Firms can request support if 10 % of their workforce are affected by cuts in working hours, compared to 30 % before the COVID crisis. | Retroactive application for up to 30 days since the first reduction in hours. Applications are deemed accepted if they do not receive a response within 2 days (down from the usual 15 days before COVID). |
| Employee eligibility | Available to permanent workers, workers on temporary contracts and apprentices. Extended to agency workers at the start of the COVID crisis. | All employees with a contract (whether permanent or not). |
| Wage | Payment of 60 % of net earnings losses because of reduced hours (67% for employees with children). In April, statutory replacement rates for lost earnings were increased to 70 % from the fourth month and 80 % from the seventh month onwards (and respectively to 77 % and 87 % for employees with children). | Employees receive 84% of their net earnings from the employer during "unemployed hours". |
| Wage subsidy by the state | Employers are fully reimbursed for these payments as well as for 100 % of social-insurance contributions for the lost work hours (compared to a 50 % reimbursement of social-insurance contributions during the global financial crisis of 2008-09). | Subsidy depends on the industry of the firm. Maximum reimbursement is capped at 4.5 times the hourly minimum wage. |
| Other characteristics | Workers are allowed to cumulate additional earnings and STW benefits as long as total income does not exceed previous earnings. In some sectors, unions and employers agreed on higher replacement rates of up to 90 %. Maximum duration extended from 6 to 21 months until the end of 2020. | The maximum duration of the scheme has been extended from 6 to 12 months (renewable). This scheme was complemented with "Activité Partielle de Longue Durée" which can be used up to 24 months. |

The background of the slide features a large, detailed illustration of a coronavirus particle, showing its characteristic spherical shape and numerous spike proteins protruding from its surface. The particle is rendered in a light blue and white color scheme, giving it a translucent, ethereal appearance. It is centered on the slide, with the text overlaid on it.

NBB online surveys in cooperation with the Microsoft Innovation Center

NBB Survey on impact on households' income

7-24 May

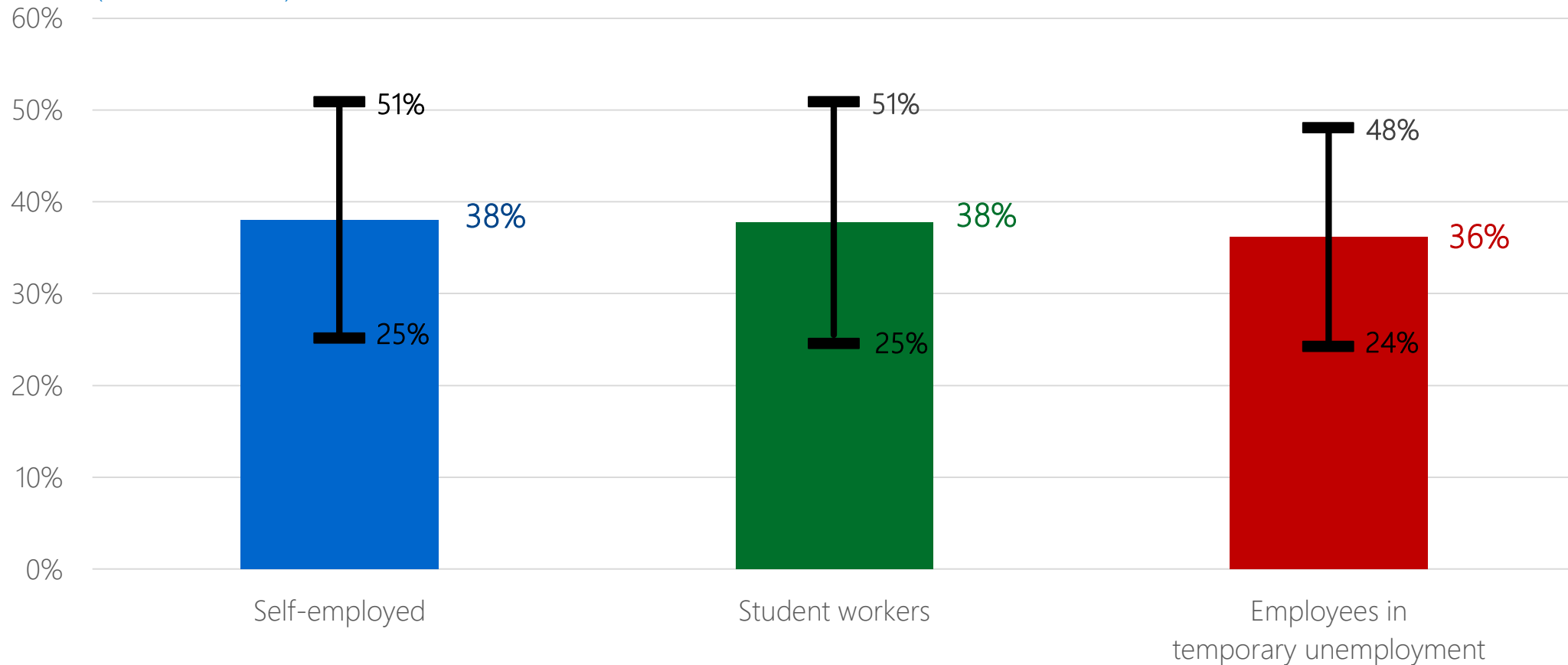
[Press release](#)



Large average income losses for specific groups

Average loss of income by job categories

(households losses)

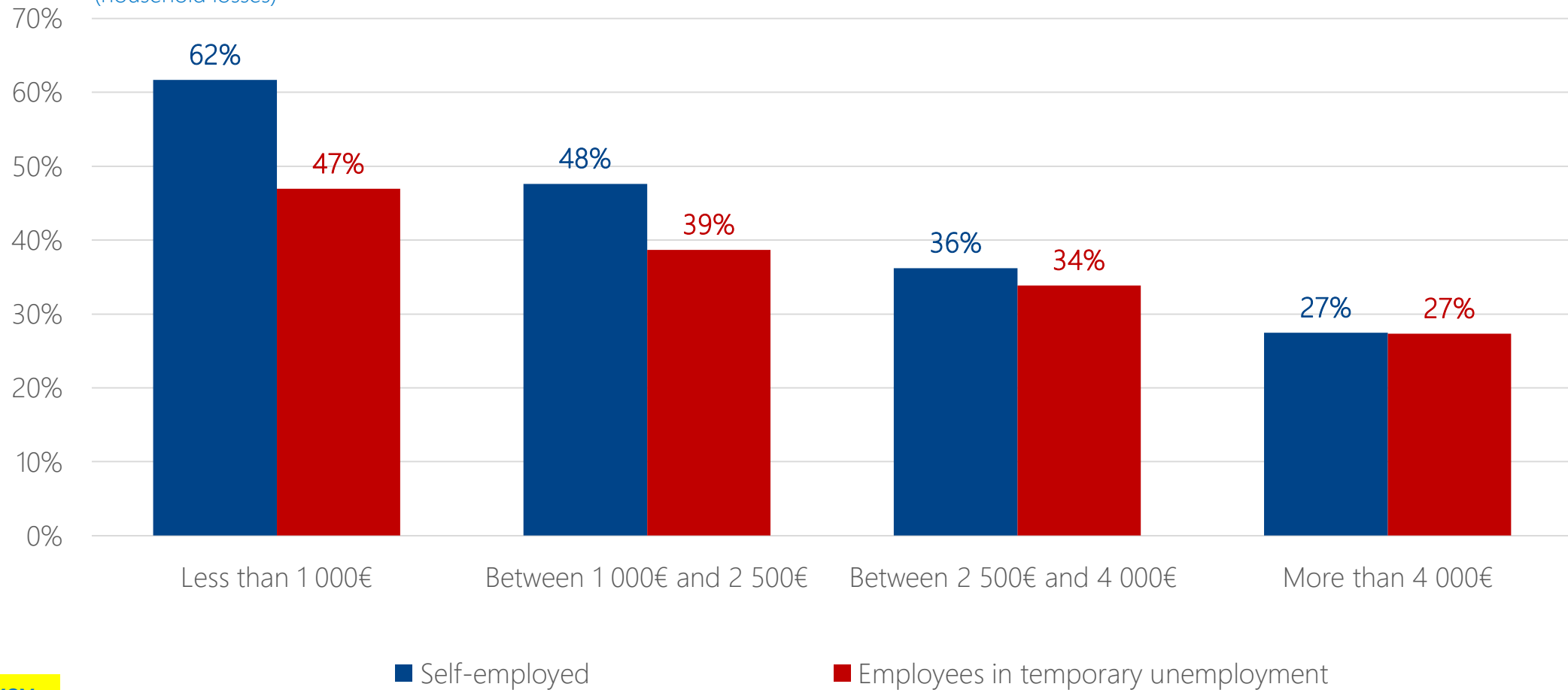


- ◇ Average levels based on midpoints of income intervals in replies
- ◇ p.m. Margins of uncertainty due to replies in terms of ranges

Survey
7-24 May

Low-income households suffer higher relative income losses

Average loss of income by (monthly) net income ranges and job categories
(household losses)



Survey
7-24 May

NBB Survey on changes in consumer patterns

14 – 21 July

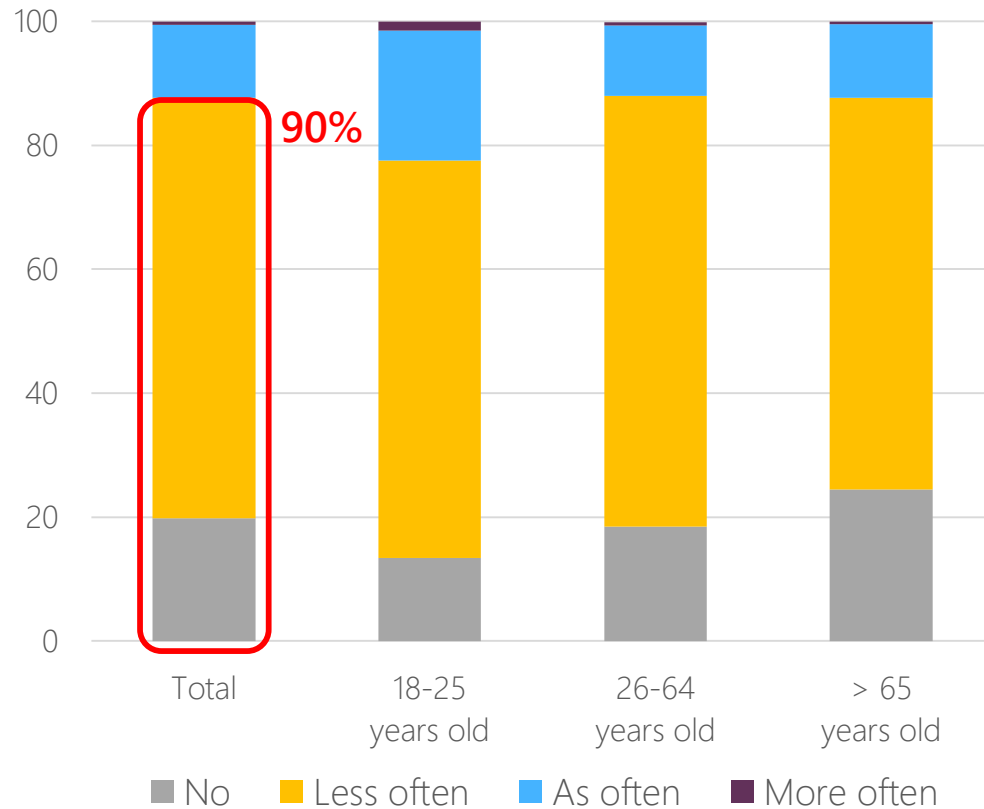
Perscommuniqué



Most people go to the shops less often and 50 % spend less

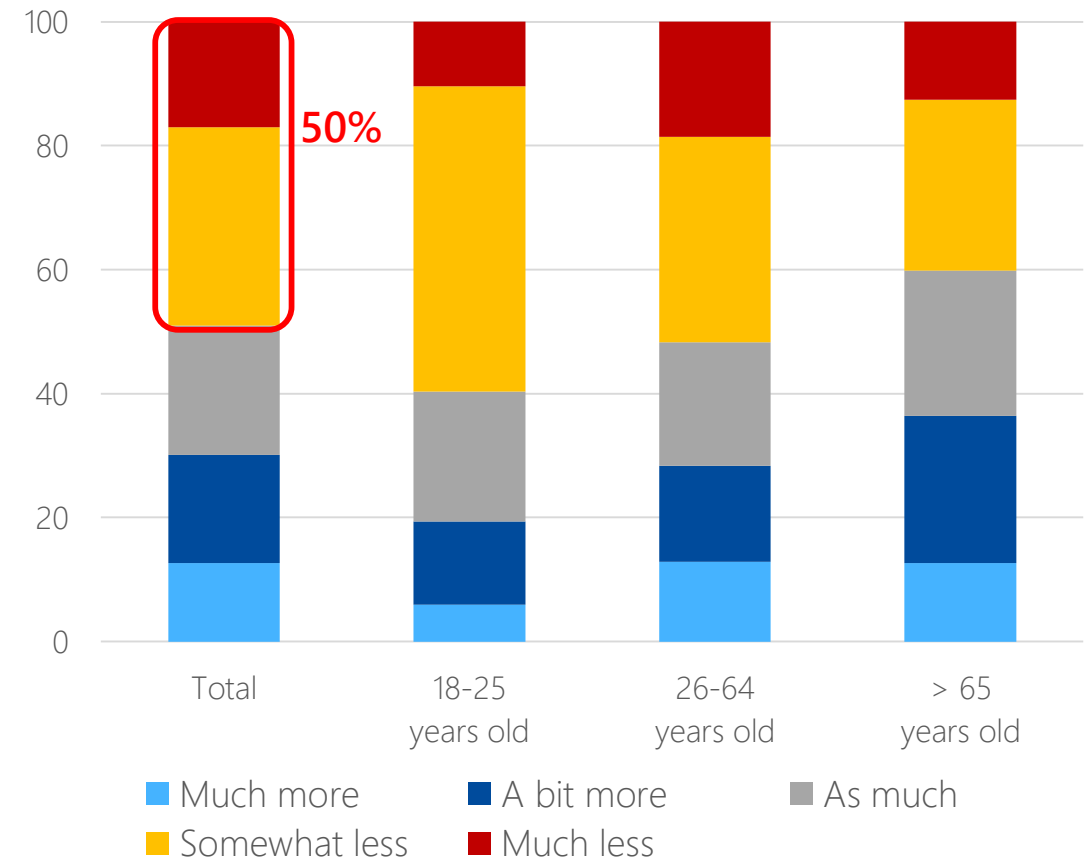
Did you go back to the shops?

(in %, since the stores have reopened)



How has your consumer spending evolved?

(in %, compared to the period before the containment)

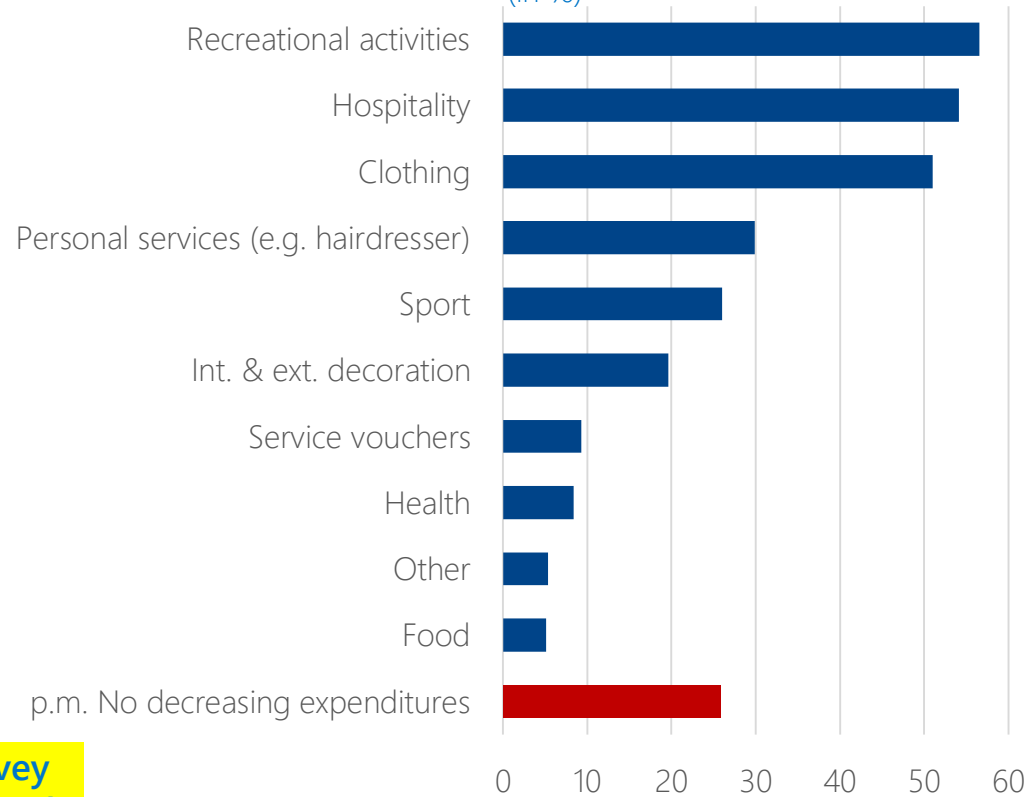


Survey
14-21 July

Lower spending mostly reflects remaining measures and health concerns (much lower impact of purchasing power issues)

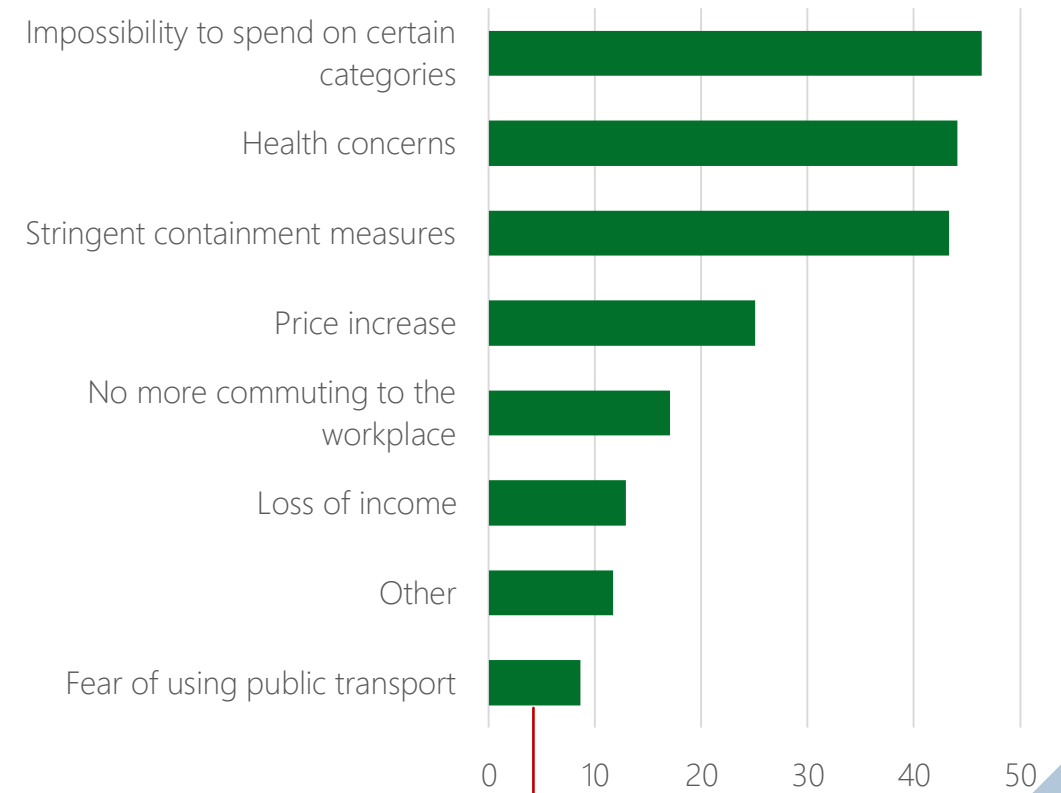
Which of your spending categories are currently decreasing ?

(in %)



Why is your spending decreasing?

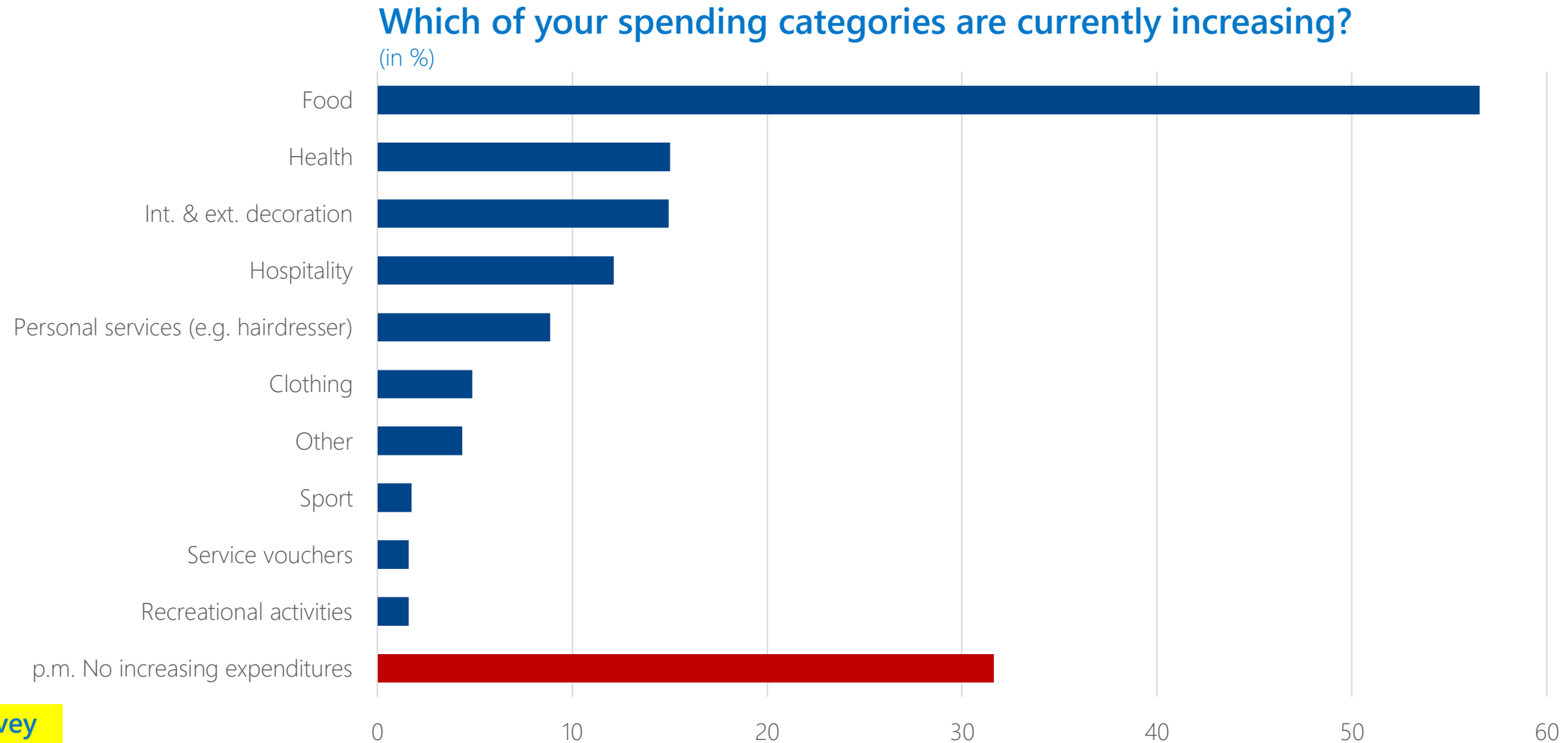
(in %)



Higher fear of using public transport in Brussels: 23 %

Survey
14-21 July

Significant increase in food spending: related to homeworking or also price increases?



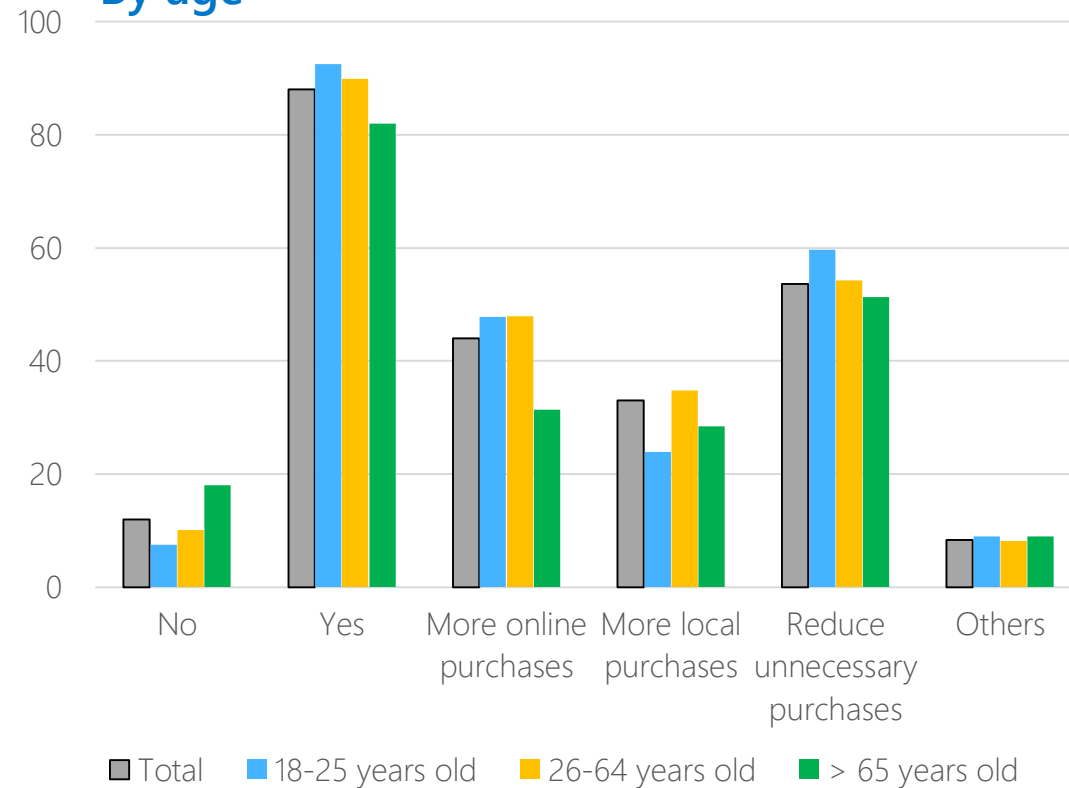
Survey
14-21 July

Consumption patterns have changed during the crisis and more than 75 % of them intend to maintain them in the future

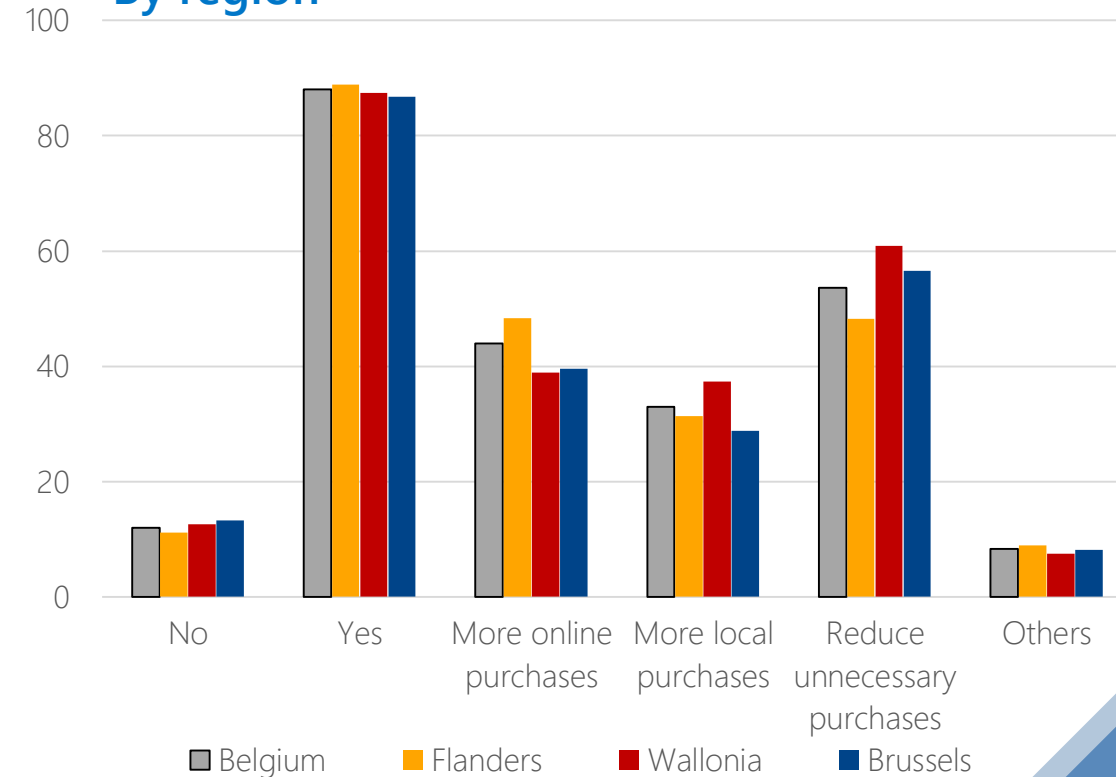
Did you change your consumption pattern?

(in %, during the containment period)

By age



By region



Survey
14-21 July

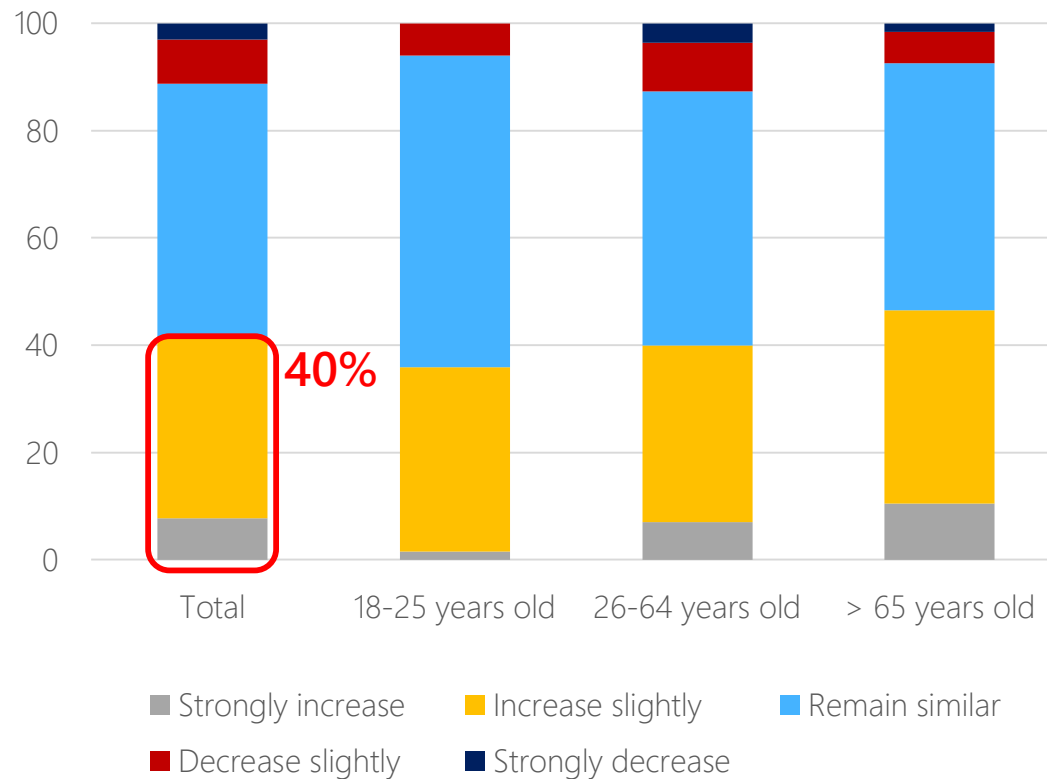
Online and local purchases have increased while 'unnecessary' expenditures have decreased: no strong differences between ages and regions

Source: NBB.

Only 40 % of respondents expect to spend more in the coming weeks, particularly in the hospitality industry

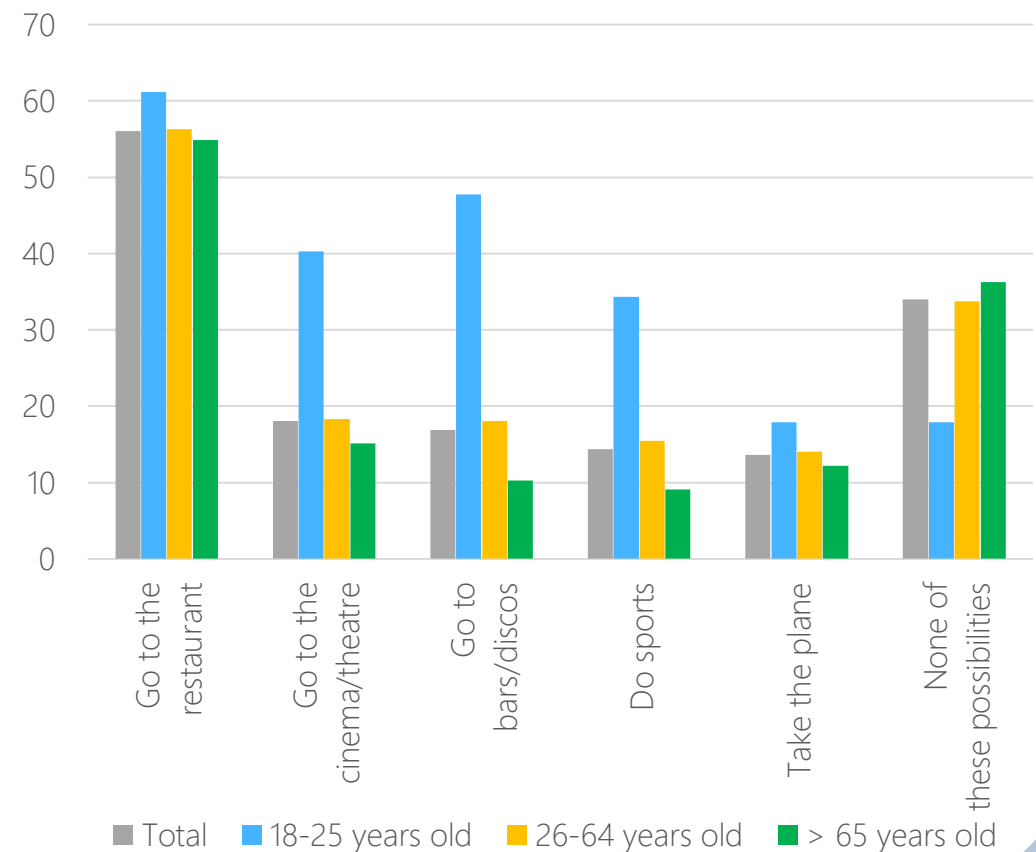
How your household's consumer spending will evolve?

(in %, by age, compared to the period before the containment)



What activities are you planning in the coming weeks?

(in %, by age)



Survey
14-21 July

Younger respondents plan to do more activities in the coming weeks

p.m. these results do not yet reflect the current deterioration in the health situation