

Foreword



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Governor

The integration of prudential supervision at the Bank had been a dominant feature of the year 2011. It presented a major organisational and intellectual challenge, and gave us the opportunity for rethinking the entire prudential supervision architecture. The year 2012 saw those changes being put into operation. To take stock of a year's experience in this new area of activity, we devoted a Board of Directors seminar to the subject, and that resulted in a number of significant adjustments.

All the same, we cannot describe the year under review as a period of stabilisation. In the prudential sphere, the "banking union" project and the preparations for it demanded a huge amount of energy. By 2014, that project aims among other things to centralise at the European Central Bank the prudential supervision of all euro area banks of significant importance. The Bank was closely involved both in the High-Level Meetings at Eurosystem level and in the Eurosystem task forces which are exploring all the aspects to be taken into account in implementing this project. At the Bank itself, a multidisciplinary working group supports the work done at these various levels. Since the target date is so close, all this work needs to speed up and take shape in the coming months. Owing to the scale of the undertaking and the time constraints, this task is an extraordinary challenge for all the competent supervisory authorities.

The context in which we pursue all our activities is still changing rapidly as well, calling for new responses from us. We have had to adapt our master plan and take some difficult decisions. Faced with reorganisation measures affecting all banking and money transport sectors, we have thus had to decide to close our Antwerp branch at the end of this year. We have also begun a review of the staff Clubhouse, the aim being to split off the infrastructure while ensuring the continuity of the staff sports and cultural activities. We have likewise had to acknowledge that in banknote production we cannot achieve an acceptable level of profitability, and must therefore decide to close our banknote printing works by 2020.

I must add that these great changes are affecting us at a time when the financial crisis is not over, and central banks are under severe pressure regarding both monetary policy and prudential supervision.

In contrast, the Bank's position in other areas is becoming stronger. For instance, at the Central Corporate Credit Register, a new legal framework and new collection methods now enable us to offer a better service to the financial sector and provide much more detailed information for the prudential services.

We also need to respond to these rapid changes with proactive, dynamic management methods. We have completed our first “management cycle”, introducing annual action plans which are to be presented by all the entities in order to put the 5-year master plans into practice. In addition, these action plans will be used to assess performance. Finally, for senior management we have introduced an internal mobility policy designed to encourage the exchange of experience and to galvanise the teams.

The numerous changes seen in 2012 prompted us to devote the first chapter of this Report to them. Last year, we had reviewed all the tasks which our enterprise performs. This time, we felt it right to report to our readers on how the National Bank is being reorganised to address the changes affecting it. For an enterprise which, like the Bank, aims to serve the community, striving for the most efficient possible organisation is a priority objective. The changes which we are experiencing are speeding up the conversion of our institution from a production enterprise to a knowledge enterprise. That is the direction in which to shape its future.