

# 1. The National Bank as an enterprise

The assignments carried out by the National Bank of Belgium are general interest missions, *par excellence*, at both domestic and international level. The Bank is an authority and a financial establishment at the same time, as well as being a public limited company. It is part of the European System of Central Banks and, along with the central banks of the other euro area Member States and the European Central Bank, makes up the Eurosystem. The Bank's status and its work are largely governed by specific Belgian law, but also by European Union legislation. In some areas, common rules also apply to the Bank (public procurement, taxation, social legislation, the environment, etc.).

Legally and technologically speaking, the frame of reference within which the Bank operates is constantly changing. The various stakeholders rightly expect the Bank to adjust suitably to an ever-changing environment, even anticipate certain developments. As we can see from its new Museum, for instance, throughout its rich history, the Bank has often assumed a role of front-runner in bringing in new techniques or kept a firm grip on the reins when it came to re-designing the economic and financial landscape.

Over the coming years, the Bank will also be striving to remain at the service of the community and as efficiently as possible.

This section 1.1 covers some of the main highlights of the year 2017 which influenced the Bank's work, with comments wherever deemed necessary. Section 1.2 below explains how the Bank adapts its organisation and its workforce to changing requirements while also intending to keep pace with the rationalisation efforts set out in the strategic plan NBB 2020 launched in 2014. Section 1.3 points up the National Bank of Belgium's community relations in its capacity as an enterprise.

*This chapter of the Corporate Report should be read in the light of the trends described in the Annual Report 2017 on economic and financial developments as well as prudential regulation and supervision. Likewise, it may be useful to refer to the list of abbreviations given in the main Annual Report when reading this chapter.*

## 1.1 Highlights

### **Monetary policy and research**

The Bank devotes considerable effort to research and analysis with a view to improving its expertise in the area of economic policy. This is especially so for monetary or prudential policy, where the Bank has direct competence, but is also the case for other economic policies, given their potential interaction with the monetary and prudential domains. The Bank wants to ensure that the wider community can benefit from the fruit of its work through a dynamic publication policy and close collaboration with the academic world.

Apart from its Annual Report on economic and financial developments which is aimed at the general public, the Bank disseminates its work mainly via the Economic Review, Working Papers and the Financial Stability Report. Nineteen articles were published in the Economic Review in 2017, with subject matter ranging from the traditional spring and autumn macroeconomic projections to articles in step with topics of current interest, such as, in Belgium's case, abnormally high inflation services, residential property prices, the impact of low interest rates on households, public sector efficiency, the integration of Belgian firms into the world economy, the allocation of bank loans according to the degree of corporate performance,

and a portrait of young high-growth firms or ‘gazelles’, to name but a few. From a more international perspective, the Bank also produced articles on the impact for monetary policy of digital currencies like bitcoin, on the causes and consequences of the low inflation in the euro area, on the determinants of the low interest rate environment, the effect of the negative interest rates on the supply of bank loans and to the development of sustainable and green finance.

The year 2017 saw the publication of 17 new Working Papers. One of them presents a prefiguration of a new model that the Bank is expected to start using for compiling its future macroeconomic projections. Another one focused on identification of pockets of risk in the mortgage credit sector in Belgium as a result of the findings from the periodic Household Finance and Consumption Survey. Lastly, a series of Working Papers threw some new light on the role of services in Belgium’s exports.

Once again, the government called on the Bank’s economic and financial expertise last year.

For instance, at the request of the Minister for the Economy, FPS Economy, the Bank and the Federal Planning Bureau worked closely together within the framework of the National Accounts Institute on a specific analysis of inflation in the services sector, that was published by the Price Observatory in March.

At the Finance Minister’s request, in August, the Bank carried out an update of its simulation of the effects of the tax shift. In October, the Bank and the FSMA released a report on asset management and on the shadow banking sector commissioned by the Finance Minister and the High-Level Expert Group on the future of the Belgian

financial sector. In the same month, the Finance Minister released a report devoted to the investment climate in Belgium: future-oriented vision to which the Bank contributed by examining closely the state of public investment funding. And finally, in December, at the government’s request, the Bank conducted and released an assessment of the fiscal and macroeconomic aspects of the reform of corporation tax that came into effect at the beginning of 2018.

The Bank’s expertise also relies on close collaboration with Belgian universities. It covers, for example, research projects whose findings are presented at the international scientific conference that the Bank holds once every two years. In mid-2017, the Bank started up collaboration with several university teams on the theme of “Understanding inflation dynamics: the role of costs, mark-ups and expectations”, which aims to complete the reflection launched in a report from the Price Observatory on reasons for different inflation trends in Belgium and the euro area. The conference during which the conclusions of this work will be presented is to be held on 25 and 26 October 2018. Other more specific collaborative projects with universities are also underway, which usually result in research findings and conclusions being published in NBB Working Papers. In 2017, two Working Papers were funded by contributions from the Bank to Eurosystem research networks. For several years now, the Bank and Belgian universities have joined forces to organise seminars attended by prominent international figures presenting their work. These revolve around three axes: macroeconomics, macrofinance and firm-level analysis. No fewer than 20 seminars of this kind were held in 2017, backed up by networking between the guest professor and Belgian researchers with a view to improving their ongoing projects.

## Brexit

The United Kingdom’s decision to leave the European Union in 2019 triggered shock waves that are not without consequences for the economy at large and the financial markets in particular.

The National Bank of Belgium attaches great importance to the consequences of Brexit and is following this highly complex theme very closely, not just from the perspective of its financial stability missions, but also from its general interest mission by sending recommendations to the Belgian authorities. The task force on Brexit that was set up to this end at the Bank is analysing both the political aspects and the impact of Brexit on the financial sector and the real economy in Belgium and is working closely with the competent national and European institutions. It submits a quarterly report to the Board of Directors.



The Bank plays a leading role within the ESCB on Brexit and co-chairs the Brexit task force under the Eurosystem/ESCB International Relations Committee.

The Minister of the Economy is also involving the Bank in the work being done by the Belgian Brexit High Level Group, placed under the presidency of Count Paul Buysse, as well as the work of the task force set up as a response to the concerns of Belgian economic stakeholders and to keep the Minister informed through economic analyses of relevance for Belgian interests. As part of this task force's work, a report from Monitoring Brexit, a joint project of the National Bank of Belgium, the Federal Planning Bureau and FPS Economy which is examining the impact of Brexit on the two countries' economies, was completed at the beginning of December 2017.

In its capacity as competent authority in Belgium in charge of supervising credit institutions, insurance and reinsurance companies, stockbroking firms, payment institutions and electronic money institutions, the National Bank of Belgium has in the meantime been called upon by enterprises established in the United Kingdom. These contacts are often purely informative but two payment institutions already secured a licence in Belgium in 2017. Several insurance and reinsurance companies have clearly expressed their intentions to seek a licence in Belgium too.

## Production and circulation of banknotes and coins

Issuing banknotes is historically a basic task of central banks. Today, banknotes are still an important means of payment and savings. At the end of 2017, there were more than 21 billion euro-denominated banknotes in circulation, worth a total of € 1 170 billion. Management of fiduciary money, in other words banknotes and coins, therefore continues to be closely monitored by the National Bank.

### *Managing circulation*

On 4 April 2017, the new € 50 note was put into circulation in all the euro area countries. This denomination note is the most widely used, both in terms of value and number of banknotes in circulation. In cooperation with the other Eurosystem banknote printers, the Bank's Printing Works helped produce enough supplies of this banknote for its introduction to go off smoothly.

The launch of the new banknote provided with more advanced security features required prior adaptations to the equipment accepting and processing banknotes. For this reason, it has been preceded by wide-reaching information campaigns targeted at sectors concerned. The new € 50 note is the fourth denomination of the new Europa series which will wind up with the issue of the new € 100 and € 200 notes in the first half of 2019. The ECB Governing Council decided on this occasion to stop issuing € 500 notes, although those currently in circulation will remain legal tender.

The Bank decided to renew the IT application it uses to manage all cash flows between central banks, commercial

banks and cash carriers. This application, called the Cash Single Shared Platform, has been developed by the Bank and is used by eight other Eurosystem countries. From 2020 onwards, it will also be used by the central banks of Portugal and Austria.

### *Closure of the Printing Works and recentralisation of activities on Brussels*

On July 2017, the Bank's Printing Works stopped producing secure printed items for third parties. This step is part of the process of gradually reducing the workforce there with a view to stopping banknote printing in 2020, in line with the decision taken by the Board of Directors. At the same time, part of the supernumerary equipment has been sold or removed.

From 2020 on, Belgium will nevertheless still be required to produce its share of the banknotes issued in the Eurosystem. To this end, a cooperation agreement has been signed with the central banks of Portugal and Austria on the production, research, development, control and computerisation of data management regarding flows of banknotes and coins.

As part of the streamlining of its banknote-related activities, the Bank has decided to continue with the restructuring of its network of provincial branches. After the closure of the Liège and Kortrijk branches scheduled for the end of 2018, all activities will be refocused on Brussels. This development is due to several factors, not least the increasing automation of banknote handling operations and their restructuring within the banking sector. The Bank

then negotiated a new contract with the Belgian banks, whereby it will cease handling small packs of banknotes coming directly from bank branches to concentrate on its 'wholesale' service now only accepting multi-denomination

banknote containers. This contract came into force on 1 January 2017. Lastly, the cash carriers decided to only handle the banknotes collected at their head office located near Brussels.

## Local or complementary currencies and cryptocurrencies

The euro is the sole monetary unit of the euro area Member States, according to the EU Treaty. The text of the Treaty also stipulates that banknotes issued by the European Central Bank and by the national central banks are the only ones that are legal tender in the euro area.

In Belgium, euro coins are issued by the National Bank on behalf of the Treasury.

From time to time, the Bank receives written questions about local or complementary currencies or virtual currencies. In 2017, several members of the Federal Parliament sounded out the Ministers responsible for these two subjects.

### *Local currencies*

There are some scattered cases of local or complementary currencies being launched across the country. They are often purely social initiatives.

Following the introduction of the euro, a legal provision was adopted stipulating that when somebody issues a currency intended for public circulation as a means payment, this person must have been given the right to do so by the competent authority. This legal provision is effectively a literal transcript of the provision taken from the Law of 23 December 1988. The explanatory memorandum of this Law stipulates that this obligation shall apply even if the issue and use of a currency is of a local or temporary nature and whatever the monetary denomination and the objectives pursued by the issue. It goes on to state that this provision does not apply to the issue of tokens, vouchers or tickets whose use is limited to specific users, such as the staff of a company, a school population, members of an association, and whose value is limited in relation to the price of goods and services that can be consumed by these users.

For the sake of completeness, it should be pointed out that the establishment of a system for issuing local currencies exclusively in electronic form may be subject to the provisions of the Code of Economic Law relating to payment and credit services. In such cases, prior authorisation may be required by the National Bank.

### *Cryptocurrencies*

As for cryptocurrencies or virtual currencies, questions have been asked regularly, at the Federal Parliament, in the press or directly by citizens interested in them.

Since January 2014, the Financial Services and Markets Authority and the National Bank of Belgium have sent out repeated warnings about the risks involved with cryptocurrencies, or more precisely "cryptoassets", since they are not actually currencies issued by a central bank or authority.

Bitcoin and the other cryptocurrencies, which are exclusively created and traded digitally or on line, are not legal tender in Belgium. They often escape regulation or control altogether. All the same, cryptoassets have gained huge popularity in recent years, driven by speculative behavior of investors. The financial authorities are clearly worried about a bubble forming. The risk of financial losses is thus very real.



Since 3 April 2014, Belgium has prohibited the marketing to non-professional customers of financial products whose return depends directly or indirectly on a virtual currency, such as forward contracts on bitcoin.

Service providers connected with cryptoassets, such as digital wallets or payments, can escape all control. There are no consumer protection measures, and incidents cannot be ruled out. For instance, several cases of hacking targeting platforms have led to the disappearance of hundreds of millions of cryptocurrencies.

The Bank fully acknowledges that the purely technological development of these cryptocurrencies, i.e. through distributed ledger technology, may prove to be an interesting innovation. A box entitled "The Bank and the FinTech challenge" was published on this theme in the Corporate Report 2016.

### A new application for collateral management in bank lending

The central banks that make up the Eurosystem, including the NBB, claim guarantees when they lend to commercial banks as any losses on loans granted may actually endanger their reputation and independence. The Eurosystem publishes a list of collateral accepted, referred to as eligible assets. These assets can be bonds or other short-term securities traded on the markets. Certain other non-tradable assets can also be used as collateral. Bank loans to public and private entities in the non-financial sector are the main category of them.

In Belgium, five financial institutions use these bank loans as collateral. Since October 2017, they have been able to use a new application for them, called NewCreditClaims.

This application enables banks to exchange information rapidly and technologically highly securely with the Bank about not only debtors on their outstanding loans and other elements necessary both for approving eligibility criteria and determining the value of the loan. This same channel also enables them to effectively use these loans as collateral with the Bank or withdraw their collateral status.

Bank loans account for roughly one quarter of the collateral that Belgian banks pledge to the National Bank.

### Financial sector supervision

Supervision of the financial sector in Belgium has been overhauled through two major reforms in the last ten years. On 1 April 2011, the Bank was entrusted with all tasks related to macroprudential and microprudential supervision of banks and insurance companies. It was an entirely new mission for the NBB. Then, on 4 November 2014,

the single supervisory mechanism (SSM), the first pillar of the European Banking Union, came into force. These two reforms have had major operational repercussions for the Bank. While, on the one hand, supervision itself has reached cruising speed, on the other hand, the Bank is still regularly confronted with new challenges: working methods and procedures are being constantly improved in a bid to raise efficiency and, what is more, the markets and financial stakeholders are constantly evolving too.

#### *Collaboration under the single supervisory mechanism*

The single supervisory mechanism is designed to unify prudential supervision in the euro area, under the leadership of the ECB but in close collaboration with the national supervisory authorities. In practice, it involves action by the Joint Supervisory Teams in the case of significant institutions (SIs) and by regular exchange of information, supervision methodology and contacts between the ECB and the national supervisory authorities for less significant institutions (LSIs). The SSM is not a one-way street. Working meetings are regularly held in Brussels with the ECB's SSM departments in charge of supervision of less significant banks, granting licences and screening bank leadership, inspections, etc. Workshops are also regularly held with SSM colleagues to look at best practices.

One member of the Bank's Board of Directors, Mr Tom Dechaene, has a seat on the ECB's Prudential Supervision Board, while Mr Koen Algoet has been appointed as alternate with voting rights in his absence. They are assisted in their work by a coordination team that prepares for meetings of the Prudential Supervision Board and its sub-structures and, if need be, communicates with the services of the ECB and other supervisory authorities. The team supplies analyses, feedback and proposals for positions on draft decisions. Its members also make up the permanent core of the Bank's SSM Risk Committee and are there to report back

to the Board of Directors to provide all pertinent explanations on decisions and activities under the SSM.

The coordination team is fully integrated into the organisational structure of the Service in charge of prudential supervision of banks and stockbroking firms, the objective being that the Bank's operational supervision of both LSIs and SIs is able to take advantage of greater affinity with the SSM decision-making process and the officials in charge of coordination with the Prudential Supervision Board can acquire deeper understanding of operational supervision. This integration is not only supported by physical proximity arrangements, but also by a series of specific organisational measures to encourage interactions in the field.

### ***Advanced digitisation and technological innovations***

In recent years, the financial sector has been affected by growing digitisation and by the introduction of a great many new processes, products or applications driven by technological innovation. While these developments go hand in hand with the new opportunities they open up, they also increase existing risks or lead to new ones. So, it is essential to keep up with this rapidly changing environment.

In close collaboration with the Financial Services and Markets Authority, the Bank has put in place a single point of contact for FinTech initiatives which companies with innovative ideas can access for all their questions on the legislative framework and conditions.

This contact point is targeted above all at FinTech and InsurTech. The term FinTech refers to start-ups or established companies that use the technology in order to offer innovative processes, products or services in the financial sector. By analogy, the expression InsurTech refers to technological innovations designed to cut costs and make the current insurance business model more efficient. From now on, the single point of contact helps the Bank to engage more easily with new market entrants as well as with established concerns.

Apart from these sporadic contacts, it is also important to regularly gather information on major trends and developments with FinTech and InsurTech as well as digitisation in the Belgian financial landscape. The supervisory authorities can thus keep ahead of these new technologies and new economic models for gauging the importance that different establishments attach to this matter and the degree of maturity that they have already reached, as well as to identify any issues to be addressed for the regulatory and supervisory framework.

Lastly, the objective is also to encourage a strategic debate within certain establishments: despite the uncertainty

surrounding good strategic decision-making, one of the main risks associated with FinTech and InsurTech is the lack of such choice. In this case, it is almost certain that market share and profitability will be hit by competition from new entrants or established concerns which prove to be proactive themselves. For this reason, the Bank has taken the initiative to draw up structured questionnaires for the credit and payment institution sector, as well as for insurance companies, and send them out to a representative selection of establishments in these sectors.

The FinTech questionnaire intended for credit institutions and payment institutions aims to sound out their future vision and their general observations regarding FinTech, to gain a better understanding of certain specific business models and technologies, to determine their precise strategy with regard to FinTech and collect any remarks or feedback on the subject of regulation and supervision.

The InsurTech questionnaire focuses on companies' points of view on the potential impact of new technologies over the next three and ten years for both the European and Belgian markets and for themselves, and also on the internal arrangements set up to follow these developments, on companies' objectives when using InsurTech, on the particular InsurTechs that they are following and on any regulatory obstacles that could prevent them from being put into practice.

Following the United Kingdom's decision to leave the European Union, several British insurance or reinsurance companies are looking into the possibility of setting up a subsidiary in the European Union and transferring to it business carried out up until now under freedom to provide services or through a branch. In 2017, several insurance or reinsurance companies established in the UK contacted the Bank with a view to setting up a head office in this country so as to be able to continue to be part of the Solvency II single prudential regime that applies to the EU Internal Market (see Annual Report 2017, Economic and financial developments – Prudential regulation and supervision).

Each case is being examined according to the conditions required for obtaining the necessary licence for carrying out insurance or reinsurance activities in Belgium.

Moreover, there are still several issues needing clarifying at this stage, such as what will happen, after Brexit, to insurance or reinsurance contracts concluded with a company established in the United Kingdom before this date. The same goes for arrangements for transferring a company's European business currently run from the United Kingdom to a subsidiary established in the European Union, or for business carried out under freedom to provide services by

firms legally established in an EU Member State or their branches operating in the United Kingdom.

### ***The new Financial Market Infrastructures and Payment Services Report***

Belgium hosts several financial market infrastructures (FMI), depositories, payment service providers, such as payment institutions and electronic money institutions, and critical service providers. Some of these entities have international systemic importance: SWIFT, Euroclear, Bank of New York-Mellon, Mastercard Europe and Worldline.

The Financial Market Infrastructures and Payment Services Report, published for the first time by the Bank in 2017, gives an overview of its oversight and prudential supervision of systems and establishments with a head office based in Belgium or which are of relevance for the country. Oversight concentrates on safe and efficient end-to-end functioning of payment, clearing and settlement systems, as well as their interdependence with other financial market players. The prudential supervisory authorities watch over individual financial soundness of these key stakeholders in the sector, thus helping to preserve their

counterparties' and users' confidence in them. Each of these approaches aims to protect financial stability.

The Bank deems it necessary to publish this Report for various reasons. Firstly, in its capacity as financial authority, it should be transparent and accountable about its role towards FMIs and the public at large as users of payment services. Secondly, as the systems and institutions covered in this Report are an important, or even systemic, component underpinning financial markets as well as the real economy, it is particularly relevant for their users to be aware of the Bank's assessment of their relevance to financial stability, inherent risks and priorities for risk mitigation where appropriate. Thirdly, as some internationally active FMIs or CSPs are also systemically relevant on a global scale, the Bank reaches out to financial regulators, beyond those with whom it is working closely already, that might have an interest in understanding the applicable regulatory framework, the Bank's supervisory approach and priorities. Finally, in reporting on these activities, the Bank is meeting the international disclosure requirements for financial regulators as laid down in the principles of the Bank for International Settlements' Committee on Payments and Market Infrastructures and the International Organisation for Securities Commissions.

## On-site inspections

On-site inspections are an indispensable instrument for prudential supervision. They do not follow any cycle but take place when permanent supervisory teams feel that the risks observed merit deeper investigation. They are also carried out when institutions request authorisation to change their internal models or to use new ones for calculating their capital requirements.

The inspectors use various specific methods, like interviews, analysis of procedures and reports from the board of directors, sampling (i.e. credit files, financial transactions or incidents), as well as recalculation of balance sheet items or capital requirements with the help of models developed by the National Bank itself.

After each inspection, observations are set out in a report that is sent to the institution in question and examined during a case-closing meeting. Depending on the type of inspection involved, recommendations are mentioned either in the inspection report itself, or in a supplementary memo from the permanent supervisory team. The institution then has to come up with an action plan together with a schedule for implementation, which is closely monitored by the permanent supervisory team, with the support of the inspectors. In cases where serious breaches are found, it is also possible for the case to be handed over to the public prosecutor or to the auditor, or even for immediate measures to be taken (withdrawal of licence, compulsory resignation of management staff and board members, etc.).

The number of on-site inspections has risen sharply in recent years. In 2017, 66 inspections were launched, 22 of which were requested under the single supervisory mechanism (for significant banks) and 44 under the Bank's prudential powers for stockbroking firms, insurance companies, less significant banks, payment institutions, or other non-prudential matters (use of collateral for monetary policy operations, prevention of money-laundering and terrorist financing). To meet the growing demand for inspections, the Board of Directors has decided on a big increase in the number of inspectors to 69 by 2020, up from 49 at the end of 2017.

## New system for reporting violations of legislation

Under various EU Directives and the single supervisory mechanism, the Bank, in its capacity as national supervisory authority, has set up a new mechanism for notifying breaches of legislation on prudential supervision and the fight against money-laundering and terrorist financing. This mechanism applies to the whole Belgian financial sector, including the insurance industry.

This Breach Reporting Mechanism has been up and running at the Bank since the beginning of the year 2017. It notably determines procedures for receiving and handling infringements, protecting personal data and ensuring that the whistle-blower's identity is kept confidential, unless it has to be disclosed in the context of legal proceedings.

During its first year of existence, it was mainly complaints from consumers that were received, an area in which the FSMA has competence. In 2017, only a small number of relevant infringements were notified through this new mechanism. They have been rigorously kept up to date in an electronic register, and the competent entities within the Bank on each occasion launched the necessary inquiry.

An infringement can be reported using a contact form available on the Bank's website, the whistle-blower's personal data are always treated as confidential information. The Financial Oversight section of the NBB website also gives all the practical information needed for reporting a breach of the rules.

## Resolution

Although the institutional and legal framework for resolution in the European Union remained fairly stable throughout 2017, the operational aspects of the system are still evolving.

### *The single resolution mechanism*

The objective of the single resolution mechanism (SRM), the second pillar of the Banking Union, is to help the authorities to resolve a crisis affecting a credit institution or stockbroking firm, while avoiding any direct costs for public finances and at the same time keeping any disruption to the system under control.

The SRM is made up of the Single Resolution Board, all the national resolution authorities of the Member States participating in the Banking Union, the European Commission and the EU Council of Ministers. The Bank is

the national resolution authority for Belgium. In accordance with the National Bank's Organic Law, a Resolution College, a body chaired by the Governor, was set up within the Bank. Its members are the Vice-Governor, the Directors responsible for the Department in charge of prudential supervision of banks and stockbroking firms, the Department in charge of prudential policy and financial stability, as well as the Department responsible for bank resolution, the President of the Federal Public Service Finance's Management Committee, the official running the Resolution Fund (legally established in the Deposit and Consignment Office), four members designated by the King by a Decree deliberated in the Council of Ministers and a magistrate appointed by the King.

The SRM allocates the tasks and responsibilities between the Single Resolution Board and the national resolution authorities. The SRB is competent for compiling resolution plans and for taking resolution decisions concerning institutions deemed to be significant, those subject to direct supervision by the ECB, as well as cross-border groups. The same tasks and the same responsibilities fall to national resolution authorities as regards other credit institutions and stockbroking firms.

### *Resolution plans*

The BRRD – the Directive governing recovery and resolution of credit institutions and insurance companies in the European Union – requires a resolution plan to be developed for each European banking group with a view to improving its resolvability. A banking group is considered resolvable when the resolution authority can liquidate all the group's constituent legal entities, either through normal insolvency proceedings, or by applying the various resolution instruments and powers at its disposal, while safeguarding the stability of the financial system and ensuring the continuity of the critical functions performed by the group.

Designing resolution plans is an iterative process which may take several years, depending on the complexity of the banking group. For this process, the SRB has developed a sequential approach defining various stages in the preparation of resolution plans. In order to design a plan that fully complies with the BRRD's requirements, in the course of 2017, the SRB defined five stages in resolution plan development. The first stage is the transitional resolution plan, which lays the foundations for a resolution plan and provides the impetus for the resolution strategy. The transitional resolution plan is then further developed in phases 2, 3, 4 and 5. During each phase, each plan has an additional decision factor in the light of the minimum requirement for own funds

and eligible liabilities (MREL) or the identification of impediments to resolvability.

In 2017, in its capacity as national resolution authority, the Bank took part in developing three phase 2 resolution plans and three phase 3 resolution plans for significant institutions established in Belgium, as well as helping to draw up transitional resolution plans for two other significant institutions also established in Belgium. In addition, the Bank was involved in putting together resolution plans for nine major banking groups with subsidiaries in Belgium.

### ***Financing potential bank resolution***

So as to be able to fund any bank resolutions, the BRRD requires a national resolution fund to be constituted in each Member State, financed by the levying of contributions from credit institutions and investment firms. Pursuant to the SRM Regulation, the Single Resolution Fund (SRF) was set up as part of the Banking Union. For establishments that contribute to the SRF, this fund replaces the above-mentioned national resolution funds. For a transitional period, however, national compartments are maintained within the SRF.

For institutions not subject to the SRF, that is, branches of third-country credit institutions or investment undertakings located in Belgium, as well as Belgian investment firms not covered by the ECB's consolidated supervision of their parent company, a separate fund was established in the Deposit and Consignment Office. This national resolution fund is financed by the levying of annual contributions. The Law governing it specifies that the contribution and payment arrangements must be set by the Bank's Resolution College, and that the contributions must be collected by the national resolution fund. In 2017, the Resolution College approved a Circular setting out the calculation method and informed the national resolution fund of the amount of the contributions due for the year in question from institutions not liable for contributions to the SRF.

### **Statistics**

Collecting statistical data and turning them into useful information is a basic task for central banks. They base their economic and financial analyses and missions, such as macroprudential policy, on this information. Owing to statutory requirements, the Bank nevertheless goes further than most central banks because it is actually responsible for compiling national and regional accounts, as well as public finance and foreign trade statistics.

### ***Greater consistency between statistical series***

The international methodologies for national accounts (ESA 2010) and external statistics (BPM6) were aligned in 2014. So, there was no longer any justification for differences between the aggregates published by the Bank and measuring the same economic quantities, such as the balance of payments on current account and the balance on the rest of the world account in the national accounts. In 2017, the Bank's Statistics Department adapted some of these compilation and estimation methods, with a view to significantly reducing the existing gaps between the data series concerned, from the year 2014 (series published in September 2017). Greater consistency between these statistical series leads to more robust economic analyses.

### ***Irving Fisher Committee workshop held in Brussels***

The Irving Fisher Committee on Central Bank Statistics (IFC) is a forum composed largely of economists and central bank statisticians who discuss various statistical issues of importance for central banks. The IFC, which works under the auspices of the Bank for International Settlements, was set up and is run by the international central bank community. In May 2017, the IFC and the National Bank of Belgium held an international workshop on the theme of "Data needs and Statistics compilation for macroprudential analysis", which attracted a lot of interest. A whole range of documents were presented, which not only covered progress made in closing data gaps since the outbreak of the financial crisis ten years ago, but also drew attention to the challenges still to be tackled and to some possible solutions.

The introduction of a new reference framework for macroprudential policy led to the creation of new data series, regarding both type and content. In order to cover the financial sector, a good many new statistics have been compiled for large financial institutions and for establishments operating in the shadow banking sector. What is more, data collection is focusing increasingly on microdata, something which makes more detailed analyses possible, explains how the market is functioning and thus enables the supervisory authorities to assess the spread of risk within the financial sector more quickly and efficiently.

The use of microdata requires tighter control over the quality of databases; more attention needs to be paid to consistency between microdata and macrostatistics. During the IFC and NBB workshop, a consensus emerged on the fact that, apart from depending more on microdata for macroprudential analysis, priority should also be given to finding solutions for missing data on real estate prices and information on derivatives.

## Microeconomic information

The National Bank also runs important microeconomic registers and databases: the Central Point of Contact, the Central Individual Credit Register, the Central Corporate Credit Register, as well as the Central Balance Sheet Office which centralises the annual accounts of corporate entities.

Recent changes made to the legislation governing mortgage credit have had some impact on the Central Individual Credit Register. The main change is the new legal definition of a mortgage loan. It is now no longer necessary for the loan to be intended for the acquisition or safeguarding of rights in immovable property nor does it have to be guaranteed by a mortgage security. From now on, only one of these two conditions needs to be met. This also provided an opportunity for a few adjustments

to be made to optimise the work of the Central Credit Register. For instance, lenders are now obliged to state whether the mortgage loan is granted for refinancing purposes or not.

In 2017, the Central Balance Sheet Office completed its work on adjusting its applications to bring them into line with the changes in accounting legislation following the transposition of the EU Accounting Directive from 2013 into Belgian law. This new Directive brought in a new category of small enterprise, micro-undertakings, and substantially amended the existing full and abbreviated formats for annual accounts.

The XBRL (eXtensible Business Reporting Language) taxonomy was also opened up to users on schedule and in good time for filing annual accounts in the form of a structured file, in line with the new legal requirements.

## 1.2 Organisation and human resources

The changes that the socio-economic environment in which the National Bank operates has undergone have followed each other in rapid succession.

### 1.2.1 Organisation

#### *Cross-cutting projects*

In a constantly changing world, central banks are expected to adjust. The fact that the National Bank has launched a lot of projects in various domains is proof that it does not want to be outdone. It is important for these projects to have broad backing within the Bank and several professions are contributing to their success. For that to happen, the Bank's Board of Directors has made transversality a priority. A steering group made up of the heads of six supporting Departments is constantly striving to ensure consistency between all the various projects. A few "transversal" or cross-cutting projects have already been singled out: streamlining of administrative and support procedures, development of a new internal and external communication culture, digitisation with a view to greater autonomy and efficiency, harmonised use of all data handled by the Bank, modernisation of human resource management tools and a strategic and tactical examination of real estate challenges. It goes without saying that this list will be gradually evolving. Each of these projects will be sponsored by a member of the Board of Directors and run by a senior executive. To help make these projects a success, reference officials will also be appointed for each one in several of the Bank's entities. They will be not just contact people but also act as intermediaries between all parties involved, both vertically and horizontally.

#### *Organisational changes*

The statutory function of Secretary to the Board of Directors and Council of Regency, which was previously carried out by a senior Bank executive, has been entrusted to a member of the Board of Directors as of 1 February 2017. The Bank's Statutes make provision for this possibility.

Also from 1 February 2017, second line of defence tasks have been grouped together in a new Second Line of Defence Department. This new Department is composed of the following entities: the Legal Compliance Officer, the Operational Risk & Business Continuity Management Unit, the Information Security & Banknotes second line Unit and the Security and Surveillance Service.

Within the General Secretariat Department, a new Communication Service has been set up, covering both internal and external communication.

### 1.2.2 Information and communication technology

Improving ICT security remains a priority for the Bank. It has managed to make a lot of progress over the last year with implementation of an ambitious plan in this field, notably by bringing its connected applications into line with the guidelines issued by the financial messaging company SWIFT. A wide-ranging computer security awareness-raising campaign to alert staff to the risks and threats of using modern information and communication technology was launched in June and will continue for several years.

Furthermore, major efforts have been made to embrace digitisation: the Board of Directors now works almost entirely without paper, a programme to give all staff members a Bank smartphone has been approved and widely implemented, the first experiments with the reorganisation of workspace have been launched, and the ongoing modernisation of working and communication tools has continued (the migration to Windows 10 and Office 365 is underway).

At the same time, the IT Department has continued to review its future development and its internal overhaul to confront two main challenges: on the one hand, the increasing difficulty of recruiting and retaining staff with the necessary skills for its work, and, on the other hand, the need to play a more proactive role in technological innovation for the Bank and its clients.

### 1.2.3 Infrastructure

The building that housed the Bank's Scientific Library until March 2016, when it was closed to the general public, has been refurbished to provide a new home for the Bank's Museum. This building, that was constructed back in 1872 on behalf of the former *Union du crédit de Bruxelles* bank based on plans drawn up by Brussels architect De Keyser, is a classic example of late 19<sup>th</sup> century bank architecture. All stops were pulled out to preserve its historic architectural value. The floors have been restored to their former glory along with other refurbishments. A storage space for works of art has also been created.

In close collaboration with a specialist firm, the Bank has designed a new scenography for the Museum. The new-look Museum opened its doors on 16 January 2018.

The renovation work is now complete on the upper floors of the Bank's historical main building, located

on the rue du Bois sauvage. This has freed up office space for 60 extra work stations, installed in a pleasant working environment and equipped with modern techniques.

Work on replacing the glass vault over the main banking hall in the “Van Goethem” building, on the East side of the boulevard de Berlaimont, is now in the final stages. The old glass roof has been dismantled and gradually replaced by a completely new glass structure at the level of the fourth floor. Now that the new glass roof has been fitted, the newly renovated walls that had surrounded the old roof have effectively turned into interior walls, bringing huge benefits in terms of thermal insulation.

The Bank has meanwhile rented office space on the Place Sainte-Gudule in Brussels, right next to the head office. The lease on this building runs until the beginning of 2022. Refurbishment of the offices in this building was inspired by the principles of “working differently”, based on independence, both in terms of space and time, by using the very latest mobile and communication technologies and advocating meeting practices that encourage more informal and transversal dialogue. The Bank thus hopes to gain useful experience that will enable it, at a later stage, to develop new office concepts associated with a new style of management for the whole Bank. The rented office space should give the Bank the flexibility it needs to implement its buildings policy. So, the buildings on the West side of the boulevard de Berlaimont may well soon be taken out of use. Comfort in these buildings is far from optimal and the major renovation work required there – the last refurbishment dates back to the 1980s – is not compatible with the Bank’s Building Master Plan.

The environmental permit for the office complex on the West side of the boulevard de Berlaimont was renewed in 2017. This permit is valid for 15 years. In order to meet the standards of the Brussels Code for Air, Climate and Energy Management, which came into force on 31 May 2013, the Bank has cut back the number of parking spaces available in its garage considerably.

Large enterprises in the Brussels-Capital Region had been asked to have an energy audit done by 31 December 2017. The Bank had already had energy audits carried out on the Printing Works building and those located on the West side of the boulevard de Berlaimont; the office complex on the East of the boulevard had an energy audit done in 2017. Several of the auditor’s recommendations will soon be implemented.

## 1.2.4 Human resources

### *Staff movements and recruitment*

On 28 April, the National Bank announced that its last two provincial branches (Liège and Kortrijk) would be closed down in 2018 owing to the centralisation of cash handlers’ and carriers’ activities in Brussels and the termination of payments into the provincial branches. The Printing Works will also close in 2020 because the volumes that it can handle are insufficient, meaning that the complex is no longer profitable. A lot of operational functions will thus go, as in previous years.

Just like other central banks, for some time now, the National Bank of Belgium’s productive environment has been gradually transforming into a knowledge enterprise, a process that has gained further momentum since it was designated as the competent authority for supervision of financial institutions. This evolution is not without impact on the social front. In defining its human resources policy, the Bank follows a dual approach. On the one hand, it would like to see its staff members staying in work for longer but, on the other, it wants the public money at its disposal to be used as optimally as possible, according to the principles of good public administration.

For this reason, and for some years now, the Bank has been focusing on the reorientation of its human resources as part of the reorganisation of its operational tasks, so as to be able to assign staff members to other areas of work.

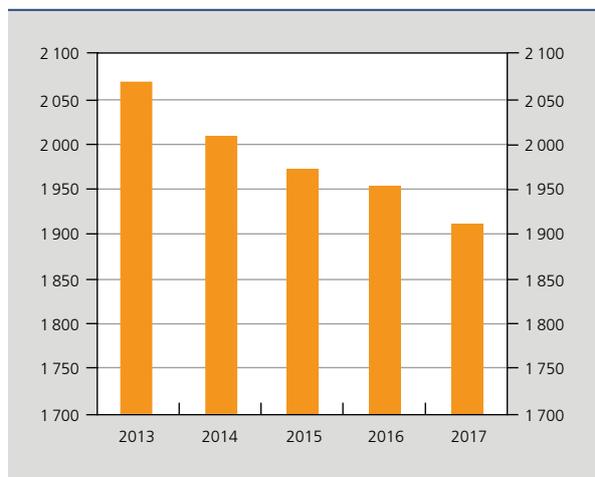
Reorientation of staff nevertheless has its limits, notably because of the reduction in the number of alternatives in terms of operational functions that are less knowledge-based, and the increase in the average age of the staff: in 2017, the average age of employees (excluding management and supervisory staff) was 53 years.

In this context, and after consultations with worker representatives, the Bank set out a plan enabling some older members of staff to end their career at the NBB between six months and three years before their statutory retirement, while keeping part of their salary. This plan runs from May 2018 to the end of 2020 and only concerns operational staff (all management and supervisory staff are notably excluded from this early retirement scheme). The Bank is also offering those taking part two years of coaching to help them find a job that is better matched to their skills in another working environment.

Expressed in full-time equivalents, 85 staff members, with an average age of almost 60, have already decided to leave the Bank under this plan in 2018.

## TREND IN STAFF NUMBERS

(in full-time equivalents as at 31 December)



Estimates suggest that about a hundred personnel members, aged around 60, will take early retirement from the National Bank under this scheme by the end of the year.

The National Bank has thus opened the door to a possible scaling down of its operational activities in a socially responsible way, without generating any hidden unemployment. The early retirement plan also opens up the opportunity for further recruitment for jobs in knowledge-based growth areas, including prudential supervision. The National Bank is exploring several different avenues to this end. An essential role is still attributed to the jobs. nbb.be website, where recruitment information is kept permanently up to date. At the Bank, there is interesting, socially relevant work and an attractive career package for young people who have the potential to fill a position of experienced expert.

Not only do the Bank's employees have the opportunity to constantly renew their skills and expertise, but they can also even add a European or international dimension to their career by being posted to another institution or following an exchange programme, two types of opportunity open to staff without neglecting the importance of the balance between working life and personal or family life.

In 2017, the Bank hired 56 new staff members under the permanent contract regime. At the end of the year under review, staff numbers, expressed as full-time equivalents, stood at 1 909 units (provisional figure). The effects of the new early retirement plan will only start to be felt in the next few years.

## Retirements

The Bank would like to express its gratitude to the members of staff who reached the end of their career in 2017 :

Patricia Agneesens  
Philippe Authom  
Jacqueline Baudet  
Guido Bertels  
Jean-Marie Berthels  
Michel Bette  
Carine Boens  
Marc Boerjan  
Guido Borremans  
Kristin Bosman  
Jeannine Bouillon  
Leon Bouvy  
Denise Boykens  
Eric Brasseur  
Andrea Bujok  
Cecile Buydens  
Guido Carpentier  
André Chabeau  
Godelieve Charliers  
Joseph Cornelis  
Bruno Cortvrintd  
Marc Coudron  
Hildegard Cox  
Yvonne Crooymans  
Francoise Dal  
Patrick De Craemer  
Marc De Geeter  
Liliane De Kock  
Patrick De Pauw  
Jeannine Debergh  
Pierre Degembe  
Jean-Francois Delier  
Marie-Claire Demeester  
Eric Desmet  
Nadine Detavernier  
Daniel Dezutter  
Piet D'have  
Frank D'hoine  
Nadine Diet  
Luc Dufresne  
Rita Erckens  
Jean-Louis Francois  
Joel Gillain  
Chantal Godhair  
Hubert Guerry  
Claude Hannotier  
Caroline Heulbosch  
Jos Hinninck

Claudine Hutsebaut  
Jean Marie Jacquemin  
Marc Joos  
Willy Kiekens  
Arlette Koohn  
Luc Lagae  
Etienne Le Bon  
Anne Ledent  
Christian Lefebvre  
Jean-Marc Lenoir  
Myriam Maquoy  
Michel Marchant  
Marc Marechal  
Yvette Marin  
Rene Michiels  
Herman Nicola  
Mia Pauwels  
Paul Peeters  
Hugo Perdieu  
Daniel Petrus  
Chantal Pick  
Joanna Pollet  
Michel Potvin

Marc Robberecht  
Yves Smets  
Herwig Smissaert  
Marie-Claire Stijns  
Carine Temmerman  
Linda Temmerman  
Marcel Van Campen  
Agnes Van den Berge  
Daniel Van Deun  
Paula Van Elewyck  
Peter Van Hoyweghen  
Roland Van Meulebroeck  
Paul Van Overwaelle  
Leonce Van Vaerenbergh  
Rudy Vancauwenberge  
Johan Vandekerchove  
Luc Vandermeulen  
Roland Vanderminnen  
Jean-Pierre Vermeiren  
Jean-Paul Vonck  
Erik Vorsters  
Thierry Vroye  
Luc Wanten

### Obituaries



Honorary Governor Luc Coene died on 5 January 2017, aged 69. Mr Coene served as Governor of the Bank from 1 April 2011 to 10 March 2015.

On 1 August 2003, he was given the title of Minister of State for services rendered to Belgium over many years. Then, in 2016, he was awarded the distinction of *Grand Officier de l'Ordre de Léopold*.

Mr Coene, who had a degree in Economics and a post-graduate diploma from the College of Europe in Bruges, began his career at the National Bank in 1973. From 1979, he was seconded to the International Monetary Fund and the European Commission. He was also a senator, the Prime Minister's chef de cabinet and Secretary to the Council of Ministers.

By Royal Decree dated 27 February 2011, he was appointed Governor of the National Bank of Belgium, with effect from 1 April 2011, the exact date on which the Bank took over responsibility for microprudential supervision of financial institutions. A few years previously, he had already been named a Director and then made vice-Governor.

Mr Coene played a crucial role in tackling the financial crisis in 2008. He was directly involved in dealing with the serious crisis of confidence that hit the banking sector in the wake of the European and global financial crisis. In 2011, his many organisational talents helped to integrate micro- and macroprudential policies smoothly into the Bank's work. Under his leadership, the Bank also speeded up its strategic reorientation away from a production company to a knowledge-based enterprise. In his capacity as vice-Governor and then Governor, he contributed to helping to build up this Belgian institution into a credible and authoritative central bank.



Apart from his functions at the Bank, Mr Coene had many other mandates, both national and international. After leaving the Bank on 10 March 2015, he was appointed as a member of the European Central Bank's Supervisory Board under the Single Supervisory Mechanism.

The Bank will always remember this great Governor with exceptional intellectual qualities and tireless sense of responsibility, even in the toughest circumstances.

In 2017, the Bank was saddened to learn of the death of the honorary Director Jean-Pierre Pauwels and the honorary Regent André Mordant. Mr Pauwels was a Director of our institution from 1982 to 2006. Mr Mordant was one of the Bank's Regents from 2005 to 2007.

The Bank was also saddened by the death of six members of its staff in 2017:

Karel De Coninck  
Johan De Souter  
Corinne Dister  
André Reiter  
Thierry Thuysbaert  
Catherine Vallée

They will always be remembered.

# Works Council



Meeting on 30 November 2017

## 1.3 The Bank's corporate social responsibility

### 1.3.1 A sustainable enterprise

It is already some years since the National Bank opted for the "sustainable enterprise" concept. Back in 2008, it was awarded the "Ecodynamic Enterprise" label by the Brussels Institute of Environmental Management (IBGE), with two stars, as a reward for the Bank's efforts in the environmental sphere. This distinction was renewed in 2011 with another star, which is the highest accolade possible, and again for the years 2014-2018. During this period, different working groups and the steering group have had the job of putting the set environmental programme into practice. Over all these years, the efforts made on the environmental front have been continuously rolled over and even further refined wherever possible.

A new application file for the renewal of the label should be submitted in 2018. Brussels Environment intends to modernise the label and integrate the circular economy. Preparatory work on submission of the renewal application continued throughout 2017.

The Bank has acquired two more electric bicycles, bringing the total up to four. The number of bike hires for business purposes has risen considerably.

For the head office and the two remaining provincial branches, the Bank has submitted business travel plans and inquiries to the public administrations concerned. Furthermore, it has conducted a survey of the modes of transport used by the growing number of visitors to the Bank, with a view to suggesting a more sustainable means of transport where possible.

Meetings of the Bank's Board of Directors now rely on digital notes rather than using paper. Each of the Board members has these ready-to-use notes in their own workspace. This work station enables each of them to annotate documents. Especially in the case of prudential files that the Board of Directors has to handle, there were often huge volumes of notes in paper version. This new working method not only helps cut back on photocopies, but is also proving to be a lot more practical.

The standard office paper is Forest Stewardship Council (FSC) labelled. In 2017, the Bank had a life cycle analysis done on its office paper. Among the measures that it has managed to take and actually implement too, is a reduction in the use of diaries and wider use of recycled paper.

On 29 March 2017, the staff canteen was awarded the Good Food certificate by Brussels Environment, obtaining two of the three forks straightaway. Winning a Good Food label with two forks was the culmination of years of efforts by the Bank to promote sustainable development. In its purchasing policy, it takes account of various sustainability criteria and the menus served up have been adapted accordingly.

The Bank continues to make its buildings more environmentally friendly. A bee hotel has been installed on the roof of the multi-storey car park, for instance. With this initiative, it intends to make its own contribution to local biodiversity. It is continuing its traditional practice of covering open spaces with plants rather than just lawns, to the greatest possible extent, and this goes for roofs and patios too. As the city of Brussels already has a lot of honey bee chests, it was decided to take wild bees and other flower-loving insects fully on board: the emphasis has been on indigenous and hardy plants best adapted to insects. In the last few years, five green rooftops have already been planted with sedums and other succulents.

Stickers are put on the bins containing food waste to stop people throwing out glass with domestic waste, and tell them to put glass in bottle banks instead.

The environment is rated high among NBB staff. Sustainability themes ranked in the top five favourite articles on the Intranet. The announcement that there would be more vegetarian meals served up under the Good Food label as well as news of the insect hotel project were given a particularly warm welcome.

### 1.3.2 A highly involved company

While financial education falls under the remit of the Financial Services and Markets Authority, the National Bank also strives to make its own contribution. In its view, it is important for the public at large, and young people in particular, to see just what the central bank does.

Since 1982, the Bank's Museum has played a major educational role. As any museum needs to move with the times, the NBB had decided to renovate it from top to bottom and to house it in a building constructed back in 1872 for the Union du Crédit de Bruxelles, an architectural gem nestled in the heart of the city of Brussels. The year 2017 saw non-stop work on completing this new Museum on time so that it could be officially inaugurated on 16 January 2018. As it features a mixture of multi-media and information tools, it reaches out to a broad public.

## The National Bank's Museum

The National Bank's Museum is located at number 57, rue Montagne aux Herbes potagères in Brussels. It is open every working day from 9 am to 5 pm and entrance is free.

The new permanent exhibition gives everyone the opportunity of a customised visit and a unique experience. Groups of at least ten people can reserve a free guided tour, but the Museum also makes for an ideal outing with children during school holidays.

The audio-guide, films and practical interactive tools, like games and a lexicon, are available in French, Dutch, German and English.

The National Bank's Museum offers visitors three different circuits systematically starting out from the monumental central space under the cupola. It is here that visitors meet up and also get to know their guide. This central cupola standing several metres high is just a foretaste of the permanent exhibition.

The first part of the tour helps visitors to get to know the "Role and functions of the National Bank", covering in particular the common theme that runs through all its activities: working for stability and confidence.

Visitors who opt for the second circuit find themselves in the "Dépôt", a gallery of documents, items and works of art that each tell their own story.

The third circuit, entitled "A story of money", is on the first floor of the Museum and broaches the fascinating history of means of payment, from commodity money and the very first banks in Mesopotamia to the introduction of euro notes and coins in 2002. This itinerary leads the visitor to realise how much the face of money has changed over time, which immediately raises the fundamental question: what actually makes money what it is? In this part of the tour, the visitor gets acquainted with eight personalities who left their mark on history through the particular role that money played in their lives: the legendary king Croesus, Marco Polo the explorer who chronicled China, the innkeeper and broker Robbrecht van der Buerse, the State banker Barbe Stoupy, alias Madame de Nettine, the writer Victor Hugo, the explorer Morton Stanley, the economist Richard Radford and another famous economist and President of the European Monetary Institute, Alexandre Lamfalussy.

The Bank has chosen to illustrate some of its publications in 2018, including this Corporate Report 2017, with photos taken inside the new Museum.

Every year, the Bank hosts a seminar for secondary school Economics teachers. This seminar, free of charge for participants, is given in both Dutch and French. The theme of the tenth seminar, held in October 2017, was "The Belgians and their money. Differing viewpoints". This wide-ranging theme was tackled by specialists from various different sections of the Bank.

The Generation Euro Students' Award is a contest held by the National Bank targeted at pupils from the last two years of secondary school. Its aim is for participants to gain a better understanding of the European Central

Bank (ECB) and its policies. The competition takes place in a dozen euro area countries. In Belgium, separate contests are organised for Dutch-speaking and French-speaking teams. All winning teams are invited to Frankfurt to meet their opposite numbers and where they are received in person by the President of the ECB, Mario Draghi. In 2017, teams from the Institut Notre-Dame Beauraing-Gedinne and Sint-Lievenscollege in Ghent won the Belgian leg of the competition.

Besides, the Bank generally tends to be receptive to collaborative initiatives with schools and civil society organisations.

### 1.3.3 A socially responsible company

Last summer, Portugal was hit by highly destructive forest fires. As a gesture of solidarity, the Bank sent a donation to the victim support fund, together with other national central banks in the Eurosystem.

The Bank's staff members are doing their bit for corporate social responsibility too.

At the end of September, the Foundation against Cancer organised a second Relay for Life for Enterprises, a fund-raising event held at Heysel in which staff from companies taking part committed their teams to having at least one

volunteer running or walking the course for a 24-hour marathon sponsored relay. Just like last year, some members of the Bank's personnel took up the challenge for a good cause and brought in extra donations for the Foundation worth several thousand euros.

Global Challenge was a campaign with a target of reaching at least 10 000 steps a day for three months. This campaign encouraged people to take more exercise, pay greater attention to their diet and get enough sleep – in a nutshell, to live more healthily. In the Bank, almost 600 staff members took part; they walked an average 14 500 steps a day, roughly the equivalent of 520 000 kilometres, or 13 times round the Earth.

## 1.4 List of publications in 2017

### Articles from the Economic Review

#### JUNE 2017

- *Economic projections for Belgium – Spring 2017*
- *Public sector efficiency in Belgium*
- *Low interest rates and their impact on Belgium's households*
- *Analysis of the developments in residential property prices: is the Belgian market overvalued?*
- *Digital currencies: threats and opportunities for monetary policy*
- *Inflation in services: the Belgian exception*
- *Low inflation in the euro area: causes and consequences*

#### SEPTEMBER 2017

- *Sustainable, green finance: exploring new markets*
- *The world is a village... The integration of Belgian firms into the world economy*
- *The potential growth of the Belgian economy*
- *Better understanding the upward trend in the number of disability claimants*
- *The cyclical and structural determinants of the low interest rate environment*
- *The global financial safety net: In need of repair?*

#### DECEMBER 2017

- *Economic projections for Belgium – Autumn 2017*
- *Are bank loans being granted to the best-performing firms?*
- *The negative interest rate policy in the euro area and the supply of bank loans*
- *Towards a new policy mix in the euro area?*
- *Up or out? Portrait of young high-growth firms in Belgium*
- *Recent trends in the financial situation of firms and equity links*

### Working Papers

- 317 *An estimated two-country EA-US model with limited exchange rate pass-through*
- 318 *Using bank loans as collateral in Europe: The role of liquidity and funding purposes*
- 319 *The impact of service and goods offshoring on employment: Firm-level evidence*
- 320 *On the estimation of panel fiscal reaction functions: Heterogeneity or fiscal fatigue?*
- 321 *Economic importance of the Belgian ports: Flemish maritime ports, Liège port complex and the port of Brussels – Report 2015*
- 322 *Foreign banks as shock absorbers in the financial crisis?*
- 323 *The IMF and precautionary lending: An empirical evaluation of the selectivity and effectiveness of the flexible credit line*
- 324 *Economic importance of air transport and airport activities in Belgium – Report 2015*
- 325 *Economic importance of the logistics sector in Belgium*
- 326 *Identifying the provisioning policies of Belgian banks*
- 327 *The impact of the mortgage interest and capital deduction scheme on the Belgian mortgage market*
- 328 *Firm heterogeneity and aggregate business services exports: Micro evidence from Belgium, France, Germany and Spain*
- 329 *The interconnections between services and goods trade at the firm level*
- 330 *Why do manufacturing firms produce services? Evidence for the servitization paradox in Belgium*
- 331 *Nowcasting real economic activity in the euro area: Assessing the impact of qualitative surveys*

- 332 *Pockets of risk in the Belgian mortgage market: Evidence from the Household Finance and Consumption Survey (HFCS)*
- 333 *The employment consequences of SMEs' credit constraints in the wake of the great recession*

## Belgian Prime News

This quarterly English-language publication is compiled jointly by the Bank, the Federal Public Service Finance (FPS Finance) and a number of Primary Dealers (market makers in Belgian government securities).

Each issue includes a "Consensus forecast" on the outlook for the main macroeconomic data for Belgium as well as 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 Treasury Highlights section gives information on Treasury decisions relating to the management of the public debt.

- 74 *Special topic: Belgian labour market and wage formation reforms to be implemented at the beginning of 2017*
- 75 *Special topic: Belgian economy on sounder foundations: major progress achieved should be further consolidated*
- 76 *Special topic: Public debt ratio back on a declining path: further consolidation efforts will firm up this trend*
- 77 *Special topic: Narrowing inflation gap between Belgium and the euro area*

## Statistical publications

The Bank provides a wealth of macroeconomic statistics for the public on its website and via its statistical database, NBB.Stat (<https://stat.nbb.be/>). It is possible to subscribe for updates of specific tables.

The following publications and press releases are also available on the Bank's website:

### GENERAL STATISTICS:

- *Statistical Bulletin, Economic indicators for Belgium, Consumer Survey, Half-yearly Investment Survey, Business Surveys*

### EXTERNAL STATISTICS:

- *Foreign trade in goods and services (monthly and quarterly), Regional breakdown of Belgian imports and exports of goods and services (annual)*
- *International investment position, details of foreign direct investment, balance of payments*

### FINANCIAL STATISTICS:

- *Belgium's financial accounts (annual and quarterly)*
- *Observatory for Credit to Non-financial Corporations, Monetary financial institutions interest rates, Bank Lending Survey, Quarterly surveys on credit conditions: credit constraint perception indicator*

### NATIONAL ACCOUNTS:

- *Quarterly sector accounts, Quarterly accounts, First estimate of the annual accounts, Government accounts, Labour market, Detailed accounts and tables, Supply and use tables, Regional accounts including sector accounts, Satellite account for non-profit institutions*

## MICROECONOMIC DATA

- *Central Individual Credit Register*

- *Annual Statistical Report*
- *Key figures published monthly on consumer credit and mortgages*

- *Central Corporate Credit Register*

- Publication of statistics on credit authorised and used via the Observatory for Credit to Non-financial Corporations*
  - *Monthly flash*
  - *Quarterly update*

- *Central Balance Sheet Office*

*The Central Balance Sheet Office makes the annual accounts which it collects available to the general public, as well as a financial analysis as part of the Business Account, and sectoral statistics, providing them for various target groups in different formats according to requirements.*

- *Microeconomic analyses*

*Each year, the Microeconomic Analysis Service publishes its studies on the financial results of firms and their social balance sheet in the Economic Review, while the studies on Belgium's ports appear in the Bank's Working Papers series. The Working Papers also regularly feature analyses concerning other branches of activity.*

## Other publications

- *Report 2016. Economic and financial developments*
- *Corporate Report 2016. Activities, governance and annual accounts*
- *Financial Stability Report 2017*
- *Financial Market Infrastructures and Payment Services Report 2017*
- *August 2017. Budgetary and macroeconomic impact of the tax shift scenario revised by the Cabinet of the Minister of Finance and comparison with the November 2015 exercise*
- *October 2017. Report on asset management and shadow banking*
- *October 2017. Review of the safety net mechanism for gas and electricity retail prices for the year 2017*
- *October 2017. Public investment – analysis and recommendations – report (requested by the Cabinet of the Minister of Finance, in charge of Combating Tax Fraud)*
- *December 2017. Fiscal and macroeconomic aspects of the reform of corporation tax in Belgium*

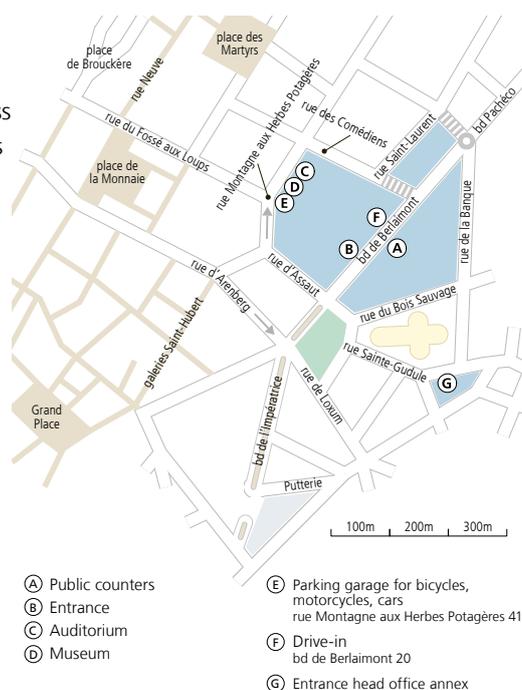
## 1.5 Contacts

### COMPANY NUMBER

RLP Brussels - BE 0203.201.340

### ADDRESSES

Head Office:	Entrance for services to the public Boulevard de Berlaimont 3, 1000 Brussels
	Visitors' entrance and general postal address Boulevard de Berlaimont 14, 1000 Brussels
Head Office Annex:	Visitors' entrance Place Sainte-Gudule 19, 1000 Brussels
Museum:	Rue Montagne aux Herbes Potagères 57, 1000 Brussels
Auditorium:	Rue Montagne aux Herbes Potagères 61, 1000 Brussels
Kortrijk branch*:	President Kennedypark 43, 8500 Kortrijk
Liège branch*:	Place St-Paul 12-14-16, 4000 Liège



### INFORMATION

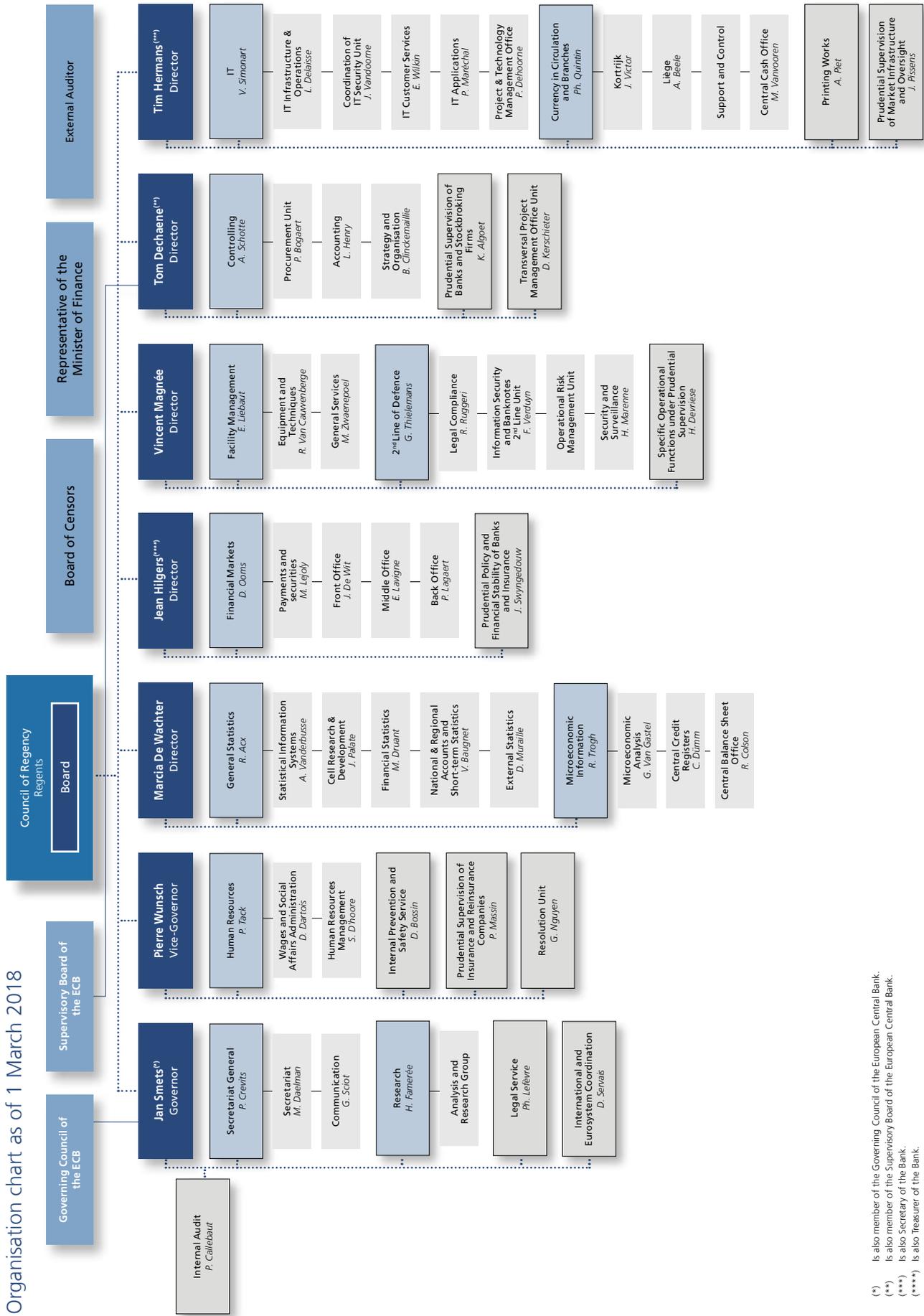
Website:	<a href="http://www.nbb.be">www.nbb.be</a>
Information requests:	<a href="mailto:info@nbb.be">info@nbb.be</a> , Tel. +32 2 221 21 11
Job applications:	<a href="https://jobs.nbb.be">https://jobs.nbb.be</a> , <a href="mailto:hrb@nbb.be">hrb@nbb.be</a>
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Contact for the financial service for the Bank's shares:	Marc Lejoly, Head of the Payments and Securities Service <a href="mailto:securities@nbb.be">securities@nbb.be</a> , Tel. +32 2 221 52 30

### SERVICES TO THE PUBLIC

Banknotes and coins, Central Individual Credit Register:	Open from Monday to Friday from 9 a.m. to 3.30 p.m. Head office, Kortrijk branch*, Liège branch*.
Museum:	Open from Monday to Friday from 9 a.m. to 5 p.m.

\* Branches closing down in 2018

# Organisation chart as of 1 March 2018



(\*) Is also member of the Governing Council of the European Central Bank.  
 (\*\*) Is also member of the Supervisory Board of the European Central Bank.  
 (\*\*\*) Is also Secretary of the Bank.  
 (\*\*\*\*) Is also Treasurer of the Bank.



