1. The National Bank as an enterprise

1.1 The year's highlights

Activities concerning prudential supervision and financial stability

The **single supervisory mechanism** (SSM) came into force for the banks on 4 November 2014 ; consequently, the year under review was dominated – not only for the various entities concerned at the Bank, but also for the European Central Bank and the banking supervision authorities of the euro area – by the operational implementation of this first pillar of the European banking union.

As stated in the 2014 Corporate Report, in view of the extremely tight deadlines for preparing for the single supervisory mechanism, the Bank had already adapted its working method to suit this new environment. Since 2011, the Board of Directors has devoted one specific weekly meeting to prudential questions, enabling it to discuss matters concerning the SSM, to identify problems within the remit of the Board of Directors, and to prepare the meetings of the Prudential Supervision Board, which from now on is responsible for supervising all European banks classed as significant according to the SSM definition. An SSM "Risk Committee" has also been set up ; it is chaired by the Bank's representative on the ECB's Supervisory Board – Director Mathias Dewatripont – and comprises staff from the Prudential Services, the Legal Service and the Service in charge of International Coordination and the Eurosystem. The Committee confines its discussions to prudential issues and questions concerning the preparation of the Prudential Supervision Board meetings.

At the Bank, a group of experts on SSM policy has been set up to prepare the briefings for the Bank's representative

Monitoring the strategic plan "NBB 2020"

The strategic plan "NBB 2020" was launched in 2014. Its aim was to examine how the Bank's activities and operating methods needed to be adapted to deal with internal and external developments that the Bank will inevitably face. Scenarios were drawn up for all the Bank's activities, incorporating the expected changes and the action required. These scenarios took the form of road maps with a timetable enabling their progress to be monitored and assessed year by year, and allowing for any necessary adjustments according to the circumstances.

In preparation for the 2016 budget cycle, this strategic plan was first assessed last autumn. That assessment indicated that the actions scheduled for 2015 were broadly in line with the planned timetable. However, two new projects will begin shortly, one stepping up the Bank's measures to combat money-laundering and terrorist financing, and the other aimed at attaining the European standards in terms of resources committed to the joint supervisory teams of the single supervisory mechanism, i.e. teams directed by a member of the ECB's staff and based on a small group of ECB members in Frankfurt, plus some staff from the national supervisory authority. These developments require a minor short-term adjustment to the road map ; however, the aims and commitments for 2020 remain unchanged.

on the ECB's Supervisory Board. That entails extensive documentation work, including the monitoring of around 130 significant banking groups (over 2 000 banks) supervised from Frankfurt. The Prudential Supervision Board also decides on prudential policy and methodology issues, and on organisational matters which are therefore likewise part of this group's work, and that of other entities concerned with prudential supervision and directly involved in the SSM.

The Service responsible for the prudential supervision of the banks is now organised into seven teams of supervisors. Operational supervision takes up 80 % of their resources, the remaining 20 % being devoted to cross-cutting activities. It is estimated that the supervision of institutions deemed "significant" according to the single supervisory mechanism definition accounts for 80 % of the resources devoted to operational supervision, while the supervision of institutions defined as "less significant" takes up 20 %.

Significant institutions account for over 90 % of the Belgian banking market. The European Central Bank exercises supervision over those institutions via the Joint Supervisory Teams, i.e. teams directed by a member of the ECB's staff and based on a small group of ECB members in Frankfurt plus some staff from the national supervisory authority who are seconded to the Joint Supervisory Teams and who, in our case, are under contract to the Bank. The Bank plays an active part in 15 joint supervisory teams.

The number of less significant institutions is roughly the same as the number of significant institutions but they represent only a 7 % share of the market. Their supervision, exercised at secondary level by the ECB, is conducted by the national supervisor in accordance with conventions and procedures agreed with the ECB.

Breakdown of significant and less significant banks according to the SSM definition in Belgium (indicating the market share of each group)

In preparing the annual budgets in the light of the strategic plan 2020, the Board of Directors – having noted the very substantial increase in the workload of the bank supervision teams on implementation of the SSM – had approved reinforcement of those teams in 2014. An ECB comparative survey of the resources allocated by the national supervisors to the Joint Supervisory Teams confirmed that need, and the ECB asked the Bank to increase still further the number of teams working on significant banks. The integration of the new staff is a challenge in itself, since it takes several years of training to master these complex subjects and procedures.

BREAKDOWN OF SIGNIFICANT AND LESS SIGNIFICANT BANKS ACCORDING TO THE SSM DEFINITION IN BELGIUM
(indicating the market share of each group)

Significant institutions

- **with a Belgian parent company (54.7 %)**
  - Argenta
  - AXA Bank Europe
  - Belfius
  - Degroof Petercam
  - Dexia
  - KBC (KBC Bank, CBC)
- **with a non-Belgian parent company but subject to the SSM (35.3 %)**
  - BNP Paribas (BNP Paribas Fortis, bpost bank)
  - Crédit Mutuel (Beobank, BKCP, Banque Transatlantique)
  - ING (ING Belgium, Record)
  - Banca Monte Paschi Belgio
  - MeDirect (2016)
  - Puilaetco Dewaay Private Bankers
  - Santander
  - Société Générale Private Banking
- **with a parent company not subject to the SSM and not belonging to the European Economic Area (3.0 %)**
  - Bank of New York Mellon

Less significant institutions (7.0 %)

- Byblos Bank Europe
- CKV
- CPH
- Crelan (Crelan, Europabank, Keytrade)
- Dierickx, Leys & C°
- ENI
- Euroclear
- Finaxis (ABK, Delen, Van Breda)
- Nagelmackers
- Optima Bank
- Shizuoka Bank
- United Taiwan Bank
- van de Put & C°
- VDK Spaarbank

The establishment of the SSM has strengthened the European financial system, among other things by harmonising prudential procedures and gradually rectifying national weaknesses. As the corollary to that, the operational teams in charge of bank supervision have therefore seen a considerable increase in their responsibilities and their level of commitment. The coordination and harmonisation efforts, encouraged by the establishment of networks within the SSM teams, the harmonisation of practices, methodological adjustments and the introduction of rules and guidelines have required these personnel to become more flexible, and that has often meant changes in their deployment. For example, the organisation of stress tests, which used to be managed directly by the Bank in the case of the Belgian banks, entailed the temporary secondment of staff to Frankfurt.

With the launch of the SSM, the Bank had decided to centralise the inspection function in a single service. Since inspections of significant banks are now conducted under the SSM (by teams comprising staff of the NBB, the ECB and other national supervisors), it is the SSM that determines both the methodology and the planning of the inspections and their reporting. The reports are now submitted to the Joint Supervisory Teams which draw up the recommendations. The team members also help to devise the methodology.

As regards the inspection of IT systems, the Bank is currently chairing a working group at the European Banking Authority, covering this increasingly important issue within the SSM. A strategic debate is in progress in the SSM on the sharing of software between the various authorities responsible for inspections in the SSM. The Bank takes that into account in determining its strategy on replacement of its own software used for prudential supervision.

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The **single resolution mechanism** is now the second pillar of the banking union. In many Member States and within the banking union, the year 2015 was devoted to putting into operation the legislative and institutional changes introduced in 2014. In that year, the resolution scheme applicable to credit institutions and to certain investment firms had been greatly improved, and the legal framework had been totally redefined to introduce new resolution instruments, harmonised within the European Union.

The single resolution mechanism set up in 2015 consists of the Single Resolution Board, all the national resolution authorities of the Member States taking part in the banking union, the European Commission and the Council of the European Union. The European Union resolution authorities are to develop resolution plans for all credit institutions and banking groups. They are the authorities that manage the resolution process to deal with a bank failure. The SRM defines the allocation of these tasks and responsibilities between the Single Resolution Board and the national resolution authorities. Thus, the Single Resolution Board is responsible for drawing up the resolution plans and adopting all resolution decisions relating to institutions considered significant, institutions subject to direct ECB supervision, and all cross-border groups. The national resolution authorities perform the same tasks and exercise the same responsibilities in relation to institutions not covered by the Single Resolution Board, namely less significant national institutions. The national authorities are also responsible for ensuring that the decisions of the Single Resolution Board are actually implemented.

The Single Resolution Board comprises a chair, a vice-chair, four other permanent members and a representative of each national resolution authority of Member States participating in the banking union. In order to draw up policy guidelines on resolution plans, resolution processes and the operationalisation of the Single Resolution Fund, the Single Resolution Board has set up four committees, comprising mainly the Single Resolution Board and the national resolution authorities; the committees respectively concern cooperation between the Single Resolution Board and the national authorities, the methodology to be used to develop resolution plans, decision-making and procedures to be adopted when an institution goes into resolution, and the Single Resolution Fund.

The Single Resolution Board acts jointly with the national resolution authorities, which in Belgium's case means the Bank. To ensure that prudential tasks are separated from resolution activities, the Organic Law established a new body at the bank, namely the Resolution College. It is chaired by the Governor of the Bank and comprises the Vice-Governor, the Directors responsible for the Service in charge of the prudential supervision of banks and stockbroking firms, that in charge of prudential policy and financial stability, and the Unit in charge of bank resolution, the Chairman of the Board of the Federal Public Service Finance, the official in charge of the resolution fund, four members appointed by the King by a Decree deliberated in the Council of Ministers, and a magistrate appointed by the King. The latter are respectively Pierre Francotte, Luc Phillips, Luc Vandewalle, Alain Zenner and Eric Dirix. The Chairman of the Financial Services and Markets Authority attends the meetings of the Resolution College in an advisory capacity. In 2015, the Resolution College met twice and took decisions on three occasions via a written procedure.

As 2015 can be considered a transitional year, the Single Resolution Board asked each of the national resolution authorities in the banking union – including the Bank – to develop three transitional resolution plans, each covering a group for which the Single Resolution Board is responsible. During 2015, the Resolution College therefore developed three resolution plans incorporating in particular a description of the banking group in question and devising a resolution strategy.

The Single Resolution Board also set up six pilot projects involving internal resolution teams covering six European banking groups. An internal resolution team is coordinated by the Single Resolution Board and comprises representatives of the national resolution authorities of the countries in which a group is active. The Bank took part in two of them, in one case as the resolution authority of the group's country of origin, and in the other as the resolution authority of the host country.

During 2015, the Resolution College also helped to finalise the transposition of the European Directive on Bank Recovery and Resolution (BRRD). Much of that transposition had been completed in 2014 with the adoption of the new Banking Law. Certain points which could not be transposed into Belgian law at that time had to be transposed later. Among other things, that concerns the texts relating to bail-in and the resolution of banking groups. In that connection, the Resolution College gave a favourable opinion on each of the Royal Decrees concerning transposition on which it was consulted.

Since 1 January 2015, each Member State has had to have a national resolution fund prefinanced by levying contributions from credit institutions and investment firms; the fund is to equal at least 1 % of the total amount of the deposits covered by no later than 31 December 2024. The European Regulation on the SRM introduces the Single Resolution Fund, which has been operational since 1 January 2016. It takes the place of the national resolution funds for credit institutions and investment firms which fall within the scope of that Regulation. Its target level was set at a minimum of 1 % of the total amount of the deposits covered for the authorised relevant institutions in the banking union (i.e. almost € 55 billion). It must be set up within 8 years. The Single Resolution Board will be responsible for levying contributions to that fund, acting jointly with the national resolution authorities.

During 2015, the Resolution College collected a total of € 234.8 million from the institutions required to contribute. Delegated Regulation 2015/63 of the European Commission defines the methodology for calculating the individual contributions. On 23 November 2015, the Resolution College adopted a Circular specifying certain methodological points and clarifying the necessary provisions of the Delegated Regulation. That enabled the Resolution College to notify each institution concerned of the contribution which it had to pay, and thus to comply with the 1 December 2015 deadline for that notification imposed by the European Commission's Delegated Regulation. Under the intergovernmental agreement on the transfer and mutualisation of the contributions to the Single Resolution Fund, the contributions collected nationally in 2015 were transferred to the Single Resolution Fund in 2016 and deducted from the subsequent contributions.

Finally, pursuant to Article 417 of the Banking Law, the Resolution College submitted a report to the Minister of Finance, summarising its activities during the past year and describing the progress of the resolution plans and the elimination of obstacles to resolvability.

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In regard to the **prudential supervision of the insurance sector**, in 2015, the Bank published numerous circulars to help insurers to prepare for the entry into force of the European regulatory reform – Solvency II – in 2016. Those circulars concerned both the qualitative and the quantitative requirements of the new prudential regime.

Under the Solvency II regime, insurers have to incorporate in their overall strategy an assessment of their own solvency needs, in the light of their specific risk profile (Own Risk and Solvency Assessment, ORSA). In 2014, the Bank had conducted a survey on a number of insurers to ascertain the degree to which their internal processes were ready. In 2015, some important points emerging from that survey were monitored, while the assessment was reworked in accordance with the new elements of the ORSA reports.

During the year under review, the Bank also paid special attention to the low interest rate environment.

In 2014, the Bank had asked all insurers to test their governance system against the requirements of the reform. An action plan had to be drawn up to rectify any defects before the entry into force of the new regulatory framework. The conclusions of the analysis of the responses to that questionnaire were forwarded to the insurers. In general, it was considered that insurers should not encounter any insuperable problems on this subject.

The Bank expects insurance groups and companies to develop systems and procedures enabling them to supply high-quality information for prudential purposes. The information supplied during the preparatory phase on this subject enables the Bank to ascertain the progress made and the information's quality, and to assess those two aspects.

The Bank also decided that the annual and quarterly Quantitative Reporting Templates (QRTs) for 2014 and the third quarter of 2015 had to be submitted by all Belgian insurance groups and companies. However, the Bank restricted the scope of that reporting for the smallest insurers. The final version of these templates will form the basis for the Bank's periodic risk analyses and will offer a deeper insight into financial positions and solvency under the new regime. In analysing the QRTs, the Bank was also able to refer to the specific reports drawn up by approved auditors.

The publication of the results of the stress tests conducted by the European Insurance and Occupational Pensions Authority (EIOPA) at the end of November 2014 (end-2013 data), and the deterioration of the macroeconomic conditions for insurers since the end of 2013 prompted the EIOPA and the national supervisors to conduct a more extensive and more detailed analysis of the impact of the current economic conditions and the degree of preparedness for Solvency II. The QRTs were a key element of that analysis. As the Bank found the data quality to be inadequate during the preparatory phase, this question will be monitored in the case of the insurers concerned. In general, reporting quality needs to improve significantly to meet the legal requirements of Solvency II and to satisfy prudential needs.

The Bank also contacted insurers which had a solvency ratio below the statutory minimum (100 %) during the preparatory phase. The measures for restoring their Solvency position before the actual entry into force of Solvency II were examined. In view of the mediocre quality of the data, this approach was extended to all insurers with a solvency ratio of less than 120 % or those where new events since the report may have taken the solvency ratio into the danger zone. It was mainly a question of establishing action plans to enable those companies to achieve adequate solvency by the time the new regime entered into force. The Bank's action caused a number of insurers to increase their capital during 2015.

Applications from insurers wishing to use an internal model to calculate their regulatory capital requirements under Solvency II were examined in 2015. The Bank accepted some of those models. Some insurers also withdrew from the pre-application procedure, while others postponed the planned date for submitting their application.

During the past year, the assessment of the adequacy of the technical provisions in the light of the new prudential rules took up most of the inspections teams' resources. Their surveys led to a substantial increase in the amount of those provisions in some of the institutions considered. In addition, following the various inspections conducted in 2015 on the calculation of the technical provisions, the Bank drew attention to various points. In implementing Solvency II, it will attach particular importance the monitoring and correction of those points by the insurers.

For the purpose of checking the best estimate of the technical provisions, the Bank devised a special form of reporting in relation to life insurance. Among other things, insurers have to report the cash flows used to determine the best estimate. The figures reported by the insurer will be processed in various ways to break the best estimate down into its various components; the estimate will also be measured against the inventory reserves, and will undergo a series of consistency tests. During the year under review, these data were collected for the first time from seven large Belgian insurance companies. All the reports for those companies as at 31 December 2014 were delivered at the end of 2015.

In the context of the preparations for Solvency II, it was essential for the Bank to have sufficient confidence in the calculation of the best estimate by the insurers. The Bank conducted its own inspections, but it also called on external actuarial experts to assess the quality and relevance of the best estimate of the seven leading Belgian insurance companies. Their report covered such matters as the accuracy of the amount of the best estimate and the correct use of the data, assumptions and models. Where possible, it also quantified the impact of the shortcomings identified. In June 2015, they presented their provisional conclusions to the management of the insurance companies concerned and to the Bank before finalising their reports. For each insurer, the reports resulted in a set of findings which were notified to the institutions together with a request for an action plan; the Bank will monitor the progress of those plans. Comparison of these individual findings revealed market practices and various matters of concern which will be examined in depth via horizontal analyses with a view to greater convergence and harmonisation.

The possible consequences of a prolonged low interest rate environment are the main financial risk facing insurance companies, and therefore a subject of concern for the Bank. In view of the fragility of the macroeconomic situation, the boost provided by the interest rate rise since April 2015 could be merely temporary. Moreover, the Belgian insurance sector still features high guaranteed yields on certain life insurance products. In 2014, to monitor the interest rate risk more closely in all insurance companies, the Bank developed a new multi-component standard report in order to obtain an accurate and complete picture. The results, based on the end-2013 figures, were supplied to the Bank at the end of the third quarter of 2014 and analysed in 2015. A number of indicators developed on that basis offer a more detailed picture of the interest rate risk, both for individual institutions and for the market.

Since 2011, the Bank has taken various initiatives to chart the liquidity risk facing the insurance sector in Belgium. First, a section on liquidity was added to a more general report which aimed to reveal the vulnerabilities of the six largest Belgian insurance groups. The figures reported showed that a number of Belgian insurers faced rising redemptions and falling premium income. Moreover, increasing numbers of insurers are scaling down the range of class 21 products offered to their customers. At the end of 2014 the Bank decided, on the basis of these initial results, to introduce separate quarterly liquidity reporting for all life insurance companies. Also, to permit integrated monitoring of the liquidity risk, the Bank developed a series of risk indicators facilitating systematic risk monitoring for each indicator.

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Following the publication, in April 2015, of the Fourth Evaluation Report on Belgium by the Financial Action Task Force (FATF) concerning **measures to combat money-laundering and terrorist financing**, the Bank received some specific recommendations on the exercise of supervision over the preventive measures implemented by financial institutions within its sphere of competence.

In essence, that international organisation requests the Bank in particular to reinforce the specific character of its risk-based approach, to increase the intensity and frequency of its checks, to make more frequent use of sanction procedures where significant shortcomings are identified, and to increase the resources allocated to the fulfilment of this statutory responsibility.

Following these recommendations, in the autumn of 2015, the Bank's Board of Directors decided to reorganise the conduct of that supervision. This reorganisation involved, on the one hand, setting up a specialist group on "Combating money-laundering and terrorist financing", comprising the staff allocated to the conceptual aspects of that activity and to remote monitoring of the financial institutions; those staff had previously been spread across several services. In addition, the resources allocated both to this new group and to on-site inspections concerning measures to combat money-laundering and terrorist financing were significantly increased.

The priority tasks assigned to this group for the summer of 2016 include the definition and implementation of a uniform method of analysing the risks of money-laundering and terrorist financing associated with each supervised financial institution, according to their specific characteristics. It is therefore necessary to devise a remote monitoring policy based on that assessment, and a methodology for selecting the financial institutions which should be given priority for conducting specific inspections, and the aspects to be examined. This risk-based approach can make use of the national threat evaluation finalised by the Belgian authorities at the beginning of 2016, which determines the level of threat associated in particular with each of the financial institutions subject to the Bank's supervisory powers.

These measures are important initial steps towards complying with the FATF recommendations on tightening up a risk-based approach. They are not the culmination, but the basis for developing a steadily more sophisticated tool for assessing the risks, which will incorporate a broader range of relevant information.

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The Bank was appointed by Royal Decree to conduct the **prudential supervision of Belgian central securities depositories**, as one of its prudential missions. That supervision is organised by the EU Regulation on the improvements to securities settlement in the European Union and on central securities depositories. The Regulation transposes into the European legal landscape the international principles applicable to market infrastructures: NBB-SSS, Euroclear Belgium (CIK) and Euroclear Bank.

The two private national central securities depositories established in Belgium, namely Euroclear Belgium (CIK) and Euroclear Bank, will have to submit an application for approval to the Bank during 2016. The Bank will have to consult the foreign authorities which have a legitimate interest in the smooth operation of those infrastructures. It is also the intention that the Bank will conclude cooperation agreements with the competent authorities concerned of countries for which the activities of a Belgian central securities depository have acquired considerable importance for the functioning of those markets and investor protection at national level. The Bank will also obtain the opinion of the FSMA on aspects falling within the latter's competence.

The revised Payment Services Directive published on 23 December 2015 (PSD2), has to be transposed into national law by 13 January 2018. Compared to the previous Directive, the scope has been extended to two types of payment service which were not previously subject to authorisation : payment initiation services and account information services. Payment initiation services and account information services never hold the payers' funds. They only provide services to initiate payments or to collect account information with the express approval of the payment services user. They must ensure that personal security data are not accessible to other parties, and must communicate with the parties concerned in a secure manner. To ensure that any incidents are followed up directly and speedily, payment service providers will be obliged to report any significant operational or security incidents.

The Bank is involved in the more detailed development of the Regulatory Technical Standards at the level of the European Banking Authority, and on that account takes part in the working groups set up for the purpose.

The Bank also plays an active part in the working group of the Committee on Payment and Market Infrastructures and the International Organisation of Securities Commissions (CPMI-IOSCO) for the development of guidance regarding cyber resilience for financial market infrastructures. In 2015, the working group published a consultative paper setting out five categories of measures for the management of cyber risks and three transverse fields. The five categories of measures are : cyber governance, identification of cyber risks, protection against cyber attacks, detection of cyber incidents, limitation of the impact of cyber incidents, and recovery after cyber incidents. The three transverse fields are : continuous testing of data systems, awareness of developments in the organisation's environment, and continuous improvement of cyber security strategies on the basis of acquired insight. Investments in the various categories of measures are mutually complementary. This guidance supplements the CPMI-IOSCO principles for financial market infrastructures. In particular, it clarifies the governance requirements (principle 2), the framework for comprehensive risk management (principle 3), transaction settlement finality (principle 8), operational risk management (principle 17) and the links between financial market infrastructures (principle 20).

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Chapter 2 of this report duly presents the measures that the Bank is taking to address both the financial and the non-financial risks (section 2.1.2). However, the Bank's responsibility in this matter extends beyond the bounds of the institution, as it is not only obliged to be capable of ensuring the continuity of its own activities. Under the 2011 Law on the protection of critical infrastructures in Belgium, it performs the role of a sectoral operational crisis management authority in the financial sector, which includes arranging multiple contact and information sessions with the systemic players concerned.

In 2015, its activities in that regard consisted in implementing the lessons drawn from the 2013 sectoral crisis exercise, organising a second sectoral crisis exercise in October 2015, and monitoring the draft Circular on business continuity produced by the prudential supervision services for the attention of systemic players. At the end of the year, in addressing a level 4 terrorist threat, the Bank tested the efficiency of its role as a contact point between the National Crisis Centre and the financial sector.

The sectoral crisis exercise on 8 October 2015, involving most of the critical players in the Belgian financial sector (large banks, systemic financial infrastructures and several large insurance companies based in Belgium), was intended primarily to measure the progress of the crisis management arrangements in the face of terrorist attacks. The exercise, praised for its quality and usefulness, also revealed certain opportunities for improvements. In 2016, it will be possible to resolve those issues, in particular concerning the organisation of crisis units, development of the crisis communication tool set up, and contact with the sector's professional associations (Assuralia and Febelfin). The Bank also takes part in a European working group for the exchange of information in this field and the examination of hypothetical crises with a cross-border impact.

At the request of the operational crisis management structure in the financial sector, comprising representatives of the Bank's prudential supervision services, the Minister of Finance and FPS Finance, chaired by the Bank's Secretary-General, the Bank's supervision services drew up a Circular on business continuity and security for the attention of systemic financial institutions. That Circular came into effect on 1 January 2016.

Under the Law on the protection of critical infrastructures, the Bank identified the critical locations in the sector. It also performed its role as the contact point between the crisis centre and the financial sector, updating its impact analysis concerning the risk of power cuts or blackouts in Belgium and serving as an interface, especially at the time of when the alert was raised to level 4 in Brussels.

Execution of monetary policy decisions

In the Eurosystem, **monetary policy decisions** are taken by the Governing Council, but it is for the national central banks to execute those decisions. With its monopoly on banknote issuance and the reserve requirements that it imposes on the banks, the Eurosystem can manage bank liquidity on the money market and influence market interest rates. In general, the Eurosystem allocates liquidity enabling euro area credit institutions to cover their liquidity needs at a price corresponding to its intended policy, reflected in the key interest rates set by the Governing Council. The Eurosystem uses three categories of "conventional" instruments for that purpose:

1. open market operations, among which the main refinancing operations, which are weekly allotments of one-week credit, play an important role;
2. standing facilities;
3. reserve requirements.

In addition, since 2009, the ECB has introduced "non-standard" monetary policy measures: the asset purchase programmes which supplement the above operations. In a context where the financial fragmentation of the euro area hampers activity and impedes the efficient transmission of the ECB's monetary policy, these new measures are meant to reinforce the accommodative monetary policy stance and give more support to lending to the real economy in the euro area. In September 2014, the ECB had already announced the purchase of a substantial portfolio of private sector asset-backed securities (ABS) and covered bonds. The expanded asset purchase programme (APP) announced on 22 January 2015 resumes these programmes and comprises combined purchases of public and private sector securities for a monthly total of € 60 billion. In that programme, the section concerning public sector securities – the public sector purchase programme (PSPP) – involves purchases on the secondary market of bonds issued by central governments, agencies and European institutions in the euro area.

The main expected effects of these asset purchase programmes can be summarised as follows: a reduction in the cost of long-term borrowing in all euro area countries, an impact on banks causing them to prioritise lending to the economy, and finally an improvement in the anchoring of inflation expectations at the desired level. Ultimately, this programme also aims more generally to support confidence in the euro area's economy.

For the ECB and for the national central banks in charge of executing the "non-standard" monetary policy decisions, each of these programmes implies significant professional adjustments, representing a major challenge for the success of the monetary policy. In the summary of its strategic review exercise, published in its 2014 Corporate Report, the Bank already included among its priorities "further improvements in (our) expertise in the implementation of monetary policy (for example, the programme for the purchase of asset-backed securities and covered bonds)". To that end, right from the start of the ABS purchase programme, the Bank had decided to take on a substantial role in the programme's surveillance structure. And in October 2015 it was the second national central bank of the Eurosystem to become directly involved in the actual execution of the ABS purchase programme.

In November of the year under review, in the context of expansion of the asset backed securities market in Belgium and the gaining of experience on that subject, the Bank hosted a conference for the Belgian Financial Forum on the subject of securitisation, entitled "Asset-Backed Securities. Recent European initiatives and the role of securitisation in Belgium". With an introduction by Governor Jan Smets, this conference gave a large number of international experts, including some from the ECB and the European Commission, the opportunity to review the current situation and the prospects on this market.

Macro- and microeconomic statistics and data

September 2014 was a key deadline for macroeconomic statistics. All European countries had to produce their national accounts in accordance with the new accounting standards imposed by the ESA 2010. Belgium's national accounts published in 2014 therefore featured this fundamental change, which had affected a great many statistical series going back to 1995. The switch to the ESA 2010 presented a major challenge. Eurostat, the European Union's statistical authority, was very pleased with the effort made by the statistical institutes of the member countries. The September 2015 edition of the accounts contributes further to the improvement in quality resulting from the changes introduced by the ESA 2010 in the previous year.

Other adjustments made during the year under review were not due to the switch to the ESA 2010. For instance, revision was necessary because the constituent bodies of the National Accounts Institute (NAI) have harmonised the NACE codes (classification by branch of activity) attributed to the statistical units. Work has been done to ensure that the NAI attributes and uses a single NACE code: to that end, the classification by branch of activity of the statistical units has been re-examined since 2009, resulting in reclassification where necessary. The desire to improve the quality of the statistics led to other adjustments, too, such as a revision of the deflators for certain industrial products.

The Bank also continues to take part in the preparation of new **statistics for the ECB**. The compilation of all these new statistics and data entailed significant modifications in the data processing procedures.

Since October 2015, the Bank has published quarterly in its statistical database the **statistics on Belgium's foreign direct investment**, in transactions and in outstanding amounts. These are investments made by an investor from one specific economy in another (foreign) economy in order to hold a long-term stake in the undertaking concerned. Direct investments are an indicator of international economic integration. In terms of amounts, they represent over 40 % of Belgium's assets and half of its liabilities in relation to the rest of the world.

The Bank does not focus its attention solely on the production of new statistics, but also takes an interest in the **cost** of compiling them, for both the supplier and the producer of the basic data. The increased production of statistics is not always in proportion to the demand for source material among the economic agents; that is demonstrated, for instance, by the foreign trade statistics. In January 2015 the Bank increased from € 700 000 to € 1 500 000 the annual amount of imports from European Union countries beyond which resident importers must submit monthly reports detailing these transactions for the purposes of the statistics on foreign trade in goods (Intrastat survey), thus releasing a further 3 300 firms from that obligation. Since the Bank began dealing with the Intrastat survey in 1995, the number of resident firms subject to this survey has fallen from 25 283 to 8 275 for imports and from 25 287 to 8 172 for exports. Over the same period, the survey coverage rate has risen from 93 % for imports and 97 % for exports to 98 % for both flows.

In mid-September 2015, Belgostat – the Bank's old application for on-line consultation of statistical data was replaced by **NBB.Stat.** Developed by the Bank in 1999, Belgostat no longer met all the latest standards and was prone to instability problems. Hence the decision to migrate to NBB.Stat, the Belgian version of software developed by the OECD, also used by the IMF, the European Commission and a number of statistical institutes across the world (Australia, Italy, New Zealand, etc.). An international user network ensures its ongoing development. Technically more stable than its predecessor, NBB.Stat also offers a greater number of functionalities concerning presentation, intuitive searches, multidimensional data structure, etc. This platform offers free access to a wide range of macroeconomic statistics: national and regional accounts, prices and wages, industrial output, demography and the labour market, financial markets, public finances, economic surveys, foreign trade, interest rates, exchange rates, etc.

At the same time, the various existing electronic channels for collecting this information have been gradually standardised, and paper returns have been abolished.

The Bank also began supplying free software for the analysis of chronological series, seasonal adjustment and nowcasting. The "JDemetra+" tool was improved and refined for that purpose and brought to the attention of researchers. This was beneficial for cooperation with other central banks, statistical institutes and research centres, and with Eurostat. The product is recommended by experts at the European statistical institute as the tool for the seasonal adjustment of the European Union's official statistics. It now has its own website providing the necessary manuals and information.

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Since 2014, the Bank had already been responsible for organising and managing a **Central Point of Contact** (CPC) which financial institutions must notify each year of all accounts opened and certain types of contract concluded in Belgium by resident and non-resident legal entities and individuals. The mission of the central contact point was extended when a Royal Decree was published on 13 April 2015, ordering the Bank to record **foreign accounts** that resident personal income tax payers are required to notify to it. Taxpayers who, in 2015, mentioned the existence of foreign accounts in their 2014 income tax return had to notify the CPC of the exact details identifying those accounts. In June 2015, FPS Finance also requested taxpayers who mentioned the existence of such accounts between 2011 and 2013 to declare them to the CPC. Apart from the taxpayer's national registration number and the account number, the declarations must include the name of the financial institution, its BIC code or address, the country where the account was opened, the earliest year in which the account existed, the closure date, if applicable, and in cases where a child held a foreign account, the latest tax period in which the child's income was added to that of the parents.

From May onwards, the CPC provided paper notification forms for taxpayers, and an internet application enabling them to register data themselves by stating their electronic ID. In view of the deadline for submitting the required data, the Bank received thousands of envelopes every day in late June and early July. Altogether, in 2015, almost 200 000 taxpayers submitted data on around 400 000 accounts, almost 120 000 in paper form. The CPC staff, supplemented with agency workers and additional staff, had a maximum of 90 days following receipt to open the mail, check the forms, enter the details manually and send an acknowledgement of receipt of the data to the taxpayers, or a rejection letter, if appropriate. As well as being able to consult their foreign accounts recorded at the CPC, taxpayers can submit changes to the data sent in, such as the account closure date. As in the case of accounts opened in Belgium, the information concerning foreign accounts can be consulted by persons duly authorised by the tax office under a procedure strictly defined by law.

In 2012, in line with the Eurosystem's monetary policy missions and also for the purpose of its prudential activities, the Bank decided to set up an **In-house Credit Assessment System** (ICAS). The credit risk of non-financial firms plays an important role in the conduct of the Eurosystem's monetary policy, because it is crucial for assessing the security that financial institutions provide in return for the supply of liquidity.

A detailed, independent and objective view of the credit risk concerning the customers of financial institutions is also very useful for the exercise of prudential supervision.

The ICAS is a credit assessment system that estimates the default risks for non-financial corporations. For that purpose it uses advanced statistical techniques and applies microeconomic expertise to the databases held at the Bank. Since 2014, this system has operated – with the ECB's approval – for the assessment of the credit claims of firms which kept their accounts in accordance with the IFRS. During 2015, the ECB approved the inclusion in the ICAS of non-financial corporations which file their annual accounts according to the BE GAAP scheme. The Bank's ICAS is thus a valid alternative for the assessment of collateral credit.

Production and circulation of paper money and management of payment systems

As regards the **production of euro notes**, during 2015, the Bank's Printing Works switched entirely to production of the second series of "Europa" banknotes. It began by producing one of the denominations in that series already in circulation before preparing to launch the production of a brand new denomination. That necessitated various technical measures, such as major maintenance of the machinery, renovation of the numbering and control systems, and additional modifications concerning physical security. Production could not being until these issues had been resolved.

The organisational measures necessary to ensure the continuation of the activities up to 2020, the scheduled date for closing the Printing Works, were also taken in 2015. A new organisation chart was drawn up, enabling a large number of Printing Works staff to progress within the unit. With that in view, "personal development plan" interviews were launched at the end of the year. These are intended to enable staff who will remain in the Bank's service after 2020 to identify potential avenues for their future employment at the Bank. In this connection, it must be pointed out that, during the year under review, in the course of the major maintenance work on the machinery, around thirty staff from the Printing Works were transferred to other teams at the Bank. That helped a number of units to cope better with peak workloads ; at the same time, the workers concerned were able to consider new career opportunities.

After 2020, the Bank will retain a banknote competence centre. In that context, one of the three contracts between the Printing Works and the Eurosystem has been extended, while a fourth agreement has been added.

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The year under review therefore saw the continuing reorganisation of **banknote-related activities**. Obviously, that does not only concern the Printing Works : the Bank also made preparations for closing the Mons and Hasselt branches on 30 June and 31 December 2016 respectively, and for terminating certain activities relating to the processing of banknotes. It likewise continued its efforts to achieve productivity gains in that sector. These various measures will enable the Bank to adapt to changes in banknote circulation, particularly in regard to the volumes to be processed, the increased automation of the work, and the reorganisation of banknote processing within the banking sector. The measures are in line with the Bank's strategic objectives for 2020, the priorities being to maintain the quality and security of banknote circulation in Belgium.

With the closure of two additional branches, the Bank will thus endeavour to optimise its banknote activities. At the end of 2016, its branch network will comprise just the Liège and Kortrijk branches plus the Central Cash Office in Brussels.

As stated in chapter 2, section 2.1.2, the control of banknote processing activities has been reorganised according to the principle of three lines of defence. That approach makes it easier to clarify responsibilities and thus enhance the effectiveness of the checks.

The new € 20 note in the "Europa" series was placed in circulation on 25 November. It joins the new € 5 and € 10 notes issued in 2013 and 2014, and forms part of the updating of the entire series of euro banknotes, in order to make them even easier to recognise and more resistant to counterfeiting. The new banknote benefits from the technological progress achieved in banknote production since the first series was introduced more than ten years ago, and incorporates new and improved security features. For instance, the watermark and hologram show a portrait of Europa, a figure from Greek mythology who gave her name to the new series. On the € 20 note, Europa's portrait appears in a window in the top part of the hologram. Another innovation – although it was already included in the new € 5 and € 10 notes – is the indication of the value in emerald green figures, the tone changing from green to dark blue and producing a light reflection that moves up and down. The launch of a new banknote entails adjustments to the authentication devices and the machines that accept and process banknotes. For that reason, massive publicity campaigns were organised for the various sectors concerned. The new € 50 note will be placed in circulation in 2017.

In collaboration with the Nederlandsche Bank, the Bank also manages an IT application called the **Cash Single Shared Platform** (CashSSP), which is now used by nine euro area countries. This is an IT system for the exchange of banknotes and coins between the central bank and commercial banks and cash transport firms. The system offers a full range of functionalities permitting the automated announcement, deposit and withdrawal of cash, and an interface with the banknote processing equipment, accounting records and payment systems. It can also respond to requests for information made by the European Central Bank, e.g. concerning statistics, counterfeits and the testing of sorting machines. In 2015, it was decided to change the IT system to a Java application, to obtain a more modern platform permitting easier development of new functionalities. The contract between the various central banks was amended to ensure funding for the project, to improve the system's governance and to refine the sharing of responsibilities between partners.

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Central banks are involved in the field of **payment systems** because they need to be able to rely on secure and efficient payment systems, both for the transmission of monetary policy stimuli and for the stability of the financial system as a whole.

The Bank is one of the few central banks which also acts as a central securities depository (CSD). In 2008, the ECB had decided to develop the single securities settlement platform – **TARGET2-Securities** (T2S) – which came into production on 22 June 2015. It permits settlement in central bank money – initially only in euros, though other currencies will follow – while cutting transaction costs. T2S effects cross-border settlements as efficiently as purely national payments, stimulates competition and strengthens European financial stability. As stated by Yves Mersch, a member of the Executive Board of the European Central Bank : "That is a concrete step towards increased financial integration in Europe. After seven years of laborious preparation, T2S will be at the service of citizens in 21 countries, and will contribute towards a genuine unified European capital market".

The central securities depositories of Greece, Italy, Malta, Romania and Switzerland took part in the first operational launch of T2S. The Bank's securities settlement platform (NBB-SSS) migrated in the second wave, on 29 March 2016. Every day since then, the Bank has provided T2S with a list of eligible collateral for the allocation of intraday credit. The Bank's securities settlement platform has for some years been preparing for a two-phase migration in order to reduce the operational risks and ensure the best possible preparation both for the platform and for the participants, namely around seventy Belgian and foreign banks and investment firms.

The first phase, known as RAMSES1, has been in production since 2 February 2015 ; it was described at length in the 2014 Corporate Report (page 12). The second T2S wave was therefore the real migration for the Bank's securities settlement platform : since then, the NBB-SSS securities settlement has taken place on the European platform which manages all the accounts centrally, in securities and in cash. Since the migration, NBB-SSS participants have enjoyed access to all the T2S functionalities, as well as the benefits already offered by RAMSES1, and especially the standardised XML messages, harmonisation, and economies of scale for banks and investment firms active in multiple countries and on various markets, operational availability and guaranteed 22/24 production, efficient cash management thanks to centralisation and auto-collateralisation (implementation of collateral launched automatically when a buyer does not have sufficient funds to settle a payment-delivery instruction), and finally lower tariffs for cross-border transactions in securities.

In view of the migration of the Belgian central securities depositories, NBB-SSS and Euroclear Belgium, to T2S, the Bank also made a special effort to prepare for the switch of the cash element to the same platform. The Bank paid particular attention to bilateral contact with holders of a cash account in T2S. It invited them to two information sessions, and offered them a contact point for all their questions on the opening and management of their accounts. Its staff played an active part in a number of Eurosystem working groups, and collaborated with two central securities depositories. The also took part in many tests concerning the various aspects of the migration, culminating in week-end testing to simulate the migration in detail. That project also forms the subject of regular reporting to the Eurosystem.

In accordance with a Regulation adopted by the ECB Governing Council, the source data needed to compile detailed statistics on payments and payment systems are collected via a precise reference framework, as those statistics are considered part of the statutory duties of the ESCB and the ECB. The said Regulation aims to improve the coverage and reliability of the statistics in question ; it enhances the consistency – and hence the comparability – of the statistics supplied by the various ESCB central banks. The data are collected from all payment service providers and credit institutions, and also from issuers of electronic money and payment system operators.

The first data collected from declarants, in the first half of 2015, concerned payments effected in 2014 : 74 declarants (62 credit institutions, four issuers of electronic money and eight payment institutions) used the OneGate platform provided by the Bank to fulfil that obligation. The Bank gave itself one month to conduct checks, correct the data and aggregate the individual figures before supplying the data to the ECB at the end of June. The ECB published the payment statistics in October. In the second half of 2015, the Bank initiated improvements to the reporting channels for the collection of payment data relating to 2015.

At the end of 2015, the Board of Directors set up a working group on new digital technologies in financial transactions (FinTech), to examine the impact of those developments on the financial sector as a whole and on the Bank, in regard to not only prudential matters but also monetary policy and payment systems.

International cooperation

In agreement with the Federal Public Service Finance, the National Bank prepares the positions of Belgium's representative to the **International Monetary Fund** (IMF). Following the reform of the IMF's governance, the Netherlands and Belgium, which previously each headed an electoral group (or "constituency"), decided in 2012 to create a common constituency on a parity basis. That constituency comprises Armenia, Belgium, Bosnia-Herzegovina, Bulgaria, Croatia, Cyprus, Georgia, Israel, Luxembourg, Macedonia, Moldavia, Montenegro, the Netherlands, Romania and Ukraine. The Belgo-Dutch constituency is the biggest in the IMF and has the largest number of votes (6.58 %), after the United States (16.77 %). The Netherlands and Belgium also agreed to take turns in appointing the Executive Director ; in November 2016 it will be Belgium's turn.

In these circumstances, in order to safeguard its role and visibility in this new constituency, the Bank decided on structural reinforcement of its contributions to the positions adopted by the Executive Director at meetings of the IMF Executive Board. These contributions, which may be strategic or technical depending on the case, are based on analyses supplied by the experts from the various entities of the Bank and the service responsible for international cooperation, which also ensures the quality and consistency of the Bank's contributions.

Similarly, the Bank decided to expand the services that it offers to constituency countries via more ambitious **technical cooperation** with the central banks of this group, be it in the form of customised assistance, training, internships, consultation, courtesy visits, secondment, etc. To incorporate this more ambitious cooperation in the 2020 Strategy, the Board of Directors adjusted the Bank's priorities for technical cooperation in favour of the central banks of the said countries, plus the Democratic Republic of Congo and Burundi.

Support activities

During 2014, the Bank's Board of Directors instructed a consultancy to help devise an **IT strategy** for 2015-2020 to meet the needs of the "business" entities. Starting with a diagnosis of the existing situation, the consultant had proposed a road map for achieving the objective set for 2020. During the year under review, the IT Department began implementing the consultant's recommendations, mainly those improving the alignment of the IT systems with the needs of the business and those basing IT governance on multiannual planning of requirements.

In regard to governance, the strategic teams of the various user entities and the IT Department began looking to the future and defining the applications and techniques which will be needed in the next five years, placing them in a realistic context in terms of time and resources. This plan will need to be responsive and flexible to deal with the inevitable unforeseen developments and changing circumstances.

As part of the Bank's strategic exercise and its IT strategy up to 2020, a new entity was formed, namely the ***Transversal Project Management Office***. This provides an important link between the IT Department and its clients. Its task is to see that IT resources are tailored more closely to the users' needs, in line with the Bank's strategic objectives. This new office's responsibilities include managing the road map for IT projects, and the methodology, monitoring, reporting, guidance and support.

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As regards support activities, the work of **logistical services** consists in adapting buildings and technical installations to suit the needs of internal clients. This is the prime area for expressing the Bank's desire to limit its ecological impact (see section 1.3 "Sustainable enterprise").

The office renovation plan which began many years ago, known as the Building Master Plan, continued in 2015 with the total refurbishment of around 3 000 m^2 of office space on the second floor of the main building.

The work of replacing the monumental glass vault over the main banking hall of the Van Goethem building, inaugurated in 1954, is progressing in keeping with the characteristic style of this building. The glass roof that protects the vault will be raised to 4th floor level. The walls previously surrounding this roof, which are being renovated on this occasion, will thus become interior walls, providing substantially better thermal insulation.

The work on the historic building in rue du Bois Sauvage is also continuing. However, the discovery of materials containing asbestos during the demolition work has caused considerable delays to the project. The roof is being renovated and insulated, and the two upper floors are being refurbished to take 55 work stations. To facilitate this work, it was necessary to move the Bank's Museum. It has been transferred to temporary accommodation on a slightly reduced scale, but remains readily accessible to the public via the entrance at 3 boulevard de Berlaimont. It will eventually be entirely restaged and located permanently in the old UCB building, rue Montagne aux Herbes Potagères, which housed the Bank's library until 1 March 2016.

The increasingly widespread access to electronic resources reduced the need to retain such an infrastructure. This decision is also in line with the Bank's drive to cut costs, which started many years ago. However, being aware of the scientific value of its collection of economic and financial works, the Bank intends to continue providing access for the academic community and for other interested users via lending between libraries.

Once the detailed study for the new works kitchen project had been completed, the tendering procedure was launched at the end of 2015.

In view of the forthcoming closure of the Mons branch in mid-2016, the Bank has been making preparations for the public sale of the property.

Sponsorship

At a time when some key values forming the basis of our society are being violently threatened by groups of extremists and terrorists, the Bank has made a point of stressing its unwavering commitment to those values. Through its sponsorship, it reaffirms the importance that it attaches to that precious heritage; it therefore places greater priority than ever on supporting projects beneficial for society. Thus, during the year under review, it thus gave special support to the "Train of 1 000" [holocaust memorial] project. During the 2014-2015 academic year, the Veterans Institute, the Auschwitz Foundation and the International Federation of Resistance Fighters offered an educational course on the Holocaust and remembrance. The high point was a five-day trip from Brussels to Krakow for 1 000 young Europeans and a visit to the Auschwitz-Birkenau concentration and extermination camp.

1.2 Human resources

1.2.1 Staff changes and recruitment

In 2015, the staff diminished by 37 full-time equivalents. The Bank has adopted the strategic aim of cutting its staff substantially by 2020. Owing to changes in the pensionable age and requirements concerning years worked to qualify for the state pension, it was necessary to deviate temporarily from the path, but the objective is unchanged. Any request for the replacement of staff who leave or for additional personnel is examined very closely and treated selectively.

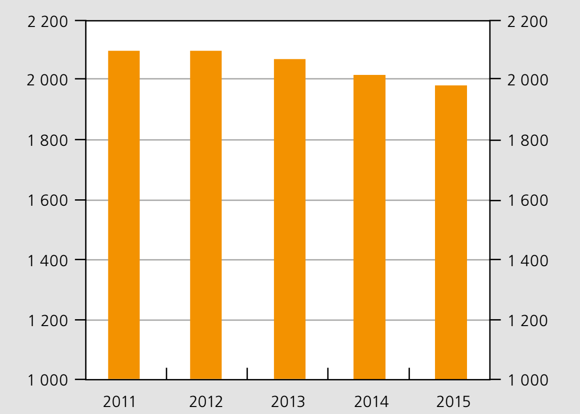
The Bank therefore aims to attract new talent and is using all the modern communication channels for that purpose. In the coming years, it will only take on university graduates or baccalaureate holders. It offers numerous in-service training options and is fully committed to managing and developing the talents of its staff.

The Bank remains equally attentive to the quality of the working environment, stress management and staff satisfaction. In 2015, it concluded a number of sectoral agreements with staff representatives, including some which extended earlier commitments.

1.2.2 Obituaries and retirement

In 2015, the Bank was saddened to learn of the death of the honorary Director, Roland Beauvois. Mr Beauvois was a Director of our institution from 1965 to 1987. He had joined the Bank in 1945, and made his mark particularly in economic research.

NUMBER OF STAFF
(in full-time equivalents as at 31 December)



The Bank was also saddened to hear of the death of the honorary Censor André Leysen, who had held that post at the Bank from 1971 to 1985.

The Bank was also saddened by the death of five members of its staff in 2015 :
Mrs V. Debrun
Mrs I. Smet
Mr D. Steinier
Mrs M. Vierdeel
Mr R. Vlasschaert

They will always be remembered.

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The Bank would like to express its gratitude to the members of the managerial and supervisory staff who reached the end of their career :
Mr J. Callebaut
Mr A. Desmet
Mr F. Gijsel
Mr B. Groetembril
Mr U. Mommen
Mr M. Pickeur
Mr W. Sermon
Mr F. Van Nieuwenhove

It also thanks the members of the clerical staff whose career came to an end last year :

Mr R. Blykers
Mrs M-C. Bonnave
Mrs D. Boons
Mr J.-P. Boykens
Mr D. Bruffaerts
Mr F. Daelemans
Mrs A.-M. Daniel
Mr R. De Backer
Mr J.-P. De Bolle
Mr L. De Maere
Mr W. De Nutte
Mrs A. De Rouck
Mr H. De Smet
Mr F. Dedecker
Mrs P. Delay
Mr A. Delcourt
Mr H. Deridder
Mr P. Devigne
Mr E. Donie
Mrs M. Gijsebergs
Mr R. Gijsels
Mrs N. Goltfus

Mrs M. Govaerts
Mr P. Hianne
Mrs N. Horlin
Mrs M.-F. Jaume
Mr D. Joseph
Mrs D. Kloeck
Mr J.-M. Leroy
Mr M. Lison
Mr V. Marlier
Mrs A. Marteaux
Mr J. Nigot
Mrs G. Purnelle
Mrs F. Re
Mrs L. Roelens
Mrs H. Ronsse
Mr W. Seneca
Mr P. Simons
Mr P. Spelkens
Mr G. Spiliers
Mr C. Steelandt
Mrs P. Thirion
Mr D. Van Aelbrouck
Mrs G. Van Den Brande
Mrs V. Van Den Broek
Mr J. Van Den Heuvel
Mr J.-P. Van Den Neste
Mr R. Van Haverbeke
Mrs L. Van Hoeck
Mr P. Van Iseghem
Mr R. Vanbesien
Mrs M.-C. Vandenberg
Mr C. Vandendunghen
Mrs I. Vandeperre
Mr P. Vanderkelen
Mrs A. Vanrome
Mr P. Verdick
Mr G. Verheyden
Mrs N. Verluyten
Mr P. Waeterinckx
Mrs M. Wauters
Mrs M. Weckhuysen

1.3 Sustainable enterprise

The Bank opted many years ago for the concept of sustainable enterprise. 2008 was a historic year in that respect as the Bank was awarded the "Ecodynamic Enterprise" label by the Brussels Institute of Environmental Management (IBGE), with two stars. That award was in recognition of the effort made by the Bank in the environmental sphere. The label, awarded for three years, was renewed in 2011 with an additional star. In 2014, on the basis of the application submitted to "Brussels Environment", the Bank was again awarded this label with three stars, i.e. the highest possible distinction. It can therefore display this label for a further three years, in which time the various working groups and the steering group will have the task of implementing the environmental programme determined for that period.

In recent years, the environmental efforts have been constantly extended and refined wherever possible.

The various initiatives taken in 2015 are described below.

In regard to mobility, a new parking facility for 120 bicycles came into use, with a separate area for undertaking repairs. All cyclists are provided with a locker. Two company electric bicycles have been brought into service and the Bank has taken out two Villo! subscriptions for business use. The multimodal access plan has been modified to make it easier for visitors to get to the Bank by public transport.

A third green roof has been installed, this time on the building adjacent to the car park. The new planting maintenance contract specifies that these roofs must be managed with due respect for the environment.

The Bank was awarded the energy efficiency certificate for a public building, highlighting its serious approach to energy saving, as this certificate indicates that our offices use 40 % less energy than the average for Brussels. In 2015, some of the windows on the two upper storeys of the main building were replaced to improve the thermal insulation. Secondary glazing was installed to the windows of the banknote printing shop. An adiabatic humidification system was also installed in the printing rooms. This is an important step towards reducing the use of gas for producing steam and the use of electricity for cooling.

On the energy saving front, the most immediate gains were achieved in previous years. The ground floor lighting in the car park has been renovated, and now uses energy-saving LED bulbs.

A new 1.5 MW condensing boiler has been brought into service. Two heat pumps and heat exchangers which use less energy have been installed. New control systems for the installations in the main building have reduced circulation losses.

As regards waste management, the main efforts focused on better waste sorting and reducing food waste.

These various measures are backed by a constant staff awareness campaign using a range of internal means of communication; the campaign is generally very well received.

1.4 List of publications in 2015

Economic Review

JUNE

- *Economic projections for Belgium – Spring 2015*
- *The relationship between economic growth and employment*
- *Decomposition of the dynamics of sovereign yield spreads in the euro area*
- *Analysis of policies for restoring sound Belgian public finances*
- *Deflation in Japan, Abenomics and lessons for the euro area*

SEPTEMBER

- *Interactions between monetary and macroprudential policy*
- *Has the crisis altered the Belgian economy's DNA?*
- *Corporate profit margins: recent developments in a context of low inflation*
- *Factors explaining emerging economies' growth slowdown*
- *European governance framework for public finances: presentation and evaluation*

DECEMBER

- *Economic projections for Belgium – Autumn 2015*
- *Sensitivity to the crisis of SME financing in Belgium*
- *Macroeconomic determinants of non-performing loans*
- *Has the reorganisation of global production radically changed demand for labour?*
- *Monetary policy communication in the wake of the great recession*
- *Main CompNet research results*
- *Results of the third wave of the survey on wage-setting in Belgium*
- *Results and financial situation of firms in 2014*

Working Papers

- *276 How do exporters react to changes in cost competitiveness?*
- *277 Optimal monetary policy response to endogenous oil price fluctuations*
- *278 Comparing fiscal multipliers across models and countries in Europe*
- *279 Assessing European competitiveness: The new CompNet micro-based database*
- *280 FloGARCH: Realizing long memory and asymmetries in returns volatility*
- *281 Does Education Raise Productivity and Wages Equally? The Moderating Roles of Age, Gender and Industry*
- *282 Assessing European firms' exports and productivity distributions: The CompNet trade module*
- *283 Economic importance of the Belgian ports: Flemish maritime ports, Liège port complex and the port of Brussels – Report 2013*
- *284 Crisis-proof services: Why trade in services did not suffer during the 2008-2009 collapse*
- *285 The labour market position of second-generation immigrants in Belgium*
- *286 The implications of household size and children for life-cycle saving*
- *287 Monetary policy effects on bank risk taking*
- *288 The Belgian production network 2002-2012*
- *289 Portfolio choice and investor preferences: A semi-parametric approach based on risk horizon*

Belgian Prime News

This quarterly publication in English is produced jointly by the Bank, the Federal Public Service Finance (FPS Finance) and a number of primary dealers.

Each issue includes a "Consensus forecast" on the outlook for the main macroeconomic data for Belgium and a description of the most significant recent economic developments.

A review of the situation on the government securities market is also presented each time. The section on "Treasury highlights" gives information on Treasury decisions relating to the management of the public debt.

- *66 Special topic : The new federal government announces measures for structural reforms and fiscal consolidation the economy*
- *67 Special topic : An agenda for sound public finances, sustainable growth and job creation in Belgium*
- *68 Special topic : Three months on, a look at the implementation of the Eurosystem's public sector purchase programme (PSPP) by the NBB*
- *69 Special topic : Combining fiscal consolidation with a tax shift away from labour income : an important balancing act for the coming years*

Statistical publications

The Bank makes a huge volume of macroeconomic statistics available to the public on its website and via its NBB.Stat statistical database, which replaced Belgostat entirely in the autumn of 2015. It is possible to subscribe to updates of specific tables. The publications and press releases are also available in electronic format on the Bank's website :

GENERAL STATISTICS :

- *Statistical Bulletin, Economic indicators for Belgium, Consumer survey, Half-yearly investment survey, Business surveys*

EXTERNAL STATISTICS :

- *Monthly and quarterly foreign trade bulletin*
- *International investment position, details of foreign direct investment and methodological notes "The balance of payments and the international investment position according to the BPM6", Statistical Bulletin 2014-IV and 2015-II*
- *Regional breakdown of Belgian imports and exports of goods and services*

FINANCIAL STATISTICS :

- *Belgium's financial accounts (annual and quarterly)*
- *Non-financial corporations credit observatory, Monetary financial institutions interest rates, Bank Lending Survey, Quarterly surveys of loan conditions : credit constraints perception indicator*

NATIONAL ACCOUNTS :

- *Quarterly sectoral accounts, Quarterly accounts, First estimate of the annual accounts, General government accounts, Detailed accounts and tables, Supply and use tables, Regional accounts*

MICROECONOMIC DATA

- *Central Individual Credit Register*
  - *Annual statistical report*
  - *Monthly key figures on consumer credit and mortgage loans*

- *Central Corporate Credit Register*
  - *Monthly publication of statistics on credit authorisations and credit use via the Non-financial corporations credit observatory*

- *Central Balance Sheet Office*
  – *The Central Balance Sheet Office makes available to the public the collected annual accounts data, a financial analysis included in the company file, and sectoral statistics in formats suited to the needs of the various user groups.*

- *Microeconomic analyses*
  – *Each year the Microeconomic Analysis service publishes in the Economic Review its surveys of the financial results of firms and their social balance sheets. The port studies appear in the Bank's series of Working Papers.*

Other publications

- *Corporate Report 2014. Activities, governance and annual accounts*
- Report 2014. Economic and financial developments
- Financial Stability Report 2015
- Macroeconomic impact on the Belgian economy of the tax shift scenario produced by the government, December 2015
- Report assessing the retail gas and electricity price safety net since it entered into force, October 2015
- Annual report assessing the retail gas and electricity price safety net for 2014, April 2015

1.5 Contacts

SERVICES	ESTABLISHMENTS OFFERING THE SERVICES	OPENING HOURS
Banknotes and coins, State Cashier, Central Balance Sheet Office, Central Individual Credit Register	Brussels, boulevard de Berlaimont 3, Kortrijk, Hasselt and Liège	9.00 to 15.30 hrs, Monday to Friday
Museum	Brussels, boulevard de Berlaimont, 3	10.00 to 15.00 hrs, Monday to Friday

INFORMATION

Website:	www.nbb.be
Inquiries:	info@nbb.be Tel. +32 2 221 21 11
Press officer:	Kristin Bosman, General Secretariat Tel. +32 2 221 46 28 Fax +32 2 221 31 60 pressoffice@nbb.be
Contact for the financial service for the Bank's shares:	Herwig Smissaert, Head of the Securities Service Tel. +32 2 221 43 28 Fax +32 2 221 32 05 securities@nbb.be

ADDRESSES

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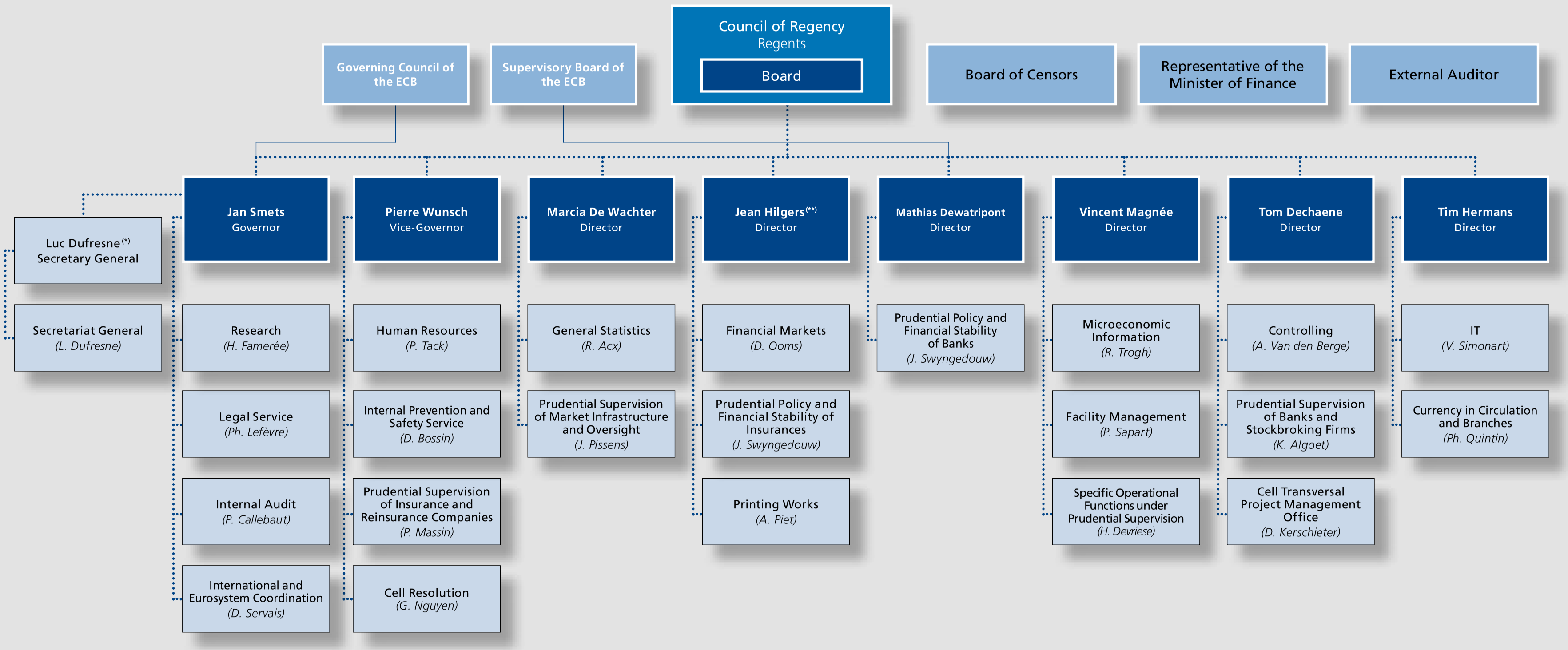
Kortrijk:	President Kennedypark 43, 8500 Kortrijk Tel. +32 56 27 52 11 Fax +32 56 27 53 90 kortrijksg@nbb.be	Mons:	avenue Frère-Orban 26, 7000 Mons Tel. +32 65 39 82 11 Fax +32 65 39 83 90 monssg@nbb.be Closing down on 30 June 2016
Hasselt:	Eurostraat 4, 3500 Hasselt Tel. +32 11 29 92 11 Fax +32 11 29 93 90 hasseltsg@nbb.be Closing down on 31 December 2016		

Departments and Services: see website

Organisation chart at 1 january 2016



(*) Is also Secretary and responsible for operational risk management excluding financial risks.
(**) Is also Treasurer and responsible for operational financial risk management.