

3. Annual accounts and reports on the financial year



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3.1 Annual report

3.1.1 Developments concerning the Bank's results and position

3.1.1.1 Balance sheet

The balance sheet total increased by 20.4%, or € 60.8 billion to € 359.4 billion.

Within the framework of monetary policy operations, the liquidity in euro granted to credit institutions increased, mainly as a result of higher purchases of securities (+€ 45.7 billion) and, to a lesser degree, higher lending (+€ 6.6 billion). The Bank expanded its own MTM portfolio in both euro (+€ 0.4 billion) and foreign currencies (+€ 0.9 billion). It also invested in a new HTM portfolio in foreign currency (+€ 0.4 billion) and reduced its own HTM portfolio in euro (–€ 1.0 billion).

This generated surplus liquidity on both current accounts and the deposit facility (+€ 25.7 billion). Similarly, the net amount of outgoing payments via the TARGET2 payment system increased considerably (+€ 19.7 billion).

At the end of the year the volume of banknotes placed in circulation by the Bank (+9%) grew by more than the figure for the Eurosystem (+8%), though the extra amount was not enough to reduce the claim on the latter (+€ 0.1 billion).

The table below gives an overview of the securities portfolios which represent a substantial proportion of the assets on the balance sheet.

Summary of the securities portfolios at book value (end-of-period data, in € billion)

	2021	2020
■ fixed-income securities in foreign currencies ("MTM portfolio")	9.7	8.8
■ fixed-income securities in foreign currencies held to maturity ("HTM portfolio")	0.4	0.0
■ fixed-income securities in euro ("MTM portfolio")	0.0	0.0
■ investment funds in euro ("MTM portfolio")	0.9	0.5
■ fixed-income securities in euro held to maturity ("HTM portfolio")	2.5	3.5
■ fixed-income securities in euro of the statutory portfolio	6.9	6.5
Total portfolios on the Bank's own account	20.4	19.4
■ securities held for monetary policy purposes	212.7	167.0
Total portfolios	233.1	186.4

On the balance sheet date, the MTM portfolios are marked to market. The HTM, statutory and monetary policy portfolios are recorded at the amortised purchase price.

The MTM portfolios managed for the Bank's account increased by € 1.3 billion. Conversely, the HTM securities portfolios managed for the Bank's account declined by € 0.6 billion. Securities in euro reaching maturity were not renewed, for a total of € 1.0 billion.

The size of the statutory portfolio is determined by the sum of the capital, reserves and amortisation accounts. Following the allocation of the profits for the financial year 2020, supplementary fixed-income securities could thus be added to this portfolio.

In the case of the monetary policy portfolios for which the purchase programmes (CBPP1, CBPP2 and SMP) have ended, securities maturing were redeemed (€ 0.6 billion). Supplementary securities purchases under the CBPP3, PSPP and CSPP programmes continued at an average rate of € 20 billion per month in the Eurosystem, like in 2020. The Bank participated in 2021 for an amount of € 18.8 billion. In addition, the Eurosystem continued its purchases under the Pandemic Emergency Purchase Programme (PEPP), for a total envelope of € 1 850 billion. The purchases will be discontinued at the end of March 2022, and could be resumed, if necessary, to counter adverse shocks related to the pandemic. These cover all asset classes eligible under the Asset Purchase Programme (APP). For the Bank, the outstanding amount under the new programme comes to € 57.3 billion.

In the case of the CSPP, as in previous years, the Bank purchased securities for the account of the Eurosystem in a much larger proportion than its share in the ECB's capital.

Below is the geographical distribution of the securities in the own-account portfolios.

(in € million)

	Book value	Market value	Revaluation accounts
Belgium	4 494.0	4 738.4	–
United States	6 781.6	6 780.5	82.2
Germany	945.4	997.4	–
Spain	339.5	358.1	–
France	1 569.6	1 643.1	0.2
Austria	316.9	336.6	–
Italy	72.7	76.9	–
Japan	1 179.8	1 179.6	1.7
International organisations	832.3	844.3	0.9
The Netherlands	461.8	474.3	1.0
Portugal	50.2	55.2	–
Greece	32.3	33.8	–
Switzerland	944.5	944.5	67.7
Finland	408.9	426.7	0.2
United Kingdom	72.9	72.9	1.5
Other	946.6	944.1	5.9
Total fixed-income securities	19 449.0	19 906.4	161.3
Investment funds	913.3	913.3	163.3
Total portfolios	20 362.3	20 819.7	324.6

If the Bank had sold all its own-account portfolios on the balance sheet date, it would have realised: (i) the gains currently recorded (as unrealised gains) in the revaluation accounts (€ 324.6 million) on the liabilities side of the balance sheet, and (ii) the positive difference between the market value and the book value (€ 457.4 million). Altogether, an additional gain of € 782.0 million would thus have been recorded in the results.

Like in 2020, the impairment tests carried out in 2021 did not lead to any write-downs on the Bank's own-account portfolios.

With a view to reducing the exchange rate risk on its assets denominated in US dollars and SDRs, the Bank once again concluded forward contracts. Thus, in 2021, the net position in dollars and SDRs remained virtually unchanged at USD 2.2 billion (EUR 1.9 billion)

and SDR 20.7 million (EUR 25.5 million) respectively. The net position in Chinese Yuan and South Korean Won also remained unchanged: CNY 1.5 billion (EUR 201.7 million) and KRW 120.1 billion (EUR 89.2 million). At the end of the financial year, the revaluation accounts on the liabilities side of the balance sheet recorded positive foreign exchange differences amounting to € 243.9 million.

Monetary policy operations to which risk-sharing applies (in € billion)

	NCB balance sheets	NBB key: 3.64 %	NBB balance sheet
Lending to euro area credit institutions related to monetary policy operations denominated in euro	2 201.9	80.2	87.6
Main refinancing operations	0.4	0.0	–
Longer-term refinancing operations	2 201.5	80.2	87.6
Marginal lending facility	0.0	0.0	–
Securities held for monetary policy purposes	1 032.7	37.6	91.1
SMP	5.5	0.2	0.1
CBPP3	273.2	10.0	7.7
ABSPP	–	–	–
PSPP-Supranational securities	264.5	9.6	–
CSPP	309.7	11.3	72.0
PECBPP	5.4	0.2	0.1
PEABSPP	–	–	–
PEPSPP-Supranational securities	130.6	4.7	–
PECSPP	43.8	1.6	11.2
Total	3 234.6	117.8	178.7

In order to determine shared risks, account must also be taken of the Bank's share of € 117.8 billion in the monetary policy portfolios and credit operations of the Eurosystem central banks. In addition, securities for which the risks are not shared must be taken into account; their book value comes to € 121.6 billion and is included in item 7 of the balance sheet (see note 7).

Agreement on Net Financial Assets (ANFA)

At the end of 2021, the Bank's net financial assets totalled € 1.8 billion.

The Agreement on Net Financial Assets, concluded between the national central banks (NCBs) of the euro area and the European Central Bank (ECB), sets an overall limit on the total net financial assets relating to national tasks unconnected with monetary policy.

The limit on the amount that the NCBs can hold is necessary to ensure that the ECB Governing Council has full control over the size of the Eurosystem's balance sheet, to permit the effective implementation of monetary policy.

The net financial assets are equal to the difference between assets that are not directly related to monetary policy and liabilities that also have no direct link with monetary policy.

3.1.1.2 Result

In 2021 the Bank's net profit was lower than in the previous financial year (–€ 306 million), at € 355 million. This reduction in the profit is mainly due to the increase in the Bank's contribution to monetary income (–€ 380 million¹) and the decline in the net results of financial operations (–€ 27 million). However, this effect was partly offset by the net interest income which increased by € 55 million. The main reasons for that increase are:

- higher volumes on current accounts and the deposit facility and excess reserves (+€ 409 million);
- higher volume (–€ 339 million) and lower interest rates (–€ 62 million) on monetary policy credit operations which were carried out at negative interest rates;
- the increased volume of the monetary policy portfolios (+€ 66 million).

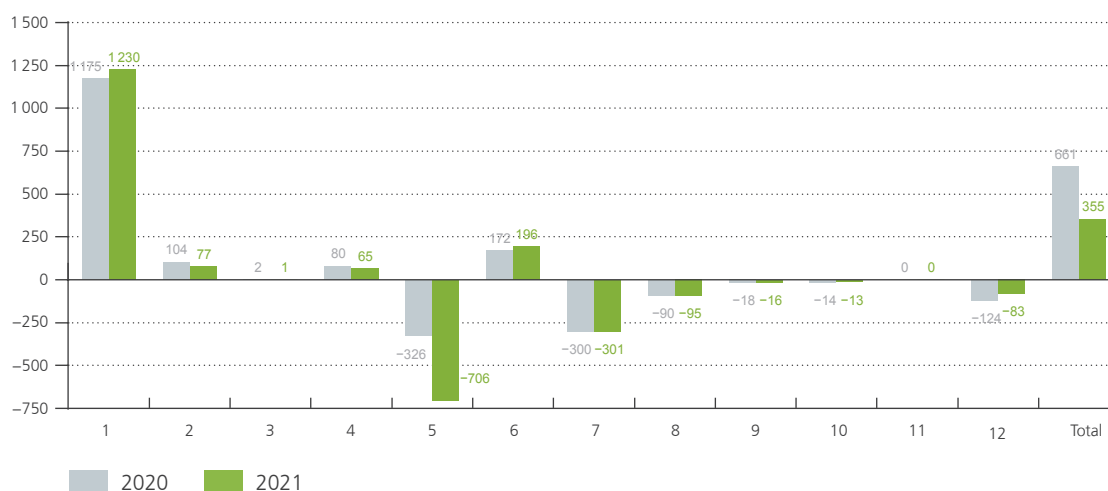
The Bank's contribution to the allocation of monetary income increased considerably by € 380 million, mainly through:

- the increase in the amount pooled with the Eurosystem (–€ 269 million);

¹ The amounts between brackets indicate the impact on the profit & loss account.

General structure of the result

(in € million)



1. Net interest income
2. Net result of financial operations, write-downs and provisions
3. Net income/expense from fees and commissions
4. Income from equity shares and participating interests
5. Net result of pooling of monetary income
6. Other income
7. Staff costs
8. Administrative expenses
9. Depreciation of tangible and intangible fixed assets
10. Banknote production services
11. Other expenses
12. Corporate tax

- the decrease in monetary income reallocated to the Bank because of the fall in the Eurosystem's total monetary income (–€ 108 million);
- in addition, the provision for monetary policy operations constituted in 2018 was written back in full in 2020 and no allocation was made to that provision in 2021.

The net result of financial operations declined primarily because of the rise in the dollar interest rate (–€ 40 million). Conversely, capital gains in the euro-denominated securities market increased significantly as a result of transactions in securities held for monetary policy purposes, partly offset by a disappearance of results on MTM securities (+€ 42 million). Unrealised losses on dollar-denominated securities charged to the profit and loss account increased substantially (–€ 28 million).

The sale of the printing works building generated a book profit of € 19.3 million, included in the other income.

3.1.1.3 Profit distribution

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

The estimate of the lower boundary of risks at the end of 2021 leads to an amount of approximately € 5.8 billion, compared with € 6.5 billion at the end of 2020. This reduction is mainly due to the Governing Council's decision to gradually reduce asset purchases so that the stance of monetary policy continues to move in the direction of stabilizing inflation at the level of the medium-term objective. However, the current environment of growing uncertainties about the sources and evolution of inflation and about the impact of geopolitical problems may have a significant influence on future policy and on the evolution of risks, confirming the need for a cautious approach in this area.

This amount comprises the financial risks on:

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

The growing volume and the composition of the balance sheet, and in particular the APP and the PEPP, imply the risk of seeing the Bank's results coming under pressure, especially in the event of a rise of the interest rates. In such conditions, the Bank is maintaining its reserve policy at 50% of the profit for the year for as long as the period of non-conventional monetary measures persists.

Thus, an amount of € 177.7 million is allocated to the available reserve. Following the profit distribution, the Bank's buffers total € 7.1 billion. In addition, the current profit is the first buffer used to cover any losses.

The dividend policy remains unchanged. This results in a gross dividend of € 138.04 per share, up by 30.5% against the financial year 2020, mainly owing to the payment of a dividend this year for an amount of € 31.3 million by the BIS and to the net capital gain generated by the sale of the printing works building (€ 18.1 million).

The balance of the profit for the year is allocated to the State, in accordance with the Organic Law. For the year 2021, it amounts to € 122.5 million.

3.1.2 Risk management

As regards risk management, the Bank applies the "three lines of defence" system.

Its departments, autonomous services and units assume the **first line of responsibility** for the effectiveness of the internal control system. This involves:

- identifying, assessing, controlling and mitigating the risks that their entities incur;
- setting up adequate internal control and risk management mechanisms for managing their entities'

risks within the risk tolerance limits set by the Board of Directors;

- making sure that these objectives, policies and internal control are respected in their entities.

The **second line of responsibility** for the effectiveness of the internal control system lies with the Director in charge of the Financial Markets Department, as regards financial risks (see 3.1.2.1). For non-financial risks (see 3.1.2.2), second line responsibility rests with the Director in charge of the 2nd Line of Defence Department.

The Internal Audit Service assumes the **third line of responsibility** for the efficiency of the internal control system. Its task is to give the Board of Directors further assurance, based on the highest degree of organisational independence and objectivity, as to the effectiveness of the Bank's governance, risk management and internal control, including the achievement of risk management and control objectives by the first and second lines of defence.

The Bank's financial and non-financial risk management during the year under review is described below.

3.1.2.1 Financial risk management

3.1.2.1.1 Management of the gold and foreign currency reserves, portfolios of securities in euro and monetary policy operations

Management of the gold and foreign currency reserves and that of the portfolios of securities in euro, and the monetary policy operations (intervention portfolios, loans, etc.) exposes the Bank, like any financial institution, to financial risks (such as market and credit risks), and to operational risks.

All financial risk estimates entail the use of methods, particularly quantitative methods, necessitating certain choices in terms of assumptions, parameters and scenarios. Those choices clearly reflect the difficulty of the exercise and the futility of expecting an accurate risk measurement. However, the apparently arbitrary nature of these choices is managed – and thus reduced – by combining (i) validation at the highest level of the proposals drawn up by the Bank's experts, and (ii) a sensitivity analysis of the results of the choices made.

For the purpose of managing its reserves, the Bank first defines a level of risk which it deems appropriate according to its risk aversion, the level of which depends among other things on constraints related to carrying out its tasks in all circumstances, as well as its ability to take even exceptional losses. That level is reviewed regularly as the Bank's tasks evolve and develop, particularly in regard to monetary policy, and in the light of actual or expected changes in market risks. The Bank then establishes a policy which aims to limit and manage these risks and keep them at the pre-selected level. In particular, it determines the currency mix, the market mix and the financial instrument mix, and the strategic duration of each own-account bond portfolio (and maximum deviations permitted in the course of active management) by applying the value-at-risk method to assess market risk (losses which could be generated by adverse movements in exchange rates, asset prices and interest rates). It also conducts stress tests on the whole of its balance sheet in order to estimate short- or even longer-term trends in its results under the various scenarios that are defined both within the Bank and by external institutions. The limits imposed for risk factors and the portfolio structure therefore reflect the level of risk which the Bank considers acceptable, and are adjusted if necessary on the basis of market developments and implications relating to the Bank's tasks, such as the constitution of monetary policy portfolios (the Securities Markets Programme, Covered Bonds Purchase Programmes, Asset-backed Securities Purchase Programme, Public Sector Purchase Programme, Corporate Sector Purchase Programme and Pandemic Emergency Purchase Programme).

Moreover, in order to limit its credit risk (including migration risk), i.e. the risk of losses which could result from payment default (including debt restructuring) or deterioration in the credit quality of counterparties or issuers, the Bank gives preference to sovereign risk instruments which have a high credit rating or which are collateralised, imposing strict limits on its other investments, especially bank deposits. It also demands a high rating for its investment instrument issuers and counterparties and ensures as far as possible that its investments are diversified. The securities purchase programmes under the Expanded Asset Purchase Programme have a specific impact on credit risk owing to a high concentration on certain sovereign issuers.

In order to assess the credit risk of each issuer or counterparty, the Bank refers to the ratings accorded by a number of specialist agencies and uses 'prediction' methods (such as implied ratings) which take account of developments on certain markets (credit default swaps, stock market value, etc.) and financial ratios, and possibly financial analyses conducted with due regard for the total segregation of the Bank's entities responsible for banking supervision. For overall credit risk assessment, it uses the CreditMetrics method with cautious and consistent parameters whose adequacy is regularly reviewed.

In order to increase the return on its US-dollar-denominated assets in the long term, the Bank invests a small proportion of those assets in corporate bonds. Specific rules have been drawn up for this type of bond (minimum rating, wide diversification obligation, etc.) to limit the credit risk and any losses.

The portfolios of securities in euro consist mainly of euro-denominated government paper issued by Member States of the European Union and, to a lesser extent, bonds backed by first-rate claims (*Pfandbriefe* type or other covered bonds) which help raise the expected yield. In conducting the investment operations concerning the Bank's portfolios, account is taken of the primacy of the monetary policy programmes and the strict organisational segregation designed to avoid any risk of a conflict of interests.

The Bank continues to implement and develop its policy of taking account of environmental, social and governance criteria (ESG) in managing its assets.

In order to improve the long-term risk/return ratio, the Bank has allocated a modest amount to acquiring a tradable investment fund comprising shares of European companies, which reflects as closely as possible the performance of a European index (which excludes the United Kingdom and Switzerland) and which applies ESG criteria. The fund is managed externally and passively in order to rule out any conflict of interests.

Both market risks and credit risks for the portfolios are closely monitored. The Bank has risk management procedures in place to enable it to check the limits and criteria that securities must meet under the integrated portfolio management system, and it carries out regular internal reporting on these risks.

Finally, the Bank limits the operational risk by dividing the activities associated with investment transactions into three separate services: the Front Office, in charge of operations, the Back Office, which handles the settlement, and the Middle Office, which manages the risks.

As regards the Bank's lending transactions pursuant to the Eurosystem's monetary policy, a risk management framework was established within the Eurosystem to enable harmonised implementation throughout the euro area. In this way, the eligible assets can be used without discrimination and the same risk control measures are applied throughout the Eurosystem. The risk management framework contains the eligibility criteria, which can be used on the one hand to draw up a single list of eligible securities and, on the other hand, to select non-tradable assets (bank loans). This framework also sets out risk management procedures and is regularly revised to take account of recent developments and in order to guarantee high-grade protection. Since 2012, every central bank has been able to define an additional framework for non-marketable assets, setting out eligibility rules and specific risk measures. These additional frameworks are approved by the Eurosystem. In the context of the 2020 pandemic crisis, central banks were able to establish such an additional framework more speedily. The Bank therefore decided to set up this temporary framework (relating to the pandemic crisis) for authorising non-tradable assets with a lower credit rating. The assets accepted under this framework constitute a risk for the Bank which is not shared with the Eurosystem. However, the acceptance of these assets is accompanied by more severe haircuts in order to cover these additional risks.

3.1.2.1.2 Interest rate risk and risks associated with the volume of interest-bearing assets

The income derived from banknote issuance is traditionally the largest component of the Bank's revenues. For central banks, banknotes are unremunerated liabilities. As the counterpart, central banks hold interest-bearing or productive assets. The income from these assets is called "seigniorage income". It is pooled within the Eurosystem and redistributed among the central banks of the Eurosystem on the basis of their respective shares in the issuance of euro banknotes.

Owing to the Asset Purchase Programme (APP) and the Pandemic Emergency Purchase Programme (PEPP), the counterpart to an increasing proportion of the assets on the Bank's balance sheet is no longer banknotes but other liabilities such as the current accounts of credit institutions and the deposit facility, remunerated at a pre-determined (positive or negative) short-term interest rate. That increases the longer-term interest rate risk.

In return for the right of issue which it confers on the Bank, the State is entitled to the balance of the Bank's profits after the formation of reserves and payment of dividends. Thus, the State is the first to bear the consequences of the volatility in the Bank's seigniorage income.

3.1.2.2 Non-financial risk management

The Bank's non-financial risk management framework is based on three lines of defence. The first level comprises all operational and support services, which are responsible for identifying, assessing and tackling risks inherent in their activities. This implies that all first line services conduct risk analyses on all their activities in order to ensure that the risks remain within acceptable limits so that the objectives can be achieved.

Since 2017, the Bank has had a fully-fledged second line of defence specialising in non-financial risk management, which has been incorporated in a Department responsible for implementing and overseeing the framework for non-financial risk management. That Department develops and maintains the various components of the risk management framework for the Bank and supports the first line in the management of all non-financial risks, including risks relating to physical security, business continuity and outsourcing, IT security, data protection and cyber security, and compliance risks (e.g. compliance with the anti-money-laundering legislation or the legislation relating to the General Data Protection Regulation (GDPR), and the code of ethics, etc.).

During 2021 the Bank continued developing the various components of its reference framework for the management of non-financial risks in order to meet the expected standards and regulatory requirements on the subject. In that context, the Bank continued to deploy and formalise the umbrella framework

for non-financial risk management, paying particular attention to the universe of non-financial risks and its risk culture. On the basis of the conclusions of a general strategic exercise conducted in 2020 which included non-financial risk management, the Bank also strengthened its governance relating to non-financial risk management by establishing a risk committee with specific competences, which meets at least once a quarter and assists the Board of Directors in managing non-financial risks. The aim is to continue progressing towards non-financial risk management on the basis of a multiannual plan which runs until 2025.

Where **business continuity** is concerned, the Bank continues to refine its reference framework. In this connection, the list of risk scenarios used for disruption to the IT infrastructure was updated, keeping an eye on the likelihood of the risks materialising and their potential impact on the operation of the institution. In the light of the positive experience gained during the pandemic, remote working was also given high priority on the list of solutions to be applied in a number of emergency scenarios. The impact analyses and continuity plans relating to critical activities are regularly reviewed and updated. These plans comprise specific scenarios which are tested in accordance with an annual schedule and adapted on the basis of the test results. The Bank's crisis management forms part of its Business Continuity Management and is likewise tested regularly. Responsibility for coordinating the management of the impact of the health crisis on operations throughout the Bank was therefore assigned to the entity responsible for non-financial risk management.

In the field of **information security** there is a clear allocation of roles and responsibilities between the first and second lines. To ensure that all staff clearly understand the rules that must be respected regarding keeping information systems secure, the Bank has radically revised its data protection policy. In particular, that policy goes into more detail on personal data protection in accordance with the GDPR and on the handling of sensitive data at workplaces outside the Bank, or in other words at home or in remote locations, in view of the increased flexibility regarding the place of work and working hours. Since, in addition to clear governance, ensuring that users are well-informed also helps to improve data security, the online awareness programme has been extended to all staff members, and completion of the modules

has been included in the personal annual targets of all staff. This programme covers a four-year period, and its content is regularly supplemented. Finally, the project set up last year for structurally enhancing information security continued in order to combat new cyber risks.

Under second line supervision concerning **banknotes**, there were regular conformity checks at the Central Cash Office in order to identify and avert any risks. This concerns cash inspections, dealing with cash discrepancies and complaints from financial institutions, internal checks on damaged banknotes, non-compliant packs of banknotes and offline destruction of banknotes, admission tests on BPS machines, checks on suppliers, and measures to combat money laundering and terrorist financing (AML/CFT). In 2021, conformity checks by means of video images were also introduced in order to check whether staff were familiar with, and were applying, the internal procedures and instructions.

On the subject of **compliance**, 46 questions of interpretation, 4 requests to authorise financial transactions, and 26 benefit statements from staff and management concerning the application of the code of ethics and the General Data Protection Regulation (GDPR) were addressed. To meet the requirements of the GDPR, an impact analysis relating to data protection was conducted on a number of new types of data processing liable to entail a high confidentiality risk for the persons concerned. To meet the requirements of the framework law on the processing of personal data, a protocol published on the Bank's website formalised all transfers of personal data to third authorities. In addition, a new policy was introduced in regard to the prevention of money laundering and terrorist financing. Finally, on 17 December 2021, the ECB guideline laying down the principles of a professional ethics framework for the Eurosystem was published. The Bank is required to take the necessary steps to implement and respect that guideline and to apply the rules and implementation measures with effect from 1 June 2023.

3.1.3 Post-balance-sheet events

There were no post-balance-sheet events which had any significant influence on the Bank's financial situation and results as at 31 December 2021.

In light of recent geopolitical developments, the Bank would like to clarify that it does not hold any assets that expose it directly to credit risk on Russia.

3.1.4 Circumstances which could have a significant influence on the Bank's development

On 10 March 2022, the ECB Governing Council decided to adjust the purchase scheme under the Expanded Asset Purchase Programme (APP). Depending on further data analysis, net purchases under this programme, after a temporary increase in the second quarter of 2022, could be discontinued in the third quarter of 2022. In addition, the Governing Council intends to continue reinvesting maturing securities acquired under that programme for a prolonged period following the date on which it begins raising the key interest rates, and in any case for as long as necessary to maintain favourable liquidity conditions and a high degree of monetary support.

Regarding the Pandemic Emergency Purchase Programme (PEPP), the Governing Council decided to suspend the net purchases from the end of March 2022. However, net purchases could resume if necessary in order to counteract negative shocks caused by the pandemic. In addition, the Governing Council intends to reinvest maturing securities acquired under the PEPP until at least the end of 2024.

Further monetary policy adjustments are of course possible, especially taking into account the recent geopolitical uncertainties and their potential impact on inflation in the euro area.

The consequences of these programmes could put pressure on the Bank's results.

3.1.5 Research and development

The research and development activities focused mainly on the provision of services within the Eurosystem including measures to combat counterfeiting, the development of new security features, and banknote circulation. The Bank made a significant contribution to various working groups in collaboration with various other central banks, including those in the Eurosystem. At the end of 2021 the ECB announced its intention to launch a new series of euro banknotes

from 2024. The Bank will also play an active part in research and development for that project.

3.1.6 Conflict of interests

During the year under review no member of the Board of Directors had directly or indirectly, any interest relating to property conflicting with a decision or transaction for which the Board of Directors was responsible.

3.1.7 Financial instruments

In managing its portfolios, the Bank uses financial instruments such as (reverse) repurchase agreements, currency and interest rate swaps and futures. The information on this subject is mentioned in the annual accounts, and in particular in the "Accounting principles and valuation rules" (I.3 and I.7) and in the notes to the accounts (notes 2, 3, 6, 9, 12, 15, 16, 24, 37 and 38).

See point 3.1.2.1. for a description of the Bank's financial risk management policy.

3.1.8 Expertise and independence of the Audit Committee

The members of the Audit Committee are experts in accountancy and auditing, in view of their training in economics or finance and/or their relevant professional experience in those fields. Most of the members satisfy the independence criteria mentioned in Article 7:87 (1) of the Companies and Associations Code.

3.1.9 Corporate governance statement

3.1.9.1 Belgian corporate governance code and corporate governance charter

For listed companies in Belgium, the Belgian Corporate Governance Code ("the Code") is the reference text on governance. The Code, published on the website www.corporategovernancecommittee.be, is a recommendation and sets out principles and guidelines

in regard to governance which complement the legislation in force and cannot be interpreted in a manner contrary to the law.

Established in the form of a public limited company listed on the stock market, the Bank is Belgium's central bank. It forms an integral part of the Eurosystem whose primary aim is the maintenance of price stability. It is also responsible for supervising the financial sector and performs other tasks in the general interest entrusted to it by law. Its situation is therefore very different from that of an ordinary commercial company whose main objective is to maximise its profits.

In view of the pre-eminence of the Bank's tasks in the public interest, the law has given it a special legal framework. The provisions on public limited liability companies are applicable to it only additionally, i.e. in regard to matters not governed by the Treaty on the Functioning of the European Union, the Protocol on the Statutes of the ESCB and the ECB annexed to that Treaty, and the Bank's Organic Law and Statutes, and provided that the provisions on public limited liability companies do not conflict with those priority rules. Moreover, as a member of the Eurosystem, the Bank is subject to special accounting rules. It also enjoys special status regarding the information disclosure obligations. For instance, the rules on the production and circulation of periodic information do not apply to the Bank.

The Bank's tasks in the public interest pursuant to its role as a central bank also justify a special governance structure, laid down by its Organic Law and its Statutes. The specific provisions concerning the arrangements for appointing the members of its organs, the specific composition and role of the Council of Regency, the reduced powers of the General Meeting of Shareholders and the special arrangements for the exercise of supervision are intended to ensure that the Bank can perform the tasks in the public interest assigned to it with due regard for the independence requirements imposed by the Treaty.

That explains why certain provisions of the Code do not apply to the Bank. Nevertheless, the Bank considers that the system of governance imposed on it partly by its own Organic Law and its Statutes, and partly by EU rules, is just as exacting as the Code, or even more so in some respects.

In order to provide the public with full information on the corporate governance rules which it applies, the Bank has drawn up a Corporate Governance Charter which offers additional clarification regarding its organisation, governance and supervision. That Charter can be consulted on the Bank's website.

3.1.9.2 Internal control and risk management systems in connection with the financial reporting process

The financial and non-financial risks connected with the Bank's activities and their management, and the organisation of risk management according to the standard three-level model, are discussed in point 3.1.2 of this Report.

The Audit Committee is responsible for monitoring the financial reporting process and ensures that the main risks, including those relating to compliance with the current legislation and rules, are correctly identified, managed and brought to the attention of the Audit Committee and the Board of Directors. It also examines the notes on internal control and risk management in the Annual Report.

The Audit Committee discusses important questions relating to the financial reporting with the Board of Directors and the auditor. The Board of Directors informs the Audit Committee of the principles adopted for recording significant and abnormal transactions in cases where various accounting approaches are possible. The Audit Committee assesses the relevance and consistency of accounting rules drawn up by the Council of Regency, examines proposed changes to those rules and expresses an opinion on that subject. It also assesses the accuracy, exhaustiveness and consistency of the financial information and, in particular, examines the annual accounts drawn up by the Board of Directors before they are discussed and approved by the Council of Regency.

The Council of Regency approves the annual accounts, the Directors' Report, the accounting rules and the rules on the Bank's internal organisation. It consults the Audit Committee before approving the annual accounts, and may ask the Audit Committee to examine specific questions on that subject and report back to it.

In accordance with the Protocol on the Statutes of the ESCB and of the ECB annexed to the Treaty on the Functioning of the European Union, the annual accounts are audited and certified by an independent auditor. The latter reports to the Audit Committee on important questions which arise in carrying out his/her statutory auditing task, particularly on significant weaknesses in the internal control regarding the financial reporting process. Each year, the auditor gives the Audit Committee written confirmation of his/her independence from the Bank, and examines with the Audit Committee the potential risks to that independence and the safeguard measures taken to attenuate those risks.

3.1.9.3 Shareholdership

The Bank's share capital of € 10 million is represented by 400 000 shares, of which 200 000, or 50 % of the voting rights, belong to the Belgian State. The other 200 000 shares are held by the public and listed on Euronext Brussels. Except for the shares owned by the State, the Bank does not know of any shareholdings carrying 5 % or more of the voting rights.

There is no current or planned programme for issuing or redeeming shares. There are no securities conferring special control rights. There are no legal or statutory restrictions on the exercise of voting rights. However, the Bank's shareholders must take account of the fact that the powers of the Bank's General Meeting of Shareholders are limited. The General Meeting in fact only has power to elect the Regents (from a dual list of candidates), to appoint the auditor, to take note of the annual accounts and the Directors' Report, and to amend the Statutes on the proposal of the Council of Regency in cases where the latter does not itself have power to do so.

The Council of Regency amends the Statutes in order to bring them into line with the Organic Law and the international obligations which are binding on Belgium. Other amendments to the Statutes are made by the General Meeting of Shareholders on the proposal of the Council of Regency. The General Meeting has to be convened for that purpose and can only pass valid resolutions if the proposed amendments are mentioned in the convening notice and if the shareholders present or represented hold at least half of the share capital. If that proportion of the capital is not represented at a first meeting, a

new meeting must be convened which can pass valid resolutions whatever the proportion of the capital held by the shareholders present or represented. Amendments to the Statutes must be approved by a three-quarters majority of the votes attached to all the shares present or represented at the General Meeting. They must also be approved by Royal Decree.

The dividend paid to shareholders is fixed by the Council of Regency. For more details, see the Bank's reserve and dividend policy (see point 3.2.7.3). The dividend is payable on the fourth working day following the General Meeting.

3.1.9.4 Composition and functioning of the organs and other actors

GOVERNOR

The Governor is appointed by the King for a renewable term of five years. He may be removed from office by the King only if he has been guilty of serious misconduct or if he no longer fulfils the conditions required for the performance of his duties. An appeal may be lodged with the Court of Justice of the European Union against such a decision.

Mr Pierre Wunsch was appointed Governor with effect from 2 January 2019.

BOARD OF DIRECTORS

The Directors are appointed by the King on the proposal of the Council of Regency for a renewable term of six years. They may be removed from office by the King only if they have been guilty of serious misconduct or if they no longer fulfil the conditions required for the performance of their duties.

Director Tim Hermans' term of office was renewed with effect from 7 April 2021 by the Royal Decree dated 28 March 2021. In addition, the title of Vice-Governor was conferred to Director Steven Vanackere by the Royal Decree dated 28 March 2021. He has borne that title since 19 April 2021.

Composition of the Board of Directors as at 31 December 2021:

Member	Function
Pierre Wunsch	Governor
Steven Vanackere	Vice-Governor
Jean Hilgers	Director
Vincent Magnée	Director
Tom Dechaene	Director
Tim Hermans	Director

The function of Treasurer is performed by Director Jean Hilgers and that of Secretary by Director Tim Hermans.

The curriculum vitae of each of the Directors is available on the Bank's website.

The Board of Directors met 49 times in 2021 for central banking matters, 45 times for prudential supervision (+8 written procedures) and 12 times to discuss macroprudential policy matters.

COUNCIL OF REGENCY

Pursuant to Article 20 of the Organic Law as amended by the Law of 2 May 2019 on miscellaneous financial provisions, the Council of Regency is composed of the Governor, the Directors, and fourteen Regents. The Regents are elected by the General Meeting for a renewable term of three years. Two Regents are chosen on the proposal of the most representative labour organisations, three on the proposal of the most representative organisations from industry and commerce, from agriculture and from small and medium-sized enterprises and traders, and nine on the proposal of the Minister of Finance. The terms of office of the Regents end after the Ordinary General Meeting. They leave office each year in groups, one of four members and the other two of five members. The Regent elected to replace a member who has died or resigned completes the term of office of the one whom he replaces. The representative of the Minister of Finance attends, *ex officio*, the meetings of the Council of Regency.

At the General Meeting on 17 May 2021 the terms of office of Mesdames Fabienne Bister and Marjan Maes came to an end, and the terms of office of Messrs Marc Leemans and Pieter Timmermans were renewed.

Messrs Georges Van Keerberghen and Thierry Bodson, and Mesdames Géraldine Thiry, Louise Fromont and Helga Coppen were elected as Regents.

Regents as at 31 December 2021:

Mrs Claire Tillekaerts¹, President of the Council of Regency
Mr Marc Leemans²
Mr Pieter Timmermans³
Mr Eric Mathay¹
Mr Danny Van Assche³
Mrs Mia De Schampheleere¹
Mrs Géraldine Van der Stichele¹
Mrs Véronique Thirion¹
Mrs Estelle Cantillon¹
Mr Georges Van Keerberghen³
Mr Thierry Bodson²
Mrs Géraldine Thiry¹
Mrs Louise Fromont¹
Mrs Helga Coppen¹

The Council of Regency met 20 times in 2021. These meetings focused in particular on the approval of the 2020 annual accounts and Annual Report, including the remuneration report, and on the settlement of the year's profit distribution. The Council of Regency approved the Bank's 2022 budget, and, after examination by the Audit Committee, laid down the accounting rules for the financial year 2021. It took note of the report on the activities of the Audit Committee. Finally, it exchanged views on general questions relating to the Bank and to the Belgian, European and global economy.

AUDIT COMMITTEE

The Audit Committee advises the Council of Regency on the monitoring of the financial reporting process and advises the Board of Directors on supervision of the effectiveness of the internal audit process, internal control and risk management.

The Audit Committee is composed of three Regents appointed by the Council of Regency. The

¹ Regent elected on the proposal of the Minister of Finance.

² Regent elected on the proposal of the most representative labour organisations.

³ Regent elected on the proposal of the most representative organisations from industry and commerce, from agriculture and from small and medium-sized enterprises and traders.

representative of the Minister of Finance attends, *ex officio*, the meetings of the Audit Committee.

Composition of the Audit Committee as at 31 December 2021:

Chair: Mrs Mia De Schampheleere, Regent
Mr Eric Mathay, Regent
Mrs Estelle Cantillon, Regent

The Audit Committee met six times in 2021. At these meetings, the Audit Committee examined the annual accounts and the Annual Report for the year 2020. In addition, the Audit Committee took note of the work programme and the work of the Internal Audit Service, and checked the auditor's independence. The Audit Committee also supervised the preparation of the Bank's 2022 budget and handed down a positive opinion on the accounting rules for the financial year 2021.

REMUNERATION AND APPOINTMENTS COMMITTEE

The Remuneration and Appointments Committee advises the Council of Regency on the remuneration of the members of the Board of Directors and the Regents. It also expresses opinions for the attention of the organs and entities competent to propose candidates for vacancies on the Board of Directors and the Council of Regency, in order to enable those bodies and entities to respect all the legal, statutory and ethical rules applicable and to ensure that the composition of the Bank's organs is balanced.

The Remuneration and Appointments Committee comprises three Regents appointed by the Council of Regency. The representative of the Minister of Finance attends, *ex officio*, the meetings of the Remuneration and Appointments Committee, and the Governor attends as an adviser.

Composition of the Remuneration and Appointments Committee as at 31 December 2021:

Chair: Mrs Claire Tillekaerts, Regent
Mr Pieter Timmermans, Regent
Mrs Géraldine Van der Stichele, Regent

The Remuneration and Appointments Committee met once in 2021. Its meetings are confidential. However, in order to demonstrate proper transparency in relation to the public, the activities and decisions of the Remuneration and Appointments Committee concerning remuneration policy and remuneration are spelt out in the remuneration report (see point 3.1.10).

REPRESENTATIVE OF THE MINISTER OF FINANCE

Pursuant to Article 22 of the Organic Law, the representative of the Minister of Finance attends, *ex officio*, the meetings of the Council of Regency, the Audit Committee and the Remuneration and Appointments Committee. Since 1 October 2012, Mr Hans D'Hondt has acted as representative of the Minister of Finance.

GENERAL MEETING OF SHAREHOLDERS

In view of the COVID-19 pandemic and the government rules in force, the shareholders were unable to attend the Ordinary General Meeting in person on 17 May 2021 but they were able to participate remotely. The meeting could be followed via streaming in real time and the shareholders were able to exercise their right to participate by means of an electronic platform. They were able to exercise their right to pose questions by means of written questions submitted before the meeting or during the meeting by means of the online chat function. The minutes of the meeting were published on the Bank's website.

AUDITOR

The firm Mazars Réviseurs d'entreprises, represented by Mr Dirk Stragier, acts as the Bank's auditor. The General Meeting on 18 May 2020 reappointed Mazars Réviseurs d'entreprises, represented by Mr Dirk Stragier, as the auditor for a three-year term.

3.1.9.5 Diversity policy

The Bank aims to respect diversity in all its forms. It attaches importance to a balanced composition of its organs and its staff.

In particular, the Remuneration and Appointments Committee which is responsible for giving opinions on appointments takes the question of diversity into account in its discussions.

Nevertheless, the Bank is bound by the specific provisions of its Organic Law and its Statutes. It is the King who appoints the Governor. The other members of the Board of Directors are also appointed by the King, on the proposal of the Council of Regency. The Regents are appointed on the proposal of the Minister of Finance and civil society. In view of the arrangements for appointing the members of its organs, it is therefore not the Bank alone that establishes and implements the diversity policy.

In regard to the gender balance, the Bank is obliged to ensure that at least one third of the members of the Council of Regency are of the opposite sex from the other members. In addition, if the Governor is Dutch-speaking, the Regent appointed by the King to chair the Council of Regency must be French-speaking and vice versa, and must be of the opposite sex from the Governor.

The Bank satisfies this legal obligation, and now has eight female members on the Council of Regency. Moreover, Mrs Claire Tillekaerts was appointed as President of the Council of Regency.

3.1.10 Remuneration report

3.1.10.1 Competence and decision-making

The Council of Regency is authorised to define the remuneration policy and the remuneration of the members of the Board of Directors and the Council of Regency. Members of the Board of Directors do not take part in the discussions and voting relating to their own remuneration in the Council of Regency.

The Remuneration and Appointments Committee assists the Council of Regency in the exercise of this power. The role, composition and functioning of that Committee are detailed in the Remuneration and Appointments Committee Regulation, which is available on the Bank's website.

The remuneration policy and the remuneration granted are discussed below.

3.1.10.2 Remuneration policy

GOVERNOR, VICE-GOVERNOR AND DIRECTORS

The purpose of the remuneration policy is to safeguard the Bank's strategy and long-term interests by offering a remuneration package capable of attracting, retaining and motivating experienced directors.

The level of the salaries of the Governor, Vice-Governor and Directors was fixed in 1949 by the former General Council. That was also the period when the ratio between those salaries and the staff salaries was defined.

In 2014, in view of the debate on salaries in the public sector, the Council of Regency decided to reduce the salaries of the Governor, Vice-Governor and Directors by more than 12 % across the board. Despite this straight-line reduction, comparison of the level of the Governor's salary showed that it was still high in international terms and that the pay differential between the Governor and the Directors was relatively large. In November 2020 the Council of Regency therefore decided, on the initiative of the Board of Directors and the positive recommendation of the Remuneration and Appointments Committee, to reduce the Governor's gross basic remuneration by a further 10 % with effect from 2021. The gross basic remuneration for the post of Vice-Governor was cut by 5 %.

The salaries of members of the Board of Directors are index-linked in line with the health index.

Since the Bank, in its capacity as a central bank, is unlike other listed companies in that maximising profits is not its primary objective, the remuneration policy does not include any financial performance criteria. By the same token, the Organic Law stipulates that the remuneration of the Governor, the Vice-Governor and the Directors must not include a share in the profits. Consequently, their remuneration consists solely of a fixed component, with no variable element. It does not include any bonuses, shares, share options, or other rights to acquire shares.

The Governor, Vice-Governor and the Directors hand over to the Bank the remuneration that they receive in respect of any external posts held in connection with their position at the Bank. As the sole exception

to this principle, the Governor may keep the fee that he receives as a director of the Bank for International Settlements. Conversely, the statutory provision whereby the Bank pays the cost of accommodation and furnishings for the Governor is not applied.

The Governor, Vice-Governor and Directors are not paid for their duties on the Council of Regency.

The Governor, Vice-Governor and Directors are prohibited from holding shares issued by the Bank, by enterprises subject to the Bank's supervision, by Belgian enterprises subject to the supervision of the European Central Bank, or by foreign enterprises established in Belgium and subject to the supervision of the European Central Bank, or shares in other companies belonging to groups comprising enterprises subject to the supervision of the Bank or the European Central Bank as mentioned above, except for shares which they already held when taking office. They may trade such securities only with the prior authorisation of the Board of Directors. When determining whether to grant or refuse that authorisation, the Board of Directors takes account of a range of factors, such as the state of the market and the issuer of the securities in question, the size of the transaction, its justification and its urgency, the existence of unpublished information concerning the market or the issuer of the securities in question, and any risks to the Bank's reputation if the transaction takes place. The Board of Directors produces an annual report for the attention of the Council of Regency, describing in general terms the authorisations which it has granted or refused. If members of the Board of Directors trade the Bank's shares, they are required to notify the Financial Services and Markets Authority (FSMA).

There is a pension plan for members of the Board of Directors, offering them a supplementary pension in addition to the statutory pension. The supplementary pension plan is a "defined benefits" plan. The pension of the members of the Board of Directors is subject to the Law of 5 August 1978 on economic and fiscal reforms (the Wyninckx Law).

Members of the Board of Directors have a fixed-term mandate. The Governor is appointed for a five-year term while the Directors are appointed for a six-year term. They may be removed from office by the King only if they have been guilty of serious misconduct or if they no longer fulfil the conditions required for the

performance of their duties. Pursuant to Article 26 of the Organic Law, the Governor, Vice-Governor and Directors may not perform any duties, function or mandate in institutions subject to the Bank's supervision until one year after leaving office. On the recommendation of the Remuneration and Appointments Committee, the Council of Regency therefore decided that, as a general principle, a payment equivalent to twelve months' salary can be made to members of the Board of Directors whose term of office is not renewed, so long as they do not take up any new professional activities and have not attained the age of 67 years. The Council of Regency will always ensure that these conditions are fulfilled on a case-by-case basis.

REGENTS

The Regents receive attendance fees, the amount of which has only a fixed component, with no variable element, and is granted for each meeting actually attended by members of the Council of Regency, the Audit Committee and the Remuneration and Appointments Committee. If a meeting is organised via the written procedure or by a voice telecommunication system, the attendance fees are paid to the Regents who actually attend the meeting.

The amount of the attendance fees is index-linked annually in line with the health index.

Regents whose place of work is located outside the Brussels conurbation receive a travel allowance. The method of calculating that allowance is aligned with the rules of tax law (fixed allowance per kilometre). The travel allowance is granted for each journey actually made to the Bank's head office.

3.1.10.3 Remuneration and other benefits granted

GOVERNOR, VICE-GOVERNOR AND DIRECTORS

In the following paragraphs, the total amount received by the Governor, the Vice-Governor and the Directors by way of remuneration during the last financial year is broken down by components.

Last year, the gross salaries amounted to € 465 521 for the post of Governor, € 276 411¹ for the post of Vice-Governor and € 356 720 for the post of Director.

The ratio between the lowest remuneration for staff and a Director's salary is 1 to 8.6. The ratio between the lowest remuneration for staff and the Governor's salary is 1 to 11.2. The salaries of the Governor, Vice-Governor and Directors are linked to the movement in the health index. Staff remuneration is linked to the health index and to the pay scale system.

As stated above, in November 2020, in view of the relatively large pay differential between the Governor and the staff, the Council of Regency decided to reduce the Governor's gross salary by 10 % as of 2021 and to reduce the gross salary of the Vice-Governor by 5 % as of 2021. That decision was taken on the initiative of the Board of Directors and the positive recommendation of the Remuneration and Appointments Committee.

The group insurance policy for the pension plan of members of the Board of Directors comprises a retirement pension element and cover in the event of death. The table below shows the insurance premiums paid during the last financial year for each member of the Board of Directors. The variations in the premiums depend on a number of factors, including basic remuneration, the duration of mandates, the reserves already built up and the period remaining until retirement age.

(in €)

Member	Group insurance premium
Pierre Wunsch	103 135
Steven Vanackere	128 463
Jean Hilgers	88 032
Vincent Magnée	93 754
Tom Dechaene	261 923
Tim Hermans	55 657

Members of the Board of Directors have a guaranteed income policy covering incapacity for work (for which the premiums paid last year came to € 41 280) and

¹ For the period from 19/04/2021 to 31/12/2021 inclusive. For the period from 01/01/2021 to 18/04/2021 inclusive, Mr Vanackere's remuneration as director amounted to € 106 043.

a policy covering occupational and non-occupational accidents (for which the premiums paid last year came to € 6 875). In addition, group health insurance and group directors' liability insurance are also concluded for the Board of Directors. Finally, members of the Board of Directors are provided with a company car. Last year the value of this benefit in kind came to € 3 092 for the Governor and € 18 156 for the other directors jointly.

In accordance with the principles of the Organic Law and the remuneration policy determined by the Council of Regency, no variable remuneration was paid to the Governor, Vice-Governor and other members of the Board of Directors last year, nor were they granted any shares, share options or other rights to acquire shares. Finally, no severance pay was granted last year.

The remuneration paid last year conformed to the decisions of the General Council and the Council of Regency mentioned in point 3.1.10.2. As explained there, the remuneration policy does not comprise any financial performance criterion.

REGENTS

Last year the attendance fees paid for attending meetings of the Council of Regency, the Audit Committee and the Remuneration and Appointments Committee stood at € 554 gross per meeting attended. That amount has remained unchanged for the past five years, but it is index-linked so that the figures are as follows: € 523 in 2017, € 533 in 2018, € 545 in 2019, € 549 in 2020 and € 554 in 2021.

In 2021, the following fees were paid for attending the meetings of the Council of Regency, the Audit Committee and the Remuneration and Appointments Committee (names in alphabetical order):

(number of meetings, unless otherwise stated)

Member	Council of Regency	Audit Committee	Remuneration and Appointments Committee	Total number of meetings	Total remuneration (in €)
Fabienne Bister ¹	7	–	–	7	3 878
Thierry Bodson ²	7	–	–	7	3 878
Estelle Cantillon	19	5	–	24	13 296
Helga Coppen ³	11	–	–	11	6 094
Mia De Schampelaere	20	6	–	26	14 404
Louise Fromont ⁴	5	–	–	5	2 770
Marc Leemans	14	–	–	14	7 756
Marjan Maes ⁵	6	–	–	6	3 324
Eric Mathay	18	6	–	24	13 296
Véronique Thirion	2	–	–	2	1 108
Géraldine Thiry ⁶	12	–	–	12	6 648
Claire Tillekaerts	18	–	1	19	10 526
Pieter Timmermans	19	–	1	20	11 580
Danny Van Assche	15	–	–	15	8 310
Géraldine Van der Stichele	15	–	–	15	8 310
Georges Van Keerberghen ⁷	10	–	–	10	5 540

1 Member of the Council of Regency until 17 May 2021.

2 Member of the Council of Regency from 17 May 2021.

3 Member of the Council of Regency from 17 May 2021.

4 Member of the Council of Regency from 17 May 2021.

5 Member of the Council of Regency until 17 May 2021.

6 Member of the Council of Regency from 17 May 2021.

7 Member of the Council of Regency from 17 May 2021.

3.1.11 Non-financial declaration

In its capacity as the country's central bank, the National Bank has been assigned tasks in the general interest. The Bank's main activities are not of a commercial or industrial nature.

Nevertheless, as an important player in the economic world and in regard to society, the Bank ensures respect for non-financial values.

Details of the Bank's respect for non-financial values are given in chapter 2 "The Bank and its social responsibility" of this Corporate Report (see p. 75).

Council of Regency



Claire Tillekaerts
President of the
Council of Regency



Marc Leemans
Regent



**Pieter
Timmermans**
Regent



Eric Mathay
Regent



**Danny
Van Assche**
Regent



**Mia
De Schampelaere**
Regent



**Géraldine
Van der Stichele**
Regent



**Véronique
Thirion**
Regent



Estelle Cantillon
Regent



**Georges
Van Keerberghen**
Regent



Thierry Bodson
Regent



Géraldine Thiry
Regent



Louise Fromont
Regent



Helga Coppen
Regent



Pierre Wunsch
Governor



Steven Vanackere
Vice-Governor



Jean Hilgers
Director
Treasurer



Vincent Magnée
Director



Tom Dechaene
Director



Tim Hermans
Director
Secretary



Hans D'Hondt
Representative of the
Minister of Finance

3.2 Annual accounts

3.2.1 Balance Sheet

(before profit distribution)

Assets

(end-of-period data, in € thousand)

	See note below	2021	2020
1. Gold and gold receivables	1	11 767 180	11 287 575
2. Claims on non-euro area residents denominated in foreign currency	2	25 582 833	15 822 963
2.1 Receivables from the IMF		15 337 049	6 950 671
2.2 Balances with banks and security investments, external loans and other external assets		10 245 784	8 872 292
3. Claims on euro area residents denominated in foreign currency	3	180 721	400 034
4. Claims on non-euro area residents denominated in euro	4	17	138 376
5. Lending to euro area credit institutions related to monetary policy operations denominated in euro	5	87 638 230	81 017 880
5.1 Main refinancing operations		–	–
5.2 Longer-term refinancing operations		87 638 230	81 017 880
5.3 Fine-tuning reverse operations		–	–
5.4 Structural reverse operations		–	–
5.5 Marginal lending facility		–	–
5.6 Credits related to margin calls		–	–
6. Other claims on euro area credit institutions denominated in euro	6	434 816	909 600
7. Securities of euro area residents denominated in euro	7	216 071 007	171 031 799
7.1 Securities held for monetary policy purposes		212 653 610	167 023 248
7.2 Other securities		3 417 397	4 008 551
8. Intra-Eurosystem claims	8	9 248 186	9 121 199
8.1 Participating interest in ECB capital		358 324	336 097
8.2 Claims equivalent to the transfer of foreign currency reserves		1 469 828	1 469 828
8.3 Net claims related to the allocation of euro banknotes within the Eurosystem		7 420 034	7 315 274
8.4 Other claims within the Eurosystem (net)		–	–
9. Other assets	9	8 476 908	8 864 955
9.1 Coins of euro area		8 711	8 009
9.2 Tangible and intangible fixed assets		403 730	412 926
9.3 Other financial assets		7 195 259	6 988 312
9.4 Off-balance-sheet instruments revaluation differences		–	90 592
9.5 Accruals and prepaid expenditure		837 199	1 360 459
9.6 Sundry		32 009	4 657
Total assets		359 399 897	298 594 381

Liabilities

(end-of-period data, in € thousand)

	See note below	2021	2020
1. Banknotes in circulation	10	51 767 819	48 084 842
2. Liabilities to euro area credit institutions related to monetary policy operations denominated in euro	11	171 421 401	145 672 939
2.1 Current accounts (covering the minimum reserve system)		97 194 582	97 076 814
2.2 Deposit facility		74 226 819	48 596 125
2.3 Fixed-term deposits		–	–
2.4 Fine-tuning reverse operations		–	–
2.5 Deposits related to margin calls		–	–
3. Other liabilities to euro area credit institutions denominated in euro	12	908 212	1 479 685
4. Liabilities to other euro area residents denominated in euro	13	5 947 992	1 914 597
4.1 General government		5 440 401	1 304 531
4.2 Other liabilities		507 591	610 066
5. Liabilities to non-euro area residents denominated in euro	14	5 476 602	6 864 942
6. Liabilities to euro area residents denominated in foreign currency	15	2 953 293	2 320 512
7. Liabilities to non-euro area residents denominated in foreign currency	16	1 461 240	1 346 671
8. Counterpart of special drawing rights allocated by the IMF	17	12 937 044	5 095 493
9. Intra-Eurosystem liabilities	18	86 357 768	66 198 276
9.1 Liabilities related to promissory notes backing the issuance of ECB debt certificates		–	–
9.2 Net liabilities related to the allocation of euro banknotes within the Eurosystem		–	–
9.3 Other liabilities within the Eurosystem (net)		86 357 768	66 198 276
10. Other liabilities	19	568 036	665 831
10.1 Off-balance-sheet instruments revaluation differences		24 608	–
10.2 Accruals and income collected in advance		23 892	15 396
10.3 Sundry		519 536	650 435
11. Provisions	20	–	–
11.1 For future exchange losses		–	–
11.2 For new premises		–	–
11.3 For contingencies		–	–
11.4 In respect of monetary policy operations		–	–
12. Revaluation accounts	21	12 018 744	11 381 836
13. Capital, reserve fund and available reserve	22	7 226 355	6 907 813
13.1 Capital		10 000	10 000
13.2 Reserve fund:			
Statutory reserve		1 168 694	1 168 694
Extraordinary reserve		1 153 603	1 153 603
Amortisation accounts in respect of tangible and intangible fixed assets		316 750	328 680
13.3 Available reserve		4 577 308	4 246 836
14. Profit for the year	23	355 391	660 944
Total liabilities		359 399 897	298 594 381

3.2.2 Profit and loss account

(end-of-period data, in € thousand)

	See note below	2021	2020
1. Net interest income	24	1 229 612	1 174 757
1.1 Interest income ¹		2 133 819	1 714 322
1.2 Interest expense ^{1,2}		-904 207	-539 565
2. Net result of financial operations, write-downs and provisions	25	77 065	103 866
2.1 Realised gains/losses arising from financial operations ^{1,2}		107 639	111 813
2.2 Write-downs on financial assets and positions ²		-30 574	-7 947
2.3 Transfer to/from provisions		-	-
3. Net income/expense from fees and commissions	26	592	2 446
3.1 Fees and commissions income		11 435	10 713
3.2 Fees and commissions expense		-10 843	-8 267
4. Income from equity shares and participating interests¹	27	65 432	79 958
5. Net result of pooling of monetary income	28	-705 627	-325 693
6. Other income¹	29	195 667	171 805
7. Staff costs	30	-301 037	-300 155
8. Administrative expenses¹	31	-94 594	-90 194
9. Depreciation of tangible and intangible fixed assets	32	-16 024	-18 004
10. Banknote production services	33	-12 682	-13 563
11. Other expenses	34	-	-
12. Corporate tax	35	-83 013	-124 279
Profit for the year		355 391	660 944

1	Of which proceeds from statutory investments and similar :		
1.1	Interest income	98 585	111 302
1.2	Interest expense	229	60
2.1	Realised gains/losses arising from financial operations	108	-
4.	Income from equity shares and participating interests	31 343	-
6.	Other income: Proceeds from sale of real estate	19 334	-
8.	Administrative expenses: Costs related to the sale of real estate of which 37 in previous years	-559	-
	Immovable replacement investments (not taken into consideration in the profit en loss account)	-671	-
	Total	148 369	111 362
2	Of which due to (-) / by (+) the State:		
1.2	Interest expense	-27 820	-30 809
2.1	Realised gains/losses arising from financial operations	16 191	14 143
2.2	Write-downs on financial assets and positions	-	779
	Total	-11 629	-15 887

3.2.3 Profit distribution

(in € thousand)

	See note below	2021	2020
Profit for the year	36	355 391	660 944
The annual profits shall be distributed as follows, in accordance with Article 32 of the Organic Law:			
1. A first dividend of 6 % of the capital shall be allocated to the shareholders		600	600
2. From the excess, an amount proposed by the Board of Directors and established by the Council of Regency, totally independently, shall be allocated to the reserve fund or to the available reserve		177 695	330 472
3. From the second excess, a second dividend, established by the Council of Regency, forming a minimum of 50 % of the net proceeds from the assets forming the counterpart to the reserve fund and available reserve shall be allocated to the shareholders		54 616	41 708
4. The balance shall be allocated to the State; it shall be exempted from corporate tax		122 480	288 164

3.2.4 Dividend per share

(in €)

	2021	2020
Gross dividend	138.04	105.77
Withholding tax	41.41	31.73
Net dividend	96.63	74.04

The dividend is payable the fourth bank working day following the General Meeting.

3.2.5 Off-Balance-Sheet Items

(end-of-period data, in € thousand)

	See note below	2021	2020
Forward transactions in foreign currencies and in euro	37		
Forward claims		7 097 849	6 225 103
Forward liabilities		7 135 291	6 144 334
Forward transactions on interest rate and fixed-income securities	38	93 855	1 571 999
Liabilities which could lead to a credit risk	39		
Commitments towards international institutions		15 474 880	15 935 247
Commitments towards other institutions		1 461 767	1 443 539
Valuables and claims entrusted to the institution	40		
For encashment		–	–
Assets managed on behalf of the Treasury		201 579	174 183
Assets managed on behalf of the ECB		1 963 142	1 781 402
Custody deposits		950 294 663	914 609 774
Capital to be paid up on participations	41	254 422	265 884

3.2.6 Social Balance Sheet

1. Statement of persons employed

A. Workers for whom the enterprise has submitted a DIMONA declaration or who are recorded in the general staff register

	Total	Men	Women
1. During the financial year			
a. Average number of employees			
Full-time	1 740.60	1 188.10	552.50
Part-time	405.30	112.90	292.40
Total in full-time equivalents (FTE)	2 034.46	1 272.10	762.36
b. Number of hours actually worked			
Full-time	2 433 104.30	1 675 274.20	757 830.10
Part-time	381 494.30	116 976.70	264 517.60
Total	2 814 598.60	1 792 250.90	1 022 347.70
c. Staff costs (in €)			
Full-time	247 688 750.43	177 916 987.55	69 771 762.89
Part-time	34 770 794.03	10 705 906.60	24 064 887.43
Total	282 459 544.46	188 622 894.15	93 836 650.31
d. Amount of benefits additional to wages	3 086 432.50	2 061 080.40	1 025 352.10
2. During the previous financial year			
Average number of workers in FTEs	2 114.96	1 332.20	782.66
Number of hours actually worked	2 852 226.20	1 828 925.70	1 023 300.50
Staff costs (in €)	281 374 354.65	189 706 788.43	91 667 566.22
Amount of benefits additional to wages (in €)	3 129 089.50	2 109 632.14	1 019 457.36
	Full-time	Part-time	Total in full-time equivalents
3. On the balance sheet date			
a. Number of workers	1 738	385	2 018.66
b. By type of employment contract			
Permanent contract	1 672	383	1 951.56
Fixed-term contract	66	2	67.10
Contract for a specific project	–	–	–
Substitution contract	–	–	–
c. By gender and level of education			
Men	1 178	109	1 259.90
Elementary	72	14	81.80
Secondary	269	41	299.60
Higher non-university	310	30	333.90
University	527	24	544.60
Women	560	276	758.76
Elementary	45	45	75.96
Secondary	111	106	185.30
Higher non-university	159	75	215.30
University	245	50	282.20
d. By occupational category			
Management staff	18	0	18.00
Clerical workers	1 720	385	2 000.66
Manual workers	–	–	–
Other	–	–	–

B. Agency staff and persons on secondment

	Agency staff	Persons on secondment
During the financial year		
Average number of persons employed	0.12	–
Number of hours actually worked	226.65	–
Costs to the enterprise (in €)	9 566.44	–

2. Table of staff movements during the year

A. Recruitment

	Full-time	Part-time	Total in full-time equivalents
a. Number of workers for whom the enterprise submitted a DIMONA declaration or who were entered in the general staff register during the year	127	5	130.20
b. By type of employment contract			
Permanent contract	81	2	82.60
Fixed-term contract	46	3	47.60
Contract for a specific project	–	–	–
Substitution contract	–	–	–

B. Departures

	Full-time	Part-time	Total in full-time equivalents
a. Number of workers whose contract expiry date was recorded in a DIMONA declaration or in the general staff register during the year	158	55	196.20
b. By type of employment contract			
Permanent contract	103	49	137.60
Fixed-term contract	55	6	58.60
Contract for a specific project	–	–	–
Substitution contract	–	–	–
c. By reason for termination of contract			
Retirement	84	48	118.10
Unemployment with company supplement	–	–	–
Redundancy	4	0	4.00
Other reason	70	7	74.10
of which: number of persons continuing to provide services for the enterprise at least half time as self-employed workers	–	–	–

3. Information on training for workers during the year

	Men	Women
1. Formal further vocational training at the employer's expense		
Number of workers concerned	849	571
Number of hours of training completed	19 969	16 700
Net cost to the enterprise (in €)	3 516 316	2 940 592
of which:		
Gross cost directly relating to training	3 516 316	2 940 592
Contributions and payments to communal funds	–	–
Subsidies and other financial benefits received (to be deducted)	–	–
2. Semi-formal or informal further vocational training at the employer's expense		
Number of workers concerned	1 131	691
Number of hours of training completed	22 997	13 147
Net cost to the enterprise (in €)	2 307 947	1 319 417
3. Basic vocational training at the employer's expense		
Number of workers concerned	–	–
Number of hours of training completed	–	–
Net cost to the enterprise	–	–

3.2.7 Notes to the annual accounts

3.2.7.1 Legal framework

The annual accounts are drawn up in accordance with Article 33 of the Law of 22 February 1998 establishing the Organic Statute of the National Bank of Belgium, which provides that:

“The accounts and, if appropriate, the consolidated accounts of the Bank shall be drawn up:

1° in accordance with this Law and the mandatory rules drawn up pursuant to Article 26.4 of the Protocol on the Statute of the European System of Central Banks and of the European Central Bank;

2° and otherwise in accordance with the rules laid down by the Council of Regency.

Articles 2 to 4, 6 to 9 and 16 of the Law of 17 July 1975 on business accounting and their implementing decrees shall apply to the Bank, with the exception of the decrees implementing Articles 4 (6) and 9, § 2.”

In accordance with Articles 11 and 12 of the Law of 17 July 2013 inserting Book III “Freedom of establishment, freedom to provide services, and general obligations of undertakings” in the Code of Economic Law and inserting the definitions specific to Book III and the law enforcement provisions specific to Book III in Books I and XV of the Code of Economic Law, that provision should read as follows: *“Articles III.82 to III.84, III.86 to III.89 and XV.75 of the Code of Economic Law and their implementing decrees shall apply to the Bank with the exception of the decrees implementing Articles III.84, seventh paragraph, and III.89, § 2.”*

The mandatory rules referred to in Article 33(1) are defined in the Guideline of the ECB of 3 November 2016 on the legal framework for accounting and financial reporting in the ESCB (recast) (ECB/2016/34), OJ L347 of 20 December 2016, as amended in the Guideline of 28 November 2019 (ECB/2019/34), OJ L332 of 23 December 2019 and in the Guideline of 11 November 2021 (ECB/2021/51), JO L419 of 24 November 2021.

In accordance with Article 20 § 4 of the Organic Law, the Council of Regency approves the expenditure budget and the annual accounts presented by the Board of Directors. It finally determines the distribution of the profits proposed by the Board of Directors.

The accounts for the financial year under review have been drawn up in accordance with the above-mentioned Article 33, adhering to the format and the accounting rules approved by the Council of Regency on 8 December 2021. The accounting rules are the same as those for the previous year.

The accounts are presented in thousands of euros unless otherwise stated.

3.2.7.2 Accounting principles and valuation rules

I. MANDATORY ACCOUNTING RULES UNDER THE ESCB/ECB STATUTE

The accounts, which are drawn up on a historical cost basis, are adjusted to reflect the valuation at market prices of marketable instruments (other than the statutory portfolio, the held-to-maturity portfolios, and the portfolios held for monetary policy purposes), of gold and of all the elements, both on-balance-sheet and off-balance-sheet, denominated in foreign currencies.

Spot and forward foreign exchange transactions are recorded off-balance-sheet on the contract date and shown on the balance sheet on the settlement date.

1. Assets and liabilities in gold and foreign currencies

The Belgian State’s official gold and foreign exchange reserves, which are shown on the balance sheet, are held and managed by the Bank. Assets and liabilities in gold and foreign currencies are converted into euro at the exchange rate on the balance sheet date.

Foreign currencies are revalued on a currency-by-currency basis; the revaluation includes both on-balance-sheet and off-balance-sheet items.

Securities are revalued at market prices separately from the revaluation of foreign currencies at their market exchange rates.

2. Securities

Fixed-income marketable securities, excluding those in the statutory portfolio, those held to maturity (HTM), and those held for monetary policy purposes, are valued at the market price prevailing on the balance sheet date (MTM). Securities are revalued individually.

The held-to-maturity (HTM) portfolios consist exclusively of fixed or determinable income securities and fixed term securities which the Bank has the express intention to hold to maturity. These securities are treated as a separate portfolio and valued at the amortised purchase price.

Securities held for monetary policy purposes are treated as separate portfolios and valued at amortised purchase price, whatever the purpose of holding them.

Securities valued at amortised purchase price may be subject to impairment.

Marketable investment funds are valued at the market price prevailing on the balance sheet date. These funds are revalued on a net basis and not on the basis of the underlying assets if they fulfil certain criteria¹, without offsetting between the various investment funds.

3. (Reverse) repurchase agreements

A repurchase agreement is a sale of securities in which the transferor expressly undertakes to repurchase them and the transferee expressly agrees to sell them back at an agreed price and on an agreed date.

The transferor records, on the liabilities side of the balance sheet, the amount of the liquidity received as a debt to the transferee, and values the securities transferred in accordance with the accounting rules applicable to the securities portfolio in which they are held.

The transferee, for his part, records on the assets side of his balance sheet a claim on the transferor corresponding to the amount paid out, while the securities

acquired are not recorded in the balance sheet but off-balance-sheet.

The Bank regards the above-mentioned transactions as repurchase agreements or reverse repurchase agreements depending on whether it acts as transferor or transferee of the securities. Repurchase agreements and reverse repurchase agreements denominated in foreign currencies have no effect on the position in the currency in question.

4. Share in the capital of the ECB

Pursuant to Article 28 of the Statute of the ESCB and of the ECB, the national central banks (NCBs) are the sole subscribers to the capital of the ECB. Subscriptions depend on the ECB's capital subscription key which is determined in accordance with Article 29 of the ESCB Statute.

5. Banknotes in circulation

The ECB and the NCBs of the countries which have adopted the euro, and which together comprise the Eurosystem, issue euro banknotes². The total value of the euro banknotes in circulation is allocated on the last working day of each month in accordance with the banknote allocation key.

8% of the total value of the banknotes in circulation is allocated to the ECB, while the remaining 92% is allocated to the NCBs according to their weightings in the capital key of the ECB. The share of banknotes allocated to each NCB is disclosed under the balance sheet liability item "Banknotes in circulation".

The difference between the value of the euro banknotes allocated to each NCB in accordance with the banknote allocation key and the value of the euro banknotes that is actually put into circulation by each NCB gives rise to intra-Eurosystem balances. These claims or liabilities, which incur interest, are disclosed under the sub-item "Net claims/liabilities related to the allocation of euro banknotes within the Eurosystem" under item 8.3 of the assets or 9.2 of the liabilities.

¹ These criteria are defined in Article 11a of the ECB Guideline of 3 November 2016, amended by the Guideline of 28 November 2019 (ECB/2019/34), OJ L332 of 23 December 2019 and the Guideline of 11 November 2021 (ECB/2021/51), OJ L419 of 24 November 2021.

² Decision of the ECB of 13 December 2010 on the issue of euro banknotes (recast) (ECB/2010/29, OJ L35 of 09/02/2011), as amended by the Decision of 27 November 2014 (ECB/2014/49, OJ L50 of 21/02/2015) and by the Decision of 22 January 2020 (ECB/2020/7, OJ L27 of 1 February 2020).

6. Determination of the result

6.1 The result is determined in accordance with the following rules:

- income and expenses are recognised in the financial year in which they are earned or incurred;
- realised gains and losses are taken to the profit and loss account;
- at the end of the year, positive revaluation differences (on securities and foreign reserves) are not shown in the profit and loss account but are recorded in the revaluation accounts on the liabilities side of the balance sheet;
- negative revaluation differences are first of all deducted from the corresponding revaluation account, any balance then being taken to the profit and loss account;
- losses included in the profit and loss account are not offset during subsequent years by new positive revaluation differences; negative revaluation differences on a security, currency or asset in gold are not netted either against positive revaluation differences on other securities, currencies or assets in gold;
- for gold, no distinction is made between the price and currency revaluation;
- in order to calculate the acquisition cost of securities or currencies that are sold, the average cost method is used on a daily basis; at the end of the year, if any negative revaluation differences are taken to the profit and loss account, the average cost of the asset in question (gold, currency or security) is adjusted downwards to the level of the current exchange rate or market price value.

6.2 Premiums or discounts arising from the difference between the average acquisition cost and the redemption price of securities are presented as part of interest income and amortised over the remaining life of the line of securities in question.

6.3 Interest accrued but not yet paid which influences the foreign exchange positions is recorded daily and converted at the exchange rate prevailing on the date of recording.

6.4 The amount of monetary income of each NCB in the Eurosystem is determined by calculating the effective annual income resulting from the earmarkable assets held in counterpart to the

liabilities items which serve as the basis for calculation. This basis comprises the following items:

- banknotes in circulation;
- liabilities to euro area credit institutions related to monetary policy operations and denominated in euro;
- net intra-Eurosystem liabilities resulting from TARGET2 transactions;
- net intra-Eurosystem liabilities related to the allocation of euro banknotes in the Eurosystem;
- accrued interest arising on monetary policy liabilities with a collection period that equals or exceeds one year.

Any interest on liabilities is included in the basis for calculating the monetary income pooled by each NCB.

The earmarkable assets consist of the following items:

- lending to euro area credit institutions related to monetary policy operations denominated in euro;
- intra-Eurosystem claims in respect of the transfer of foreign reserve assets to the ECB;
- net intra-Eurosystem claims resulting from TARGET2 transactions;
- net intra-Eurosystem claims related to the allocation of euro banknotes in the Eurosystem;
- euro-denominated securities held for monetary policy purposes;
- a limited amount of each NCB's gold holdings, in proportion to each NCB's subscribed capital key. Gold is considered to generate no income;
- accrued interest arising on monetary policy assets with a collection period that equals or exceeds one year;
- accrued interest on impaired securities held for monetary policy purposes;
- claims on central banks not belonging to the Eurosystem and relating to liquidity provision operations;

Where the value of an NCB's earmarkable assets exceeds or falls short of the value of its liability base, the difference is remunerated at the latest

marginal interest rate applicable to the main refinancing operations of the Eurosystem¹.

6.5 The whole of the income of the ECB arising from the 8% share in euro banknotes allocated to it and that arising from its purchases of portfolio securities for monetary policy purposes (SMP, CBPP3, ABSPP, PSPP and PEPP) is payable to the NCBs in the financial year in which it is generated. The ECB distributes that income to the NCBs in January of the next financial year.

That income is distributed in full unless it exceeds the ECB's net profit.

In addition, the Governing Council may decide, before the end of the financial year, on the principle of transferring all or part of that income to a provision for foreign exchange rate, interest rate, credit and gold price risks².

7. Off-balance-sheet instruments

Forward foreign exchange transactions, the forward leg of currency swaps, and any other foreign currency instruments involving the exchange of one currency for another at a future date are included in the net foreign exchange position for the purpose of calculating the average cost price and exchange gains and losses.

In the case of foreign exchange swaps, the forward position is revalued at the same time as the spot position. Since spot and forward amounts in foreign currencies are converted to euro at the same exchange rate, they do not influence the "Revaluation accounts" item on the liabilities side.

Interest-rate swaps and futures are revalued individually and recorded under the off-balance-sheet items. In the case of futures, daily margin calls are recorded in the profit and loss account and influence the foreign exchange position.

¹ Decision of the ECB of 3 November 2016 on the allocation of monetary income of the national central banks of Member States whose currency is the euro (recast) (ECB/2016/36, OJ L347 of 20 December 2016), as amended by the Decision of 12 November 2020 (ECB/2020/55, OJ L390 of 20 November 2020).

² Decision of the ECB of 15 December 2014 on the interim distribution of the income of the ECB (recast) (ECB/2014/57, OJ L53 of 25/02/2015), as amended by the Decision of 2 July 2015 (ECB/2015/25, OJ L193 of 21/07/2015) and by the Decision of 12 November 2020 (ECB/2020/56, OJ L 390 of 20 November 2020).

Profits and losses arising from off-balance-sheet instruments are recognised and treated in the same manner as those appearing in the balance sheet.

8. Post-balance-sheet events

The assets and liabilities are adjusted to take account of information obtained between the balance sheet date and the date of adoption of the annual accounts by the Bank's Board of Directors if that information has a material effect on the balance sheet asset and liability items at the balance sheet date.

II. RULES PURSUANT TO THE ORGANIC LAW, LAWS, STATUTES AND CONVENTIONS

1. Gold and gold receivables

The capital gains realised by the Bank on arbitrage transactions in gold assets against other external reserve components are recorded in a special unavailable reserve account in accordance with Article 30 of the Organic Law and Article 54 of the Statutes. This account appears under item 10.3 "Sundry" on the liabilities side.

2. IMF operations

Under Article 1 of the agreement of 14 January 1999 between the Belgian State and the Bank determining certain procedures for implementing Article 9 of the Organic Law, the Bank carries the rights that the State holds as a member of the IMF in its accounts as its own assets. Article 9 (2) of the Organic Law goes on to stipulate that the State shall guarantee the Bank against any loss and shall guarantee the repayment of any credit granted by the Bank for the purpose of these operations.

3. Loans granted and other operations relating to financial stability

Under Article 9 (2) of the Organic Law, the State guaranteed the Bank the reimbursement of any loan granted in connection with its contribution to the stability of the financial system, and guaranteed the Bank against any loss incurred as a result of any operation required in that regard.

Since, according to the European Commission, such an automatic State guarantee means that emergency liquidity measures must be classed as State aid – which could give rise to constraints on the Bank’s performance of its role as lender of last resort – that provision was cancelled¹. In the event of a sudden crisis on the financial markets or a serious threat of a systemic crisis, the King could still – on the Bank’s recommendation – grant the Bank an ad hoc guarantee via a Royal Decree deliberated in the Council of Ministers on the basis of Article 36/24, § 1, 2° of the Organic Law.

4. Treasury’s current account

Pursuant to an agreement of 20 September 2019, the end-of-day credit balance of the Treasury’s current account at the closure of TARGET2 bears interest, up to a maximum of € 150 million, at the Euro Overnight Index Average Rate (EONIA).

5. Capital, reserve fund and available reserve

5.1 Capital

Under Article 4 of the Organic Law, the share capital, totalling € 10 million, is represented by 400 000 shares, which do not have any nominal value. The share capital is fully paid-up.

The Belgian State holds 200 000 registered, non-transferable shares, or 50 % of the total voting rights.

5.2 Reserve fund

The reserve fund, provided for in Article 31 of the Organic Law, consists of the statutory reserve, the extraordinary reserve and the amortisation accounts.

It is intended for:

- 1° compensating for the losses in capital stock;
- 2° supplementing any shortfall in the annual profit up to a dividend of 6 % of the capital.

¹ Law of 18 December 2016 on the recognition and definition of crowdfunding, and laying down miscellaneous provisions concerning finance (Article 76), *Moniteur belge/Belgisch Staatsblad* of 20/12/2016.

² Pursuant to Article 141, § 9 of the Law of 2 August 2002 on the supervision of the financial sector and on financial services, Article 31 (2) of the Law of 22 February 1998 establishing the Organic Statute of the National Bank of Belgium is interpreted as meaning that the right of issue in question includes that which the Bank may exercise pursuant to Article 106 (1) of the Treaty establishing the European Community (Article 128 (1) of the Treaty on the Functioning of the European Union).

Upon expiry of the Bank’s right of issue, the State shall have a priority claim to one-fifth of the reserve fund. The remaining four-fifths shall be distributed among all the shareholders².

5.3 Available reserve

The available reserve, provided for in Article 32 of the Organic Law may, by decision of the Council of Regency, be used to compensate for losses or to pay out the dividend.

6. Determination of the result

6.1 Proceeds fully assigned to the State

By virtue of Article 30 of the Organic Law, the net income from the assets which form the counterpart to the capital gains realised by the Bank through arbitrage transactions of gold assets against other external reserve components, entered in a special unavailable reserve account, is assigned to the State. The implementing procedures relating to these provisions are governed by an agreement dated 30 June 2005 between the State and the Bank, published in the *Moniteur belge/Belgisch Staatsblad* of 5 August 2005, and its amendment dated 10 July 2009, published in the *Moniteur belge/Belgisch Staatsblad* of 17 July 2009.

In addition, the Bank pays annually to the Treasury, in accordance with the Law of 2 January 1991 on the market in public debt securities and monetary policy instruments, a sum of € 24.4 million to compensate for the additional expenses resulting for the latter from the conversion, in 1991, of the Treasury’s consolidated debt to the Bank into freely negotiable securities.

6.2 Net foreign exchange differences accruing to the State

In accordance with Article 9 of the Organic Law, the international monetary cooperation agreements or transactions which the Bank carries out on behalf of the State or with its express approval are guaranteed by the State. Foreign exchange gains and losses realised on these operations accrue to the State.

Pursuant to Article 37 of the Organic Law, capital gains realised on the sale of gold to the Belgian Royal Mint are handed over to the State. Sales of gold to

that Institution with a view to issuance by the State of numismatic or commemorative coins may not exceed 2.75 % of the weight of gold shown under the assets of the Bank as at 1 January 1987.

7. Profit distribution

Pursuant to Article 32 of the Organic Law, the profits for the year are distributed as follows:

1. a first dividend of 6 % of the capital is allocated to the shareholders;
2. from the excess, an amount proposed by the Board of Directors and established by the Council of Regency, totally independently, is allocated to the reserve fund or to the available reserve;
3. from the second excess, a second dividend established by the Council of Regency is allocated to the shareholders, forming a minimum of 50 % of the net proceeds from the assets which are the counterpart of the reserve fund and the available reserve;
4. the balance is allocated to the State; it is exempt from corporate tax.

III. ACCOUNTING RULES ESTABLISHED BY THE COUNCIL OF REGENCY

1. Participations in the statutory investment portfolio

The participations which the Bank holds in the form of shares representing the capital of various institutions are recorded in the balance sheet at their acquisition price, as recommended by the said ECB Guideline.

2. Fixed-income securities held in the statutory investment portfolio

These securities constitute a separate portfolio; they are valued at their purchase price amortised on the basis of their actuarial yield, as recommended by the said ECB Guideline.

3. Ceiling on the portfolio of statutory investments

The ceiling on the statutory investments is determined annually at the time of the final profit distribution. It is equal to the sum of the following elements:

- the capital;
- the reserve fund (statutory reserve, extraordinary reserve and amortisation accounts);

- the available reserve;
- the additions to the reserves.

The valuation of the statutory investments is based on the principles described in points 1 and 2 above.

4. Transfer of securities between different portfolios

The transfer of securities between portfolios subject to different accounting rules is effected at market price.

5. Tangible and intangible fixed assets

Land, buildings, plant, machinery, computer hardware and software, furniture and vehicles are recorded at their acquisition value.

Buildings under construction are recorded at the cost actually paid.

Tangible and intangible fixed assets with a limited economic life, acquired from the 2009 financial year onwards, including ancillary costs, are written off in accordance with the probable useful economic life accepted under the tax rules.

Useful economic life of the principal items:

■ land	unlimited
■ buildings	34 years
■ renovations	10 years
■ furniture	10 years
■ software	5 years
■ machinery	5 years
■ security work	3 years
■ hardware	3 years
■ improvements to property held for rental	no more than the duration of the tenancy

6. Stocks

Supplies intended for the production of orders for third parties, work in progress and the resulting finished products are valued at the material acquisition cost.

7. Corporate tax

Pursuant to Article 32 of the Organic Law, the balance of the profits for the financial year assigned to

the State after profit distribution and allocations to the reserves is exempt from corporate tax. For the purpose of calculating the average tax rate, in other words the ratio between the tax due and the pre-tax profit, the share of the profits accruing to the State is deducted from the result for the financial year.

The calculation of the average tax rate takes account of tax settlements for preceding financial years, regardless of whether they are positive or negative.

8. Calculation of the second dividend

The net proceeds from the assets as defined in Article 32 (3) of the Organic Law are equal to the gross proceeds after deduction of the tax due, calculated at the average tax rate defined in point 7 above.

The gross proceeds are equal to the proceeds from the statutory investments, excluding the proceeds generated by the capital, which is remunerated by the first dividend.

9. Off-balance-sheet items

	Category of off-balance-sheet items	Valuation principle
Liabilities which could lead to a credit risk	Commitments towards international institutions	Nominal value, currencies converted at the market exchange rate
	Commitments towards other institutions	
Valuables and claims entrusted to the institution	For encashment	Nominal value
	Assets managed on behalf of the Treasury	Nominal value/cost, currencies converted at the market exchange rate
	Assets managed on behalf of the ECB	Nominal value/cost, currencies converted at the market exchange rate
	Custody deposits	Nominal amount, currencies converted at the market exchange rate
Capital to be paid up on participations		Nominal amount, currencies converted at the market exchange rate

3.2.7.3 Reserve and dividend policy

The reserve and dividend policy rules, defined by the Council of Regency pursuant to Article 32 of the Organic Law, are as follows:

1. The result of the year is the first buffer for absorbing losses. Any negative result for the financial year is first charged to the available reserve. Next, if necessary, it is covered by the reserve fund.

An estimate of the quantifiable risks forms the basis for determining the minimum amount of the reserves. For the calculation of all the financial risks, the Bank applies either the value-at-risk/expected shortfall methodology for which it uses very cautious parameters in terms of probabilities and time horizons, or long-term scenarios. These methodologies are also applied by other Eurosystem members.

Each year, as long as the period of unconventional monetary measures persists, 50% of the profit of the year is allocated to the reserve fund or the available reserve.

The risks estimate is updated annually. On the basis of this assessment, the Council of Regency may decide to transfer a different percentage of the profits to the reserves.

The comparison between the existing reserves and the minimum amount disregards the amortisation accounts, since these cannot be used to cover losses or to supplement profits.

Since the reserve fund is almost totally non-available, and in view of its size in relation to the capital, profits to be reserved are added to the available reserve.

If the level of the reserves is considered excessive, withdrawals from the available reserve may be made. They must be exceptional and duly founded. Such withdrawals may only be paid out as a dividend.

2. The shareholders' dividend comprises a first dividend of 6% of the capital and a second dividend established by the Council of Regency pursuant to Article 32, 3° of the Organic Law.

The first dividend of € 1.5 per share (6% of the capital) is guaranteed both by the available reserve and by the reserve fund.

The second dividend is established by the Council of Regency at 50% of the net proceeds from the assets forming the counterpart of the reserves ("the statutory portfolio").

Net proceeds refer to the amount mentioned in the profit and loss account ("proceeds from statutory investments") following adjustment for the capital counterpart and after deduction of corporate tax actually due for the financial year in question (see point 3.2.7.2.III.8).

The second dividend is guaranteed by the available reserve, unless a withdrawal from the available reserve would reduce the reserves to a level insufficient to cover the estimated risks. The financial soundness and independence of the Bank take priority.

3. If an amount which is less than half the net proceeds from the statutory portfolio is allocated to the reserves, the allocation to the reserves is supplemented until it corresponds to 50% of these net proceeds insofar as the net profit after deduction of the dividend permits.

If the Bank does not have to make further allocations to the reserves, and if the profit is sufficient, the second dividend is increased until it corresponds to the total net proceeds (100%) of the statutory portfolio.

The reserve and dividend policy therefore guarantees that, if the profit is sufficient, the net proceeds from the statutory portfolio are either allocated to the reserves, thus increasing the basis of calculation of the second dividend, or paid directly to the shareholders by way of a second dividend. The balance allocated to the State will never include any part of the net proceeds from this portfolio.

4. For the purposes of the reserve and dividend policy, net proceeds from the sale of real estate are treated entirely as proceeds from the statutory portfolio. Net proceeds refer to the proceeds from the sales after the deduction of all costs (including taxes) and any replacement investments in property.

5. Equity, transparency and stability are the guiding principles of the Bank's reserve and dividend policy. The Bank expressly aims at consistent application of the policy set out above. Any change to that policy must be duly motivated and made public immediately.

3.2.7.4 Notes to the balance sheet

NOTE 1. GOLD AND GOLD RECEIVABLES

Gold stock (end-of-period data)

	2021	2020
In ounces of fine gold	7 311 154.9	7 311 154.9
In kg of fine gold	227 402.4	227 402.4
At market price (in € million)	11 767.2	11 287.6

On 31 December 2021, 9 tonnes of gold were still available for the issue of coins by the State for numismatic or commemorative purposes.

The major part of the gold stock is held at the Bank of England. A much smaller part is held at the Bank for International Settlements and at the Bank of Canada. A very small quantity is stored at the National Bank of Belgium.

On the balance sheet date, gold is valued on the basis of the euro price per fine ounce, notified by the ECB.

Gold price (end-of-period data, in €)

	2021	2020
Ounce of fine gold	1 609.48	1 543.88
Kg of fine gold	51 746.07	49 637.02

NOTE 2. CLAIMS ON NON-EURO AREA RESIDENTS DENOMINATED IN FOREIGN CURRENCY

Exchange rates

(end-of-period data, per €)

	2021	2020
SDR	0.8091	0.8485
USD	1.1326	1.2271
JPY	130.3800	126.4900
CNY	7.1947	8.0225
KRW	1 346.3800	1 336.0000

This item is broken down into two sub-items:

- receivables from the International Monetary Fund (IMF);
- balances held on accounts with banks which do not belong to the euro area as well as loans made to non-residents of the euro area, securities and other foreign currency assets issued by the latter.

Net positions in SDR and USD

Net position in SDR

(million)

	in SDR	in €
Balance sheet		
Claims	12 409.6	15 337.0
Liabilities	-10 467.7	-12 937.0
Pro rata interest	0.2	0.2
Off balance sheet		
Net liabilities	-1 921.4	-2 374.7
Net position	20.7	25.5

The position in Special Drawing Rights (SDR) is guaranteed by the State. In order to reduce the exchange risk, the Bank concluded forward transactions which limit the net position to SDR 20.7 million.

Net position in USD

(million)

	in USD	in €
Balance sheet		
Claims	10 139.3	8 952.2
Liabilities	-4 999.9	-4 414.5
Pro rata interest	34.1	30.1
Off balance sheet		
Claims	1 192.8	1 053.2
Liabilities	-4 174.5	-3 685.8
Pro rata interest	-1.2	-1.1
Net position	2 190.6	1 934.1

The net position in USD is 2.2 billion. The major part of the portfolio invested in dollars is financed by foreign exchange swaps or repurchase agreements.

Receivables from the IMF

Receivables from the IMF

(end-of-period data, in € million)

	2021	2020
Special Drawing Rights	12 927.3	4 597.4
Participation in the IMF	1 955.5	1 772.6
Loans to the IMF	116.4	218.3
Loans to the PRGT	337.8	362.4
Total	15 337.0	6 950.7

Special Drawing Rights

SDRs are reserve assets created ex *nihilo* by the IMF and allocated by it to its members to supplement their existing official reserves.

In August 2021, in the context of the Covid-19 pandemic, the IMF decided to effect a general allocation of SDRs for a total sum equivalent to USD 650 billion. The share of that allocation received by Belgium is equal to SDR 6 144.4 million. The net cumulative allocation to Belgium therefore increased from SDR 4 323.3 million to SDR 10 467.7 million.

The SDRs allocated to IMF members may be sold in exchange for convertible currency on the basis of swap agreements freely concluded between member

countries. The agreement between the Bank and the IMF, which was revised in 2021, stipulates that the Bank's SDR holdings must total between 65 % and 135 % of the net cumulative allocation.

As at 31 December 2021, the holding recorded on the Special Drawing Rights account stood at SDR 10 459.8 million, against SDR 3 900.7 million a year earlier. Net use of the SDR holding, i.e. the difference between the SDR allocation and the SDR holdings, stood at SDR 7.9 million on the balance sheet date.

Participation in the IMF

This liquid claim of Belgium on the IMF is also called the reserve tranche position. It is equal to the difference between Belgium's quota in the IMF, namely SDR 6 410.7 million, and the IMF's holdings of euro with the Bank. The quota determines Belgium's voting rights in the IMF.

Belgium's participation in the IMF may be called upon at any time in order to obtain convertible currencies for financing a balance of payments deficit. Changes in the participation may also result from a contribution by Belgium to the granting of credit by the IMF in favour of member countries faced with such a deficit, or from the repayment of such loans by those countries, as well as from euro transactions carried out by the IMF on its own behalf. The rate of interest on such loans is adjusted weekly. On the balance sheet date, the reserve tranche position amounted to SDR 1 582.3 million, against SDR 1 504.0 million a year earlier. This increase is due to net borrowing by IMF member countries.

Loans to the IMF

These receivables represent the counter-value of the loans granted to the IMF by the Bank in its own name and the claims of the Belgian State on the IMF in the event of implementation of loan agreements intended to increase the IMF's resources, namely the New Arrangements to Borrow. As at 31 December 2021, the Bank's claims in respect of new loan agreements came to SDR 94.2 million against SDR 185.2 million a year earlier, as a result of partial repayments by various IMF member countries.

Loans to the PRGT

The amount shown under this item is the equivalent of the money which the Bank has lent to the Poverty Reduction and Growth Trust (PRGT), managed by the IMF. This credit facility is intended to support the efforts of low-income developing countries that commit themselves to macroeconomic and structural adjustment programmes. The resources lent to this Trust are used by the IMF to fund the principal of the loans granted to developing countries under this facility.

Pursuant to the 2012, 2017 and 2020 lending agreements, the PRGT has a credit line with the Bank totalling SDR 1 050 million. On 31 December 2021, the Bank's claims under this heading amounted SDR 273.3 million, against SDR 307.5 million a year earlier, as a result of repayments during the financial year.

Balances with banks and security investments, external loans and other external assets

Breakdown by type of investment

(end-of-period data, in € million)

	2021	2020
Sight deposits	13.9	8.9
Time deposits	152.8	89.6
Reverse repurchase agreements	151.3	123.8
Fixed-income securities	9 927.8	8 650.0
Total	10 245.8	8 872.3

Breakdown by currency

(end-of-period data, in € million)

	2021	2020
USD	8 891.9	7 542.6
JPY	1 021.3	1 028.9
CNY	235.7	203.0
KRW	96.2	97.2
Other	0.7	0.6
Total	10 245.8	8 872.3

Breakdown of fixed-income foreign currency securities by their residual term

(end-of-period data, in € million)

	MTM		HTM	
	2021	2020	2021	2020
≤ 1 year	2 985.7	3 123.1	–	–
> 1 year and ≤ 5 years	5 114.2	4 185.0	138.9	–
> 5 years	1 523.5	1 341.9	165.5	–
Total	9 623.4	8 650.0	304.4	–

Breakdown of fixed-income foreign currency securities by their residual term

(end-of-period data, in € million)

	MTM		HTM	
	2021	2020	2021	2020
≤ 1 year	29.3	47.2	–	–
> 1 year and ≤ 5 years	76.6	68.5	48.2	–
> 5 years	–	16.9	–	–
Total	105.9	132.6	48.2	–

Value of fixed-income foreign currency securities by issuer country

(in € million)

	MTM		HTM	
	Book value	Market value	Book value	Market value
United States	6 674.6	6 674.6	107.0	105.9
Japan	1 173.6	1 173.6	6.2	6.1
International organisations	210.8	210.8	138.3	137.1
United Kingdom	72.9	72.9	–	–
Switzerland	944.5	944.5	–	–
Other	547.0	547.0	52.9	52.5
Total	9 623.4	9 623.4	304.4	301.6

Value of fixed-income foreign currency securities by issuer country

(in € million)

	MTM		HTM	
	Book value	Market value	Book value	Market value
Germany	–	–	17.5	17.4
France	10.8	10.8	–	–
Luxembourg	11.3	11.3	–	–
The Netherlands	70.4	70.4	30.7	30.2
Finland	7.4	7.4	–	–
Belgium	6.0	6.0	–	–
Total	105.9	105.9	48.2	47.6

On the balance sheet date, the unrealised gains and losses on the value of the securities at market prices came to € 159.9 million and € 29.3 million respectively.

On the balance sheet date, the unrealised gains and losses on the value of the securities at market prices came to € 1.4 million and € 0.6 million respectively.

NOTE 3. CLAIMS ON EURO AREA RESIDENTS DENOMINATED IN FOREIGN CURRENCY

Breakdown by type of investment (USD)

(end-of-period data, in € million)

	2021	2020
Sight deposits	0.2	0.1
Time deposits	26.4	110.8
Reverse repurchase agreements	–	156.5
Fixed-income securities	154.1	132.6
Total	180.7	400.0

NOTE 4. CLAIMS ON NON-EURO AREA RESIDENTS DENOMINATED IN EURO

Breakdown by type of investment

(end-of-period data, in € million)

	2021	2020
Reverse repurchase agreements	–	108.4
Fixed-income securities	–	30.0
Total	–	138.4

Breakdown of fixed-income securities by their residual term

(end-of-period data, in € million)

	MTM		HTM	
	2021	2020	2021	2020
≤ 1 year	–	–	–	30.0
> 1 year and ≤ 5 years	–	–	–	–
> 5 years	–	–	–	–
Total	–	–	–	30.0

Value of fixed-income securities by issuer country

(in € million)

	MTM		HTM	
	Book value	Market value	Book value	Market value
International organisations	–	–	–	–
Total	–	–	–	–

NOTE 5. LENDING TO EURO AREA CREDIT INSTITUTIONS RELATED TO MONETARY POLICY OPERATIONS DENOMINATED IN EURO

This item comes to €2 201.9 billion for the Eurosystem as a whole, of which €87.6 billion is for the National Bank of Belgium. In accordance with Article 32.4 of the ESCB/ECB Statute, the whole of any loss resulting from operations under this heading, once realised, is in principle shared between the Eurosystem NCBs in proportion to their shares in the ECB's capital key.

Main refinancing operations

Reverse transactions intended to grant liquidity to credit institutions for a one-week term via weekly tenders.

On the balance sheet date, the liquidity provided via the weekly main refinancing operations was €386 million, against €468 million at the end of 2020 for the euro area as a whole, no amount being attributed to credit institutions in Belgium. The interest rate on Targeted Long-Term Refinancing Operations III (TLTRO-III) and Pandemic Emergency Long-Term Refinancing Operations (PELTRO) operations is significantly more favourable than the rate on

one-week operations, which explains the preference for longer-term operations.

Longer-term refinancing operations

Reverse transactions intended to provide liquidity to credit institutions by way of monthly tenders with a term of between 3 and 48 months.

At Eurosystem level, these operations increased from €1 792.6 billion in 2020 to €2 201.5 billion in 2021, essentially as a result of subscription to the TLTRO-III and to the PELTRO amounting to €589.2 billion and €3.4 billion respectively, partly offset by final repayment on the TLTRO-II and partial repayment on TLTRO-III and PELTRO amounting to €156.3 billion and €26.6 billion respectively, and lower participation in the 3-month Long Term Refinancing Operations (LTRO) of €0.8 billion.

At the end of 2021 the longer-term refinancing operations of Belgian banks amounted to €87.6 billion: €87.4 billion in TLTRO and €0.2 billion in PELTRO, against €81.0 billion at the end of 2020.

NOTE 6. OTHER CLAIMS ON EURO AREA CREDIT INSTITUTIONS DENOMINATED IN EURO

Claims on credit institutions which do not relate to monetary policy operations.

Breakdown by type of investment

(end-of-period data, in € million)

	2021	2020
Current accounts	0.1	0.1
Reverse repurchase agreements	434.7	909.5
Total	434.8	909.6

NOTE 7. SECURITIES OF EURO AREA RESIDENTS DENOMINATED IN EURO

Securities held for monetary policy purposes

In 2021, in addition to reinvesting securities reaching maturity, the Eurosystem effected monthly bond purchases under the Asset Purchase Programme (APP)

averaging € 20 billion. The APP comprises the CBPP3, the PSPP, the CSPP and the ABSPP (the latter being included on the ECB's balance sheet).

In addition, the Eurosystem continued its purchases under the Pandemic Emergency Purchase Programme (PEPP) for a total envelope of € 1 850 billion. The purchases will stop at the end of March 2022, but could resume, if necessary, to counter negative shocks related to the pandemic. The purchases concern all asset categories eligible under the APP. Securities acquired under the PEPP will be reinvested on reaching maturity, until at least the end of 2024.

Composition of the monetary policy portfolios held by the Bank

(end-of-period data, in € million)

	Book value	Market value	Book value	Market value
	2021		2020	
With shared risks				
CBPP3	7 689.5	7 769.2	8 763.6	9 005.0
SMP	104.3	116.2	693.3	726.1
CSPP	71 966.4	73 296.5	54 893.5	57 836.1
PECBPP	99.2	98.4	42.7	43.2
PECSPP	11 163.4	11 318.4	8 473.0	8 883.6
Subtotal	91 022.8	92 598.7	72 866.1	76 494.0
With non-shared risks				
CBPP1	10.0	10.1	10.0	10.5
CBPP2	12.1	12.3	12.1	12.9
PSPP	75 599.0	78 750.9	72 749.8	78 898.7
PEPSPP	46 009.7	45 638.2	21 385.2	21 627.2
Subtotal	121 630.8	124 411.5	94 157.1	100 549.3
Total	212 653.6	217 010.2	167 023.2	177 043.3

In accordance with Article 32.4 of the ESCB/ECB Statute, the whole of any loss incurred by NCBs on CBPP3, PECBPP and SMP securities, on securities of international or supranational organisations in the PSPP and PEPSPP portfolio and on CSPP and PECSPP securities, once realised, is shared between the Eurosystem NCBs in proportion to their shares in the ECB's capital key. On the balance sheet date the Bank held securities in these portfolios for a total of € 91 022.8 million.

Conversely, the Bank bears the risks on the CBPP1, CBPP2, PSPP and PEPSPP portfolios included in

the balance sheet. On 31 December 2021, the Bank held securities in these portfolios totalling € 121 630.8 million.

CBPP1 - First covered bonds purchase programme

This programme, which expired at the end of June 2010, involved the acquisition of covered bonds in euro issued by euro area credit institutions. The Bank held covered bonds amounting to € 10.0 million on 31 December 2021.

Breakdown of first programme covered bonds, according to their residual term

(end-of-period data, in € million)

	2021	2020
≤ 1 year	10.0	–
> 1 year and ≤ 5 years	–	10.0
> 5 years	–	–
Total	10.0	10.0

CBPP2 - Second covered bonds purchase programme

This second programme for the purchase of euro-denominated covered bonds came to an end on 31 October 2012. On 31 December 2021, the Bank held covered bonds amounting to € 12.1 million under this programme.

Breakdown of second programme covered bonds, according to their residual term

(end-of-period data, in € million)

	2021	2020
≤ 1 year	12.1	–
> 1 year and ≤ 5 years	–	12.1
> 5 years	–	–
Total	12.1	12.1

CBPP3 – Third covered bonds purchase programme

Third programme for the purchase of covered bonds in euro issued by euro area credit institutions. These

purchases are spread across the whole euro area and effected gradually by the ECB and the Eurosystem NCBs in the form of purchases on the primary and secondary markets.

On 31 December 2021, the Bank held covered bonds amounting to € 7 689.5 million under this programme.

Breakdown of third programme covered bonds, according to their residual term

(end-of-period data, in € million)

	2021	2020
≤ 1 year	1 533.0	2 099.5
> 1 year and ≤ 5 years	4 257.8	4 614.8
> 5 years	1 898.7	2 049.3
Total	7 689.5	8 763.6

SMP – Securities markets programme

This programme, which ended on 6 September 2012, involved buying up both private and government bonds in the euro area. On 31 December 2021, the Bank held SMP securities totalling € 104.3 million.

Breakdown of securities markets programme bonds, according to their residual term

(end-of-period data, in € million)

	2021	2020
≤ 1 year	67.3	591.4
> 1 year and ≤ 5 years	37.0	93.2
> 5 years	–	8.7
Total	104.3	693.3

PSPP – Public sector purchase programme

Purchases made on the secondary market under this programme started on 9 March 2015. On 31 December 2021, the Bank held PSPP securities issued by Belgian public authorities totalling € 75 599.0 million.

Breakdown of bonds acquired under the public sector purchase programme, according to their residual term (end-of-period data, in € million)

	2021	2020
≤ 1 year	5 732.3	2 762.0
> 1 year and ≤ 5 years	21 826.1	20 514.2
> 5 years	48 040.6	49 473.6
Total	75 599.0	72 749.8

CSPP – Corporate sector purchase programme

Purchases under this programme began on 8 June 2016. On 31 December 2021, the Bank held CSPP securities of issuers located in various European countries (BE, LU, NL, PT and SK) totalling € 71 966.4 million.

Breakdown of corporate sector purchase programme bonds, according to their residual term

(end-of-period data, in € million)

	2021	2020
≤ 1 year	2 591.4	2 142.7
> 1 year and ≤ 5 years	29 505.7	21 299.3
> 5 years	39 869.3	31 451.5
Total	71 966.4	54 893.5

PECBPP – Pandemic emergency covered bonds purchase programme

Purchases made on the secondary market under this programme started in March 2020. On 31 December 2021, the Bank held PECBPP securities amounting to € 99.2 million.

Breakdown of covered bonds acquired under the pandemic emergency purchase programme, according to their residual term

(end-of-period data, in € million)

	2021	2020
≤ 1 year	–	–
> 1 year and ≤ 5 years	73.4	38.3
> 5 years	25.8	4.4
Total	99.2	42.7

PEPSPP – Pandemic emergency public sector purchase programme

Purchases made on the secondary market under this programme started in March 2020. On 31 December 2021, the Bank held PEPSPP securities amounting to €46 009.7 million.

Breakdown of public sector securities acquired under the pandemic emergency purchase programme, according to their residual term

(end-of-period data, in € million)

	2021	2020
≤ 1 year	3 380.8	3 618.9
> 1 year and ≤ 5 years	14 913.7	4 590.3
> 5 years	27 715.2	13 176.0
Total	46 009.7	21 385.2

PECSPP – Pandemic emergency corporate sector purchase programme

Purchases made on the secondary market under this programme started in March 2020. On 31 December 2021, the Bank held PECSPP securities amounting to €11 163.4 million.

Breakdown of corporate sector securities acquired under the pandemic emergency purchase programme, according to their residual term

(end-of-period data, in € million)

	2021	2020
≤ 1 year	108.5	1 716.2
> 1 year and ≤ 5 years	3 184.8	1 707.9
> 5 years	7 870.1	5 048.9
Total	11 163.4	8 473.0

Other securities

Portfolio of euro securities held for investment purposes and consisting mainly of negotiable government bonds denominated in euro issued by Member States of the European Union, bonds issued by certain credit institutions in euro area countries and backed by first-rate claims (*Pfandbriefe* type), bonds issued by national public organisations and, since 2019, investment funds.

Composition of the portfolio of securities in euro (end-of-period data, in € million)

	MTM		HTM	
	2021	2020	2021	2020
Fixed-income securities	–	–	2 504.1	3 469.2
Investment funds	913.3	539.3	–	–
Total	913.3	539.3	2 504.1	3 469.2

Breakdown of fixed-income securities, according to their residual term

(end-of-period data, in € million)

	MTM		HTM	
	2021	2020	2021	2020
≤ 1 year	–	–	588.5	951.2
> 1 year and ≤ 5 years	–	–	1 915.6	2 518.0
> 5 years	–	–	–	–
Total	–	–	2 504.1	3 469.2

Value of fixed-income securities, by issuer country (in € million)

	MTM		HTM	
	Book value	Market value	Book value	Market value
Belgium	–	–	928.9	964.6
Germany	–	–	235.2	244.7
Spain	–	–	59.5	61.8
France	–	–	625.6	650.7
Austria	–	–	217.0	224.7
Italy	–	–	20.3	21.4
The Netherlands	–	–	228.4	235.1
Finland	–	–	189.2	194.8
Total	–	–	2 504.1	2 597.8

On the balance sheet date, the unrealised gains on securities valued at their market price came to €163.3 million.

NOTE 8. INTRA-EUROSISTEM CLAIMS

Participating interest in ECB capital

Since 1 July 2013, the subscribed capital of the ECB has amounted to €10 825 million. Since

1 February 2020, the Bank's share in that capital has risen from 2.5280 % to 2.9630 % following the withdrawal of the Bank of England from the ESCB, increasing its share by € 47.1 million. An initial payment of € 2.6 million in respect of that amount was made in 2020. In 2021 a sum of € 22.2 million was paid up. The residual amount of € 22.3 million will be paid up in 2022. At the end of 2021 the Bank's share came to € 298.5 million. Following the successive changes to the apportionment of the ECB's capital, there was a redistribution between the NCBs of their shares in the accumulated reserves of the ECB; that raised the Bank's share to € 358.3 million.

Claims on the ECB equivalent to the transfer of foreign currency reserves

This claim amounting to € 1 469.8 million is remunerated at the interest rate for the Eurosystem's main refinancing operations, adjusted to reflect a zero return on the gold component. The Bank manages the reserves transferred to the ECB at the beginning of 1999. They are recorded off-balance-sheet.

Net claims related to the allocation of euro banknotes within the Eurosystem

Net claims on the Eurosystem relating to the allocation of euro banknotes in the Eurosystem (see accounting principles and valuation rules relating to the item "Banknotes in circulation"). This interest-bearing intra-Eurosystem item corresponds to the difference between the amount of the banknotes in circulation allocated to the Bank and the amount of the banknotes which it has issued.

Net claims related to the allocation of euro banknotes within the Eurosystem

(end-of-period data, in € million)

	2021	2020
Banknotes in circulation	51 767.8	48 084.8
Banknotes placed in circulation by the Bank	-44 347.8	-40 769.5
Total	7 420.0	7 315.3

The increase in the amount of banknotes issued by the Bank exceeded the figure for the Eurosystem, but the excess was not sufficient to reduce the claim.

NOTE 9. OTHER ASSETS

Coins of euro area

The Bank's holding of euro coins. The coins are put into circulation by the Bank on behalf of the Treasury, and credited to the latter's account. In accordance with the ECB Decision of 24 November 2020 on the approval of the volume of coin issuance (ECB/2020/57), the maximum amount of the euro coins to issue in 2021 was € 33.0 million for Belgium. Since the net amount issued in 2020 was € 1 459.5 million, the total authorised amount for 2021 was € 1 492.5 million. On 31 December 2021, the amount actually issued came to € 1 486.3 million.

Tangible and intangible fixed assets

In 2021, the Bank's investments in tangible and intangible fixed assets totalled € 19.2 million. In addition, an amount of € 28.4 million, corresponding to the acquisition value of assets sold or taken out of use, was deducted from the "Tangible and intangible fixed assets" account, notably following the sale of the printing works.

Other financial assets

In accordance with Article 19 (4) of the Organic Law, the Board of Directors decides on the statutory investments after consulting the Council of Regency. The statutory investments consist primarily of negotiable government bonds, bonds issued by certain credit institutions in euro area countries and backed by first-rate claims (*Pfandbriefe* type), and shares in the Bank for International Settlements (BIS). Some of the securities acquired in 2021 have a negative yield.

Breakdown by type of investment

(end-of-period data, in € million)

	2021	2020
Fixed-income securities	6 863.2	6 530.9
Participating interests	332.1	332.2
Reverse repurchase agreements	-	125.2
Total	7 195.3	6 988.3

Value of fixed-income securities by issuer country (the market value is given for information)

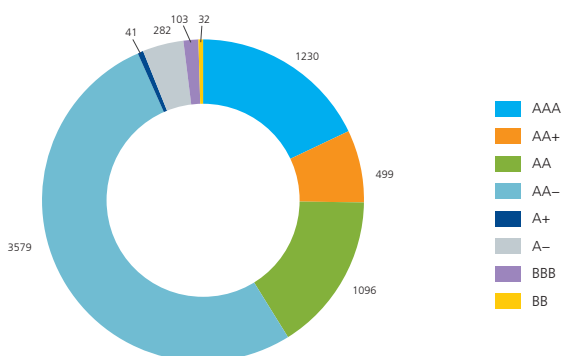
(end-of-period data, in € million)

	Book value		Market value	
	2021	2020	2021	2020
Belgium	3 559.1	3 417.9	3 767.8	3 822.0
Germany	692.8	722.1	735.3	792.2
Spain	280.0	311.0	296.3	336.5
France	933.2	786.5	981.6	871.3
Austria	99.9	159.4	111.9	178.4
Italy	52.4	89.2	55.5	95.1
International organisations	483.1	346.9	496.4	379.4
The Netherlands	132.5	112.0	138.5	124.1
Portugal	50.2	50.3	55.2	57.9
Greece	32.3	32.7	33.8	35.5
Finland	212.3	213.5	224.5	234.5
Other	335.4	289.4	333.3	298.5
Total	6 863.2	6 530.9	7 230.1	7 225.4

The net amount of the unrealised gains on fixed-income securities came to €366.9 million on 31 December 2021 compared to €694.5 million in the previous year.

Rating of fixed-income securities

Book values in € million



Yield on fixed-income securities according to their residual term as at 31 December 2021

Maturity	Book value	Average volume	Income	Yield
	(in € million)			(in %)
2021	–	204.7	8.3	4.1
2022	351.9	353.0	13.0	3.7
2023	504.2	505.8	13.2	2.6
2024	368.3	369.6	9.1	2.5
2025	390.1	390.5	6.2	1.6
2026	572.8	575.2	14.2	2.5
2027	539.3	540.4	5.5	1.0
2028	702.3	702.2	10.4	1.5
2029	460.5	455.7	0.9	0.2
2030	208.4	200.3	0.1	0.0
2031	514.0	363.1	2.6	0.7
2032	131.4	129.9	1.2	1.0
2033	272.6	273.5	1.8	0.7
2034	294.3	263.6	2.3	0.9
2035	436.1	415.1	2.9	0.7
2036	148.9	119.6	1.2	1.0
2037	273.2	273.0	2.6	0.9
2038	261.9	262.7	2.5	0.9
2039	14.5	14.6	0.1	0.4
2040	388.1	230.0	0.6	0.3
2041	30.4	23.0	0.1	0.4
Interest income	6 863.2	6 665.5	98.8	1.5
Realised gains/losses			0.1	
Total	6 863.2	6 665.5	98.9	1.5

Breakdown of participating interests

(end-of-period data)

	Number of shares	In € million	Number of shares	In € million
	2021		2020	
BIS	50 100	329.8	50 100	329.8
SBI	801	2.0	801	2.0
SWIFT	113	0.3	156	0.4
Total		332.1		332.2

Accruals and prepaid expenditure

These are sub-divided into:

- Expenses carried forward (€ 5.9 million);
- Income acquired (€ 831.3 million), essentially interest accrued but not received on securities and other assets.

Sundry

Principally:

- reclaimable taxes (€ 10.9 million);
- trade receivables (€ 0.9 million);
- proceeds due from the sale of real estate (€ 19.8 million).

NOTE 10. BANKNOTES IN CIRCULATION

The share in the circulation of euro banknotes in the Eurosystem allocated to the Bank (see note 8).

NOTE 11. LIABILITIES TO EURO AREA CREDIT INSTITUTIONS RELATED TO MONETARY POLICY OPERATIONS DENOMINATED IN EURO

Current accounts (covering the minimum reserve system)

Euro-denominated accounts of credit institutions, which mainly serve to meet their minimum reserve requirements. These requirements have to be respected on average over the reserve maintenance period in accordance with the schedule published by the ECB. The minimum reserves are remunerated at the interest rate on the main refinancing operations.

The amounts placed in current accounts by euro area credit institutions (including excess reserves) increased by € 706.7 billion in 2021 to € 3 512.2 billion on the balance sheet date.

In September 2019 the Governing Council had decided to introduce a two-tier system of reserve remuneration whereby, from 30 October 2019, part of the excess liquidity held by the banks (up to a maximum of six times the reserve requirement) will no longer be remunerated at the negative deposit facility interest rate but at 0%. However, the non-exempt part remains subject to the negative deposit facility interest

rate. The multiplier remained unchanged during the year under review.

The asset purchase programmes approved by the Eurosystem and the longer-term refinancing operations have created a liquidity surplus which is recorded either in current accounts as surplus reserves, in the deposit facility or in TARGET2 (see note 18).

In Belgium, the amounts placed on current accounts increased from € 97.1 billion to € 97.2 billion.

Deposit facility

Standing facility allowing credit institutions to make 24-hour deposits with the Bank at a pre-specified interest rate. That rate has been -0.50% since September 2019.

Credit institutions in Belgium greatly increased their deposits, which rose from € 48.6 billion in 2020 to € 74.2 billion in 2021. The amounts held in the deposit facility are not eligible for the exemption approved in September 2019. In principle, credit institutions therefore prefer to place the maximum amount of their excess liquidity on current account in the form of excess reserves up to the exemption limit. However, the increase in excess liquidity far exceeded that figure so that the lower remuneration on the deposit facility is no longer disadvantageous beyond six times the amount of the reserve requirement. Credit institutions therefore made more use of the deposit facility than last year. At the level of the Eurosystem, use of the deposit facility increased from € 683.9 billion to € 779.6 billion for the same reasons.

NOTE 12. OTHER LIABILITIES TO EURO AREA CREDIT INSTITUTIONS DENOMINATED IN EURO

This concerns "repurchase agreement" operations relating to the management of the securities portfolios.

NOTE 13. LIABILITIES TO OTHER EURO AREA RESIDENTS DENOMINATED IN EURO

General government

Balances of the current accounts opened in the name of the State and of general government. On the

balance sheet date, the Treasury's current account balance stood at € 5.4 billion.

Other liabilities

Current account balances held mainly by financial intermediaries which do not have access to standing facilities.

NOTE 14. LIABILITIES TO NON-EURO AREA RESIDENTS DENOMINATED IN EURO

Current accounts held by central banks, other banks, international and supranational institutions and other account holders situated outside the euro area. Repurchase agreement operations relating to the management of the securities portfolios.

NOTE 15. LIABILITIES TO EURO AREA RESIDENTS DENOMINATED IN FOREIGN CURRENCY

These repurchase agreements in USD relate to the Bank's investment policy.

NOTE 16. LIABILITIES TO NON-EURO AREA RESIDENTS DENOMINATED IN FOREIGN CURRENCY

These repurchase agreements in USD relate to the Bank's investment policy.

NOTE 17. COUNTERPART OF SPECIAL DRAWING RIGHTS ALLOCATED BY THE IMF

Countervalue of SDRs which must be returned to the IMF if SDRs are cancelled, if the SDR Department established by the IMF is closed, or if Belgium decides to withdraw from it. This liability, of unlimited duration, amounts to SDR 10 467.7 million, against SDR 4 323.3 million at the end of the previous year (see note 2).

NOTE 18. INTRA-EUROSYSTEM LIABILITIES

Other liabilities within the Eurosystem (net)

The Bank's net liabilities resulting from all the intra-Eurosystem liabilities and claims.

The intra-Eurosystem balances result from cross-border payments in euro within the EU, settled in central bank money. Most of these transactions are made by private entities (credit institutions, firms or individuals). They are settled via the TARGET2 system and lead to bilateral balances on the TARGET2 accounts of EU central banks. These bilateral balances are allocated daily to the ECB; each NCB thus has only one net bilateral position in relation to the ECB alone. The net position of the National Bank of Belgium in TARGET2 in relation to the ECB and the other euro-denominated intra-Eurosystem balances (such as interim dividends paid to the NCBs) are shown on the Bank's balance sheet in the form of a net position under the assets or the liabilities, and appear in the item "Other claims within the Eurosystem (net)" or "Other liabilities within the Eurosystem (net)". The intra-Eurosystem balances of the NCBs outside the euro area in relation to the ECB, resulting from their participation in TARGET2, appear in the item "Liabilities to non-euro area residents denominated in euro".

The intra-Eurosystem balances resulting from the allocation of euro banknotes within the Eurosystem are shown in the form of a single net asset under the item "Net claims related to the allocation of euro banknotes within the Eurosystem". The intra-Eurosystem balances resulting from the transfer of reserve assets to the ECB by the NCBs joining the Eurosystem are denominated in euro and recorded under the item "Claims on the ECB equivalent to the transfer of foreign currency reserves" (see note 8).

Under the SURE programme (Support to mitigate Unemployment Risks in an Emergency), the European Union provided Belgium with almost € 8.2 billion in the form of collateralised loans. In accordance with Council Regulation (EU) 2020/672 of 19 May 2020, the Belgian State, via the Bank, opened a special account at the European Central Bank to manage the financial assistance received. The funds held on that special account only serve two purposes: disbursement and repayment of the interest and the principal which must be deposited there

20 TARGET2 business days before the corresponding maturity date. During that period the amounts are shown under the item "Other claims within the Eurosystem (net)" or "Other liabilities within the Eurosystem (net)".

The Bank's net liabilities vis-à-vis the Eurosystem can be broken down as follows:

1. the Bank's liability vis-à-vis the ECB resulting from transfers effected via TARGET2 (€ 85 661.8 million);
2. the intra-Eurosystem liability of € 705.6 million, resulting from the mechanism for the pooling and distribution of monetary income within the Eurosystem (see note 28);
3. the intra-Eurosystem claim of € 5.5 million relating to the allocation of the ECB's income (see note 27);
4. the intra-Eurosystem claim of € 4.1 million, relating to the SURE programme.

NOTE 19. OTHER LIABILITIES

Off-balance-sheet instruments revaluation differences

Net negative revaluation differences on forward exchange transactions and interest rate futures, and spot transactions in currencies between the commitment date and the settlement date (€ 24.6 million).

Accruals and income collected in advance

Costs carried forward (€ 23.9 million) including interest accrued but not yet paid on liabilities and outstanding invoices.

Sundry

In particular:

- unavailable reserve of capital gains on gold (€ 298.9 million);
- taxes, wages and social contributions (€ 199.1 million);
- proceeds accruing to the State (€ 11.6 million);
- trade debts (€ 4.5 million).

NOTE 20. PROVISIONS

In accordance with the reserve and dividend policy established in 2009 (see § 3.2.7.3), and owing to the creation of the available reserve, the Bank does not constitute any general provisions.

NOTE 21. REVALUATION ACCOUNTS

Positive exchange rate and price revaluation differences between, on the one hand, the market value of the net foreign reserve and security positions (other than those valued at amortised cost) and, on the other hand, their average cost value.

(end-of-period data, in € million)

	2021	2020
Positive exchange revaluation differences on:		
■ gold	11 450.2	10 970.6
■ foreign currencies	243.9	93.1
Positive price revaluation differences on:		
■ securities in foreign currencies (items 2 and 3 of the assets)	161.3	278.8
■ securities in euro (items 4 and 7 of the assets)	163.3	39.3
Total	12 018.7	11 381.8

NOTE 22. CAPITAL, RESERVE FUND AND AVAILABLE RESERVE

Capital

The Bank has not received any declarations pursuant to Article 6 § 1 of the Law of 2 May 2007 on the disclosure of large shareholdings in listed companies, notifying shareholdings equal to 5% or more of the voting rights, other than those held by the State.

Representation of the capital

(end-of-period data, number of shares)

	2021	2020
Registered shares	210 709	206 361
Dematerialised shares	189 291	193 639
Total	400 000	400 000

Reserve fund

The reserve fund declined by € 11.9 million in 2021 as a result of a decrease in the amortisation accounts for tangible and intangible fixed assets.

The tax-exempt part of the extraordinary reserve comes to € 18.5 million.

Change in the amortisation accounts in 2021

(in € million)

Balance as at 31-12-2020	328.7
Recorded	+16.0
Withdrawn of cancelled following sales or disposals	-27.9
Balance as at 31-12-2021	316.8

Available reserve

An amount of € 330.5 million related to the profit distribution for the previous year was allocated to the available reserve.

Capital, reserve fund, available reserve and corresponding profit distribution

(end-of-period data, in € million)

	2021	2020
Capital	10.0	10.0
Reserve fund	2 639.0	2 651.0
Available reserve	4 577.3	4 246.8
Total before distribution	7 226.3	6 907.8
Profit distribution	177.7	330.5
Total after distribution	7 404.0	7 238.3

On expiry of the bank's right of issue, the State has a priority right to one-fifth of the reserve fund. That rule does not apply to the available reserve.

3.2.7.5 Notes to the profit and loss account

NOTE 24. NET INTEREST INCOME

In the current context of negative interest rates, some assets (longer-term refinancing operations, other euro-denominated claims on euro area credit institutions, ...) generate interest expense, and some liabilities (current accounts, deposit facility, ...) generate interest income.

In order to harmonise the presentation of interest income/expenses relating to monetary policy assets and liabilities within the Eurosystem, the interest income and expense are presented as net values under 1.1 "Interest income" or 1.2 "Interest expense" depending on the sign. The interest is calculated per sub-item on the balance sheet. That approach also applies to the other sub-items unrelated to monetary policy.

Interest income

(end-of-period data)

	Income	Average volume	Average rate	Income	Average volume	Average rate
	(in € million)		(in %)	(in € million)		(in %)
	2021			2020		
Interest income of assets in euro						
Credit transactions related to monetary policy	0.0	0.0	0.0	0.0	3.8	0.0
Securities portfolios in euro held for monetary policy purposes	984.6	190 810.2	0.5	984.8	142 882.0	0.7
Other securities portfolios in euro	67.6	3 132.4	2.2	102.7	4 353.1	2.4
Claims equivalent to the transfer of foreign currency reserves	0.0	1 469.8	0.0	0.0	1 469.4	0.0
Net claims related to the allocation of euro banknotes within the Eurosystem	0.0	7 333.5	0.0	0.0	6 890.9	0.0
Statutory investments (bonds, reverse repurchase agreements and repurchase agreements)	98.8	6 665.5	1.5	111.4	6 175.1	1.8
Total	1 151.0	209 411.4	0.5	1 198.9	161 774.3	0.7
Interest income of external assets						
Claims related to international cooperation transactions	5.2	9 685.9	0.1	13.9	6 748.6	0.2
Investments in gold and in foreign currencies	114.4	8 860.3	1.3	138.1	10 045.8	1.4
Total	119.6	18 546.2	0.6	152.0	16 794.4	0.9
Interest income of liabilities in euro						
Monetary reserve accounts, deposit facility and other interest-bearing deposits	863.2	221 279.1	0.4	363.4	122 909.5	0.3
Repurchase agreement transactions in euro	0.0	0.0	0.0	0.0	0.7	0.0
Total	863.2	221 279.1	0.4	363.4	122 910.2	0.3
Total interest income	2 133.8			1 714.3		

Interest expense

(end-of-period data)

	Expense	Average volume	Average rate	Expense	Average volume	Average rate
	(in € million)		(in %)	(in € million)		(in %)
	2021			2020		
Interest expense on liabilities in euro						
Net liabilities to the ECB related to TARGET2	0.0	26 666.9	0.0	0.0	49 602.2	0.0
Total	0.0	26 666.9	0.0	0.0	49 602.2	0.0
Interest expense on external liabilities						
Liabilities in SDR	-4.3	7 756.5	-0.1	-10.8	5 244.3	-0.2
Repurchase agreement transactions in foreign currencies	-4.3	3 545.6	-0.1	-31.5	3 479.4	-0.9
Total	-8.6	11 302.1	-0.1	-42.3	8 723.7	-0.5
Interest expense on assets in euro						
Longer-term credit operations related to monetary policy	-867.8	86 859.3	-1.0	-466.5	52 933.8	-0.9
Other claims	0.0	0.0	0.0	0.0	0.0	0.0
Total	-867.8	86 859.3	-1.0	-466.5	52 933.8	-0.9
Proceeds accruing entirely to the State						
Income resulting from the capital gains on gold recorded in a special unavailable reserve account ¹	-3.4			-6.4		
Annual sum paid to the State in compensation for the additional expenses due to the conversion of its consolidated debt to the Bank into freely negotiable securities ²	-24.4			-24.4		
Total	-27.8			-30.8		
Total interest expense	-904.2			-539.6		

1 That income is calculated by applying to the average balance of the unavailable reserve account during the year a rate of yield obtained by comparing the net financial income with the difference between the average amount, calculated on an annual basis, of the interest-bearing assets and the interest-bearing liabilities. The counterpart of the capital, reserves and amortisation accounts and the corresponding proceeds are excluded from that calculation. For the year 2021, the average balance on the unavailable reserve account came to € 298.9 million, net financial income came to € 564.0 million, the annual average amount of the interest-bearing assets came to € 309.0 billion and the annual average amount of the interest-bearing liabilities came to € 259.2 billion.

2 The extra cost for the State of this conversion, which took place in 1991, amounts to the difference between the 3% which accrued to the Bank in accordance with the allocation rule prevailing at that time, and the 0.1% fixed allocation due from the State at that time on its consolidated debt to the Bank. That difference applied to the amount of that debt, namely 34 billion francs, gives a figure of 986 million francs, i.e. € 24.4 million.

NOTE 25. NET RESULT OF FINANCIAL OPERATIONS, WRITE-DOWNS AND PROVISIONS

Realised gains/losses arising from financial operations

(end-of-period data, in € million)

	2021	2020
Capital gains/losses (-)		
on statutory investments	0.1	-
on investments		
in USD	12.8	52.5
in EUR	75.6	33.8
Foreign exchange gains/losses (-)		
on USD	19.2	25.5
on other currencies	-	-
on SDR	-16.2	-14.1
on gold	-	-
Foreign exchange gains (-) / losses (+) accruing to the State (SDR and gold)	16.2	14.1
Total	107.7	111.8

Write-downs on financial assets and positions

(end-of-period data, in € million)

	2021	2020
Capital losses on investments		
in USD	-29.9	-1.8
in EUR	-	-
Foreign exchange losses		
on USD	-	-
on CNY	-	-3.4
on KRW	-0.7	-2.7
on SDR	-	-0.8
on other currencies	-	-
Foreign exchange losses charged to the State (SDR)	-	0.8
Total	-30.6	-7.9

Total realised gains/losses and write-downs

(end-of-period data, in € million)

	2021	2020
Realised gains/losses	107.7	111.8
Write-downs	-30.6	-7.9
Total	77.1	103.9

Realised capital gains on the markets for euro-denominated securities increased strongly as a result of transactions in securities held for monetary policy purposes.

In the case of dollar investments, the higher interest rates led to a steep decline in the realised capital gains.

Similarly, on the liabilities side of the balance sheet, revaluation gains on dollar-denominated securities diminished and unrealised losses on those securities rose sharply.

In addition, as a result of the dollar's appreciation, the Bank recorded larger revaluation gains than in the previous financial year.

SDR operations led to realised and unrealised foreign exchange losses of € 16.2 million, charged to the State.

NOTE 26. NET INCOME/EXPENSE FROM FEES AND COMMISSIONS

Fees and commissions income

Commissions received as remuneration for the Bank's services as financial intermediary (€ 11.4 million), of which € 9.6 million related to collateralisation operations concerning monetary policy. The lion's share of the revenue comes from guarantees managed by the Bank within the framework of the Correspondent Central Banking Model (CCBM). The rise in commissions received by the Bank compared to 2020 is related to monetary policy.

Fees and commissions expense

Commissions paid by the Bank for financial services rendered to the Bank by third parties (€ 10.8 million), of which € 10.0 million related to monetary policy.

As in the case of income, the commissions paid in relation to monetary policy increased significantly in 2021.

NOTE 27. INCOME FROM EQUITY SHARES AND PARTICIPATING INTERESTS

(end-of-period data, in € million)

	2021	2020
Dividend on participation in the ECB	13.9	33.9
Income distributed by the ECB	5.5	46.0
Dividends on participations in the statutory investment portfolio	31.3	–
Dividends on investment funds	14.7	0.1
Total	65.4	80.0

At the end of the previous financial year, an interim dividend of € 46.0 million had been paid on the ECB's net profit for 2020. The balance of € 13.9 million corresponding to the dividend on the Bank's participation in the ECB's capital was paid in February 2021.

After allocation to its general risk provision, the ECB distributed the income from its allotted share in the issue of euro banknotes and the income generated by the securities which it purchased under the SMP, CBPP3, ABSPP, PSPP and PEPP programmes, in accordance with the Governing Council decision of 18 January 2022. The interim dividend accruing to the Bank came to € 5.5 million.

For the 2020-2021 financial year the BIS paid out a dividend of € 31.3 million (SDR 520 per share); no dividend had been paid in the previous year.

NOTE 28. NET RESULT OF POOLING OF MONETARY INCOME

Net result of pooling of monetary income

(end-of-period data, in € million)

	Income (+) / Expense (-)		
	Result	Pooling of monetary income	Real result
	(1)	(2)	(3) = (1) + (2)
	2021		
Monetary income pooled by the Bank within the Eurosystem		-752.9	
Monetary income allocated to the Bank by the Eurosystem		42.6	
		-710.3	
Items taken into account in monetary income			
Credit operations related to monetary policy	-868.8	119.5	-749.3
Securities portfolios in euro held for monetary policy purposes	984.6	-530.0	454.6
Claims equivalent to the transfer of foreign currency reserves	-	-	-
Net claims related to the allocation of euro banknotes within the Eurosystem	-	-	-
Net liability towards the ECB in respect of TARGET2	-	-	-
Monetary reserve account and deposit facility	823.0	-228.6	594.4
Non-earmarkable assets	-	-	-
	938.8	-639.1	299.7
Items not taken into account in monetary income			
Net investments in gold and in foreign currencies	110.1		110.1
Net claims relating to international cooperation transactions	0.9		0.9
Securities portfolios and repurchase agreements in euro	67.6		67.6
Statutory investment portfolio	98.8		98.8
Other claims	0.0		0.0
Interest-bearing deposits not related to monetary policy	40.2		40.2
Proceeds accruing entirely to the State	-27.8		-27.8
	289.8		289.8
Net interest income (item 1)	1 228.6	-639.1	589.5
Net result of financial operations (item 2)		-71.2	
Revision of previous years		4.7	
		-705.6	
Provision in respect of monetary policy operations		-	
		-705.6	

The monetary income is allocated to the euro area NCBs in accordance with the paid-up capital key (3.64324% for the Bank since 1 February 2020).

The impact on the net monetary income allocated is due to the balance sheet structure of the NCBs.

The Bank plays a specific role in the CSPP and PECSPP programmes and contributes to the purchase of corporate securities in amounts proportionately greater than its share in the ECB's capital. In addition, the yield on securities acquired by the Bank in that portfolio exceeded the average yield on securities acquired by the Eurosystem.

Conversely, the Bank received interest collected on supranational securities held by other NCBs under the PSPP and PEPSPP programmes.

Belgian credit institutions are still keeping larger volumes on current accounts and the deposit facility, in excess of the key, so that it was necessary to contribute to the allocation of monetary income.

This item also includes any change in the provision for risks on monetary policy operations.

NOTE 29. OTHER INCOME

(end-of-period data, in € million)

	2021	2020
Amounts recovered from third parties	175.4	171.1
Other	20.3	0.7
Total	195.7	171.8

The amounts recovered from third parties concern income from the supply of goods and rendering of services in various spheres, such as:

- the Central Balance Sheet Office, the Central Individual Credit Register, the Central Corporate Credit Register and the Central Contact Point (€ 43.5 million);
- prudential supervision (€ 102.8 million);
- the TARGET2 payment system (€ 1.4 million);
- the securities settlement system (€ 14.7 million);
- the internationalisation of IT applications (€ 9.2 million).

In accordance with Article 12bis of the Organic Law, the Bank's operating costs related to the prudential supervision of financial institutions are borne by the institutions concerned.

In addition, on the basis of Article 12ter of the Organic Law, the Bank performs tasks as the resolution authority, and the corresponding operating costs are also borne by the institutions concerned.

The operating costs are calculated annually and imputed to the financial institutions in accordance with the Royal Decree of 17 July 2012 as amended by the Royal Decrees of 1 October 2012, 21 December 2013, and 5 July 2015.

For the year 2021, the costs came to € 65.4 million for banks and stock-broking companies, and € 36.7 million for insurance and reinsurance companies.

Other institutions subject to supervision, such as clearing and settlement institutions, mutual guarantee schemes and payment companies, pay a flat charge which totalled € 0.7 million for the year 2021.

The item "Other" comprises proceeds from the sale of real estate including the capital gain of € 19.3 million on the sale of the printing works. It also includes the proceeds from the disposal of used equipment and furniture, and miscellaneous other proceeds.

NOTE 30. STAFF COSTS

These costs comprise the remuneration and social costs of the staff and the Directors, and the attendance fees of the Regents and Censors.

NOTE 31. ADMINISTRATIVE EXPENSES

This item comprises in particular administrative and IT expenses (€ 31.6 million), those related to the repair and maintenance of premises (€ 13.1 million), and work done and services rendered by third parties (€ 24.1 million). The withholding tax on income from immovable property, non-deductible VAT and the regional, provincial and municipal taxes are also included here (€ 5.5 million).

NOTE 32. DEPRECIATION OF TANGIBLE AND INTANGIBLE FIXED ASSETS

The depreciation covers the following investments:

(end-of-period data, in € million)

	2021	2020
Renovation of premises	7.7	8.3
Hardware and software	4.2	4.7
Equipment for the Printing Works	–	1.0
Other equipment and furniture	4.1	4.0
Total	16.0	18.0

NOTE 33. BANKNOTE PRODUCTION SERVICE

This item records the cost of services by external companies producing banknotes on behalf of the Bank.

NOTE 34. OTHER EXPENSES

This item records the tax-exempt amount, if any, included under the extraordinary reserve (see note 22) in accordance with the tax laws.

NOTE 35. CORPORATE TAX

Tax due

(end-of-period data, in € million)

	2021	2020
Tax on the profit for the year	82.7	124.1
Tax on the profit for previous years	0.3	0.2
Total (1)	83.0	124.3

Main differences

(end-of-period data, in € million)

	2021	2020
Profit before tax	438.4	785.2
Tax-free profit allocated to the State	–122.5	–288.2
Profit subject to tax (2)	315.9	497.0
Differences		
Social commitments	6.3	–9.3
Risk capital deduction	0.0	0.0
Depreciation surplus	–1.4	–1.5
Other	10.1	10.0
Taxable profit	330.9	496.2
Average tax rate (in %) (1) ÷ (2)	26.3	25.0

3.2.7.6 Notes on the profit distribution for the financial year (Note 36)

An estimate of the quantifiable risks forms the basis for determining the minimum amount of the Bank's reserves. For the calculation of all the financial risks, the Bank applies either the value-at-risk/expected shortfall methodology for which it uses very cautious parameters in terms of probabilities and time horizons, or long-term scenarios.

The estimate of the minimum level of risks at the end of 2021 resulted in a figure of around € 5.8 billion, against € 6.5 billion at the end of 2020. This decrease was mainly due to the Governing Council's decision to gradually reduce asset purchases in order to keep the monetary policy stance in line with the stabilisation of inflation at the medium-term objective. However, the current environment of increasing uncertainty about the sources and evolution of inflation and the impact of geopolitical problems may have a significant influence on future policy and risk developments, confirming the need for a prudent approach in this area.

This amount comprises the financial risks on:

- the Bank's own securities portfolios in euros and in foreign currency;
- the monetary policy portfolios shown on the Bank's balance sheet on which the Bank alone bears the risks;

- the monetary policy credit operations and securities portfolios shown on the balance sheet of all NCBs in the Eurosystem, on which the risk is shared among the NCBs (see notes 5 and 7).

The profits for the year are allocated as follows in accordance with Article 32 of the Organic Law (in € million):

- a first dividend of 6 % of the capital is allocated to the shareholders 0.6
- from the excess, an amount proposed by the Board of Directors and established by the Council of Regency, totally independently, is allocated to the reserve fund or to the available reserve. For 2021, the Council of Regency decided to allocate 50 % of the profit for distribution to the available reserves, namely 177.7
- from the second excess, a second dividend established by the Council of Regency is allocated to the shareholders, forming a minimum of 50 % of the net proceeds from the assets forming the counterpart to the reserve fund and the available reserve

- Gross proceeds from statutory investments and similar

	Income	Average volume	Yield
	(in € million)		(in %)
Bonds	98.8	6 665.5	1.5
Participating interests	31.5	332.1	9.5
Sale of real estate	18.1		
Total	148.4	6 997.6	

- Share of the income generated by the capital in the total proceeds from the statutory investments: $10 \times 148.4 : 6\,997.6 = 0.21$
 - Average tax rate: 26.3 % (see note 35)
 - Calculation of the second dividend $[(148.4 - 0.21) \times (1 - 0.263) \times 0.5]$ 54.6
- the balance is allocated to the State; it is exempt from corporate tax 122.5

Profit for the year	355.4
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3.2.7.7 Notes to the off-balance-sheet items

NOTE 37. FORWARD TRANSACTIONS IN FOREIGN CURRENCIES AND IN EURO

(end-of-period data, in € million)

	2021	2020
Forward claims		
EUR	6 017.7	5 199.9
USD	1 053.2	1 008.7
SDR	26.9	16.5
Forward liabilities		
EUR	27.8	16.6
USD	3 685.8	3 254.4
JPY	1 020.1	1 027.7
SDR	2 401.6	1 845.6

The currency swaps were concluded for the major part against euro. The forward claims and liabilities in foreign currencies were revalued in euro at the same exchange rates as those used for spot holdings in foreign currencies.

Forward transactions are intended to limit the net foreign currency position.

NOTE 38. FORWARD TRANSACTIONS ON INTEREST RATE AND FIXED-INCOME SECURITIES

At the end of the financial year the Bank had a net long position in futures on dollar-denominated securities of € 93.9 million. These transactions relate to the active management of the portfolios.

NOTE 39. LIABILITIES WHICH COULD LEAD TO A CREDIT RISK

Liabilities towards international institutions include the commitment signed by the Bank to lend to the PRGT SDR 1 050 million (€ 1 297.7 million).

In 2020, the IMF decided to double the size of the new loan agreements which serve as the second line of defence after the quotas, and to reduce by a similar amount the bilateral loans which serve as the third line of defence. Since 1 January 2021 the new loan agreements have amounted to a total of SDR 361 billion and the bilateral loans have totalled SDR 138 billion. The aim of this operation is to consolidate the IMF's resources at close to their historical level for the coming years and to spread the contribution effort more evenly among the various IMF members. In that context, the Bank signed a loan contract for SDR 7.99 billion in respect of new borrowing agreements for the period 2021-2025 and a contract for € 4.3 billion in respect of the bilateral loans. These loans replace the previous ones (for SDR 3 994.3 million and € 9 990.0 million respectively) and slightly reduce Belgium's exposure to the IMF. They are guaranteed by the Belgian State and came into force on 1 January 2021.

At the end of 2021, the available amount (PRGT, new loan agreements and bilateral loan) comes to € 14 405.2 million. These loans are guaranteed by the Belgian State.

Liabilities towards other bodies comprise the guarantees which the Bank gives in connection with clearing operations for credit institutions established in Belgium. In return, the Bank itself received guarantees from those same institutions.

At the end of 2021, the outstanding amount came to € 1 461.8 million.

NOTE 40. VALUABLES AND CLAIMS ENTRUSTED TO THE INSTITUTION

The custody deposits comprise the nominal amount of securities (Treasury Certificates, linear bonds, securities resulting from the splitting of linear bonds, Treasury bills, certificates of deposit and certain classical loans) recorded under the securities settlement system and held on behalf of third parties.

The rise in custody deposits is due mainly to the growth in securities issued by enterprises and recorded in the securities settlement system, and the increase in guarantees received for the account of other central banks.

NOTE 41. CAPITAL TO BE PAID UP ON PARTICIPATIONS

The BIS shares held by the Bank are paid up to the extent of 25%. The amount shown under this item represents the uncalled capital, totalling SDR 187.9 million (€ 232.2 million).

This heading also includes the residual amount to be paid up on the Bank's increased share in the ECB's capital following the withdrawal of the Bank of England from the ESCB (€ 22.3 million).

3.2.7.8 Auditor's remuneration

The total remuneration allocated to Mazars Réviseurs d'entreprises comes to € 110 250. That remuneration comprises:

- a sum of € 81 000 for the statutory audit assignment, including the certification of the annual accounts and the limited audit of the interim accounts;
- a sum of € 29 250 for certification assignments for the ECB's auditor.

The auditor did not receive any further remuneration for other assignments carried out for the Bank.

3.2.7.9 Legal proceedings

On 3 January 2014, a shareholder brought an action against the Bank before the Brussels Commercial Court. That shareholder claimed that the Bank's annual accounts did not conform to the regulations applicable, and demanded the correction of the annual accounts on three points. The Commercial Court handed down its ruling on 22 May 2015. It rejected all the requests and confirmed that the Bank had drawn up its accounts in line with the applicable rules.

On 15 July 2015, the applicant shareholder lodged an appeal against this ruling. On 28 October 2019 the Brussels Court of Appeal passed judgment. The Court declared that the shareholder's appeal was unfounded and confirmed the ruling of the court of first instance, namely that the Bank has drawn up its accounts correctly in accordance with the accounting rules applicable to it. On 10 March 2020 the shareholder in question lodged an appeal in cassation against that judgment. On 19 October 2020 the Court of Cassation dismissed the appeal. This dispute has therefore been finally resolved as far as the Belgian legal system is concerned.

On 12 March 2021 the shareholder in question brought further proceedings concerning this case before the European Court of Human Rights (ECHR). In view of the nature of proceedings before the ECHR, this action is being brought against the Belgian State and not against the Bank. On 15 April 2021, the Court dismissed the motion.

On 20 and 21 December 2021 the Council of State passed two judgments in two similar cases brought by the same shareholder against the Council of Regency's decisions approving the accounts for 2018 and 2019, and in particular the profit distribution for those two financial years. The Council of State agreed with the Bank's argument, and ruled that it did not have jurisdiction: it is not in fact for the Council of State, as the supreme administrative court, to rule on a dispute between the Bank as a company and a shareholder. That falls within the jurisdiction of the business court.

There are no other ongoing disputes which are so critical or material as to oblige the Bank to form a provision or to make more detailed comments under this heading.

3.2.7.10 Post-balance-sheet events

There were no post-balance-sheet events which had any significant influence on the Bank's financial situation and results as at 31 December 2021.

In light of recent geopolitical developments, the Bank would like to clarify that it does not hold any assets that expose it directly to credit risk on Russia.

3.2.8 Comparison over five years

3.2.8.1 Balance sheet

Assets

(in € thousand)

	2021	2020	2019	2018	2017
1. Gold and gold receivables	11 767 180	11 287 575	9 900 064	8 195 519	7 909 800
2. Claims on non-euro area residents denominated in foreign currency	25 582 833	15 822 963	15 872 290	15 288 762	13 885 370
2.1 Receivables from the IMF	15 337 049	6 950 671	6 595 494	6 402 443	5 951 516
2.2 Balances with banks and security investments, external loans and other external assets	10 245 784	8 872 292	9 276 796	8 886 319	7 933 854
3. Claims on euro area residents denominated in foreign currency	180 721	400 034	474 210	405 191	328 489
4. Claims on non-euro area residents denominated in euro	17	138 376	169 538	1 666 137	848 633
5. Lending to euro area credit institutions related to monetary policy operations denominated in euro	87 638 230	81 017 880	19 279 480	22 690 200	24 383 650
5.1 Main refinancing operations	–	–	423 000	–	40 000
5.2 Longer-term refinancing operations	87 638 230	81 017 880	18 856 480	22 690 200	24 343 650
5.3 Fine-tuning reverse operations	–	–	–	–	–
5.4 Structural reverse operations	–	–	–	–	–
5.5 Marginal lending facility	–	–	–	–	–
5.6 Credits related to margin calls	–	–	–	–	–
6. Other claims on euro area credit institutions denominated in euro	434 816	909 600	65 646	17 543	227 673
7. Securities of euro area residents denominated in euro	216 071 007	171 031 799	119 704 133	122 199 708	107 720 140
7.1 Securities held for monetary policy purposes	212 653 610	167 023 248	113 918 412	113 574 838	96 877 893
7.2 Other securities	3 417 397	4 008 551	5 785 721	8 624 870	10 842 247
8. Intra-Eurosystem claims	9 248 186	9 121 199	7 939 450	8 199 806	9 648 703
8.1 Participating interest in ECB capital	358 324	336 097	328 735	287 101	287 101
8.2 Claims equivalent to the transfer of foreign currency reserves	1 469 828	1 469 828	1 465 002	1 435 911	1 435 911
8.3 Net claims related to the allocation of euro banknotes within the Eurosystem	7 420 034	7 315 274	6 145 713	6 476 794	7 925 691
8.4 Other claims within the Eurosystem (net)	–	–	–	–	–
9. Other assets	8 476 908	8 864 955	8 384 276	7 876 801	7 723 922
9.1 Coins of euro area	8 711	8 009	8 453	8 849	9 112
9.2 Tangible and intangible fixed assets	403 730	412 926	436 525	416 899	410 473
9.3 Other financial assets	7 195 259	6 988 312	6 507 559	6 041 445	5 846 341
9.4 Off-balance-sheet instruments revaluation differences	–	90 592	57 050	–	47 699
9.5 Accruals and prepaid expenditure	837 199	1 360 459	1 358 129	1 399 710	1 400 374
9.6 Sundry	32 009	4 657	16 560	9 898	9 923
Total assets	359 399 897	298 594 381	181 789 087	186 539 667	172 676 380

Liabilities

(in € thousand)

	2021	2020	2019	2018	2017
1. Banknotes in circulation	51 767 819	48 084 842	43 190 510	39 870 275	37 913 638
2. Liabilities to euro area credit institutions related to monetary policy operations denominated in euro	171 421 401	145 672 939	45 443 128	59 408 947	64 957 740
2.1 Current accounts (covering the minimum reserve system)	97 194 582	97 076 814	36 466 154	23 669 646	15 710 572
2.2 Deposit facility	74 226 819	48 596 125	8 976 974	35 739 301	49 247 168
2.3 Fixed-term deposits	–	–	–	–	–
2.4 Fine-tuning reverse operations	–	–	–	–	–
2.5 Deposits related to margin calls	–	–	–	–	–
3. Other liabilities to euro area credit institutions denominated in euro	908 212	1 479 685	301 391	543 628	838 406
4. Liabilities to other euro area residents denominated in euro	5 947 992	1 914 597	612 745	379 465	293 207
4.1 General government	5 440 401	1 304 531	80 616	11 355	25 605
4.2 Other liabilities	507 591	610 066	532 129	368 110	267 602
5. Liabilities to non-euro area residents denominated in euro	5 476 602	6 864 942	857 264	8 147 501	8 413 888
6. Liabilities to euro area residents denominated in foreign currency	2 953 293	2 320 512	3 350 988	710 480	236 388
7. Liabilities to non-euro area residents denominated in foreign currency	1 461 240	1 346 671	654 709	3 219 651	3 515 801
8. Counterpart of special drawing rights allocated by the IMF	12 937 044	5 095 493	5 334 574	5 254 592	5 134 403
9. Intra-Eurosystem liabilities	86 357 768	66 198 276	63 974 101	53 192 130	36 296 706
9.1 Liabilities related to promissory notes backing the issuance of ECB debt certificates	–	–	–	–	–
9.2 Net liabilities related to the allocation of euro banknotes within the Eurosystem	–	–	–	–	–
9.3 Other liabilities within the Eurosystem (net)	86 357 768	66 198 276	63 974 101	53 192 130	36 296 706
10. Other liabilities	568 036	665 831	660 484	706 583	727 179
10.1 Off-balance-sheet instruments revaluation differences	24 608	–	–	8 994	–
10.2 Accruals and income collected in advance	23 892	15 396	41 546	44 542	30 569
10.3 Sundry	519 536	650 435	618 938	653 047	696 610
11. Provisions	–	–	3 146	5 670	2 424
11.1 For future exchange losses	–	–	–	–	–
11.2 For new premises	–	–	–	–	–
11.3 For contingencies	–	–	–	–	–
11.4 In respect of monetary policy operations	–	–	3 146	5 670	2 424
12. Revaluation accounts	12 018 744	11 381 836	10 068 000	8 231 503	7 898 906
13. Capital, reserve fund and available reserve	7 226 355	6 907 813	6 512 795	6 123 680	5 815 009
13.1 Capital	10 000	10 000	10 000	10 000	10 000
13.2 Reserve fund:					
Statutory reserve	1 168 694	1 168 694	1 168 694	1 168 694	1 168 694
Extraordinary reserve	1 153 603	1 153 603	1 153 603	1 153 600	1 152 963
Amortisation accounts in respect of tangible and intangible fixed assets	316 750	328 680	346 288	329 958	338 266
13.3 Available reserve	4 577 308	4 246 836	3 834 210	3 461 428	3 145 086
14. Profit for the year	355 391	660 944	825 252	745 562	632 685
Total liabilities	359 399 897	298 594 381	181 789 087	186 539 667	172 676 380

3.2.8.2 Profit and loss account

(in € thousand)

	2021	2020	2019	2018	2017
1. Net interest income	1 229 612	1 174 757	1 427 590	1 532 936	1 284 936
1.1 Interest income	2 133 819	1 714 322	1 700 539	1 783 670	1 476 176
1.2 Interest expense	-904 207	-539 565	-272 949	-250 734	-191 240
2. Net result of financial operations, write-downs and provisions	77 065	103 866	87 790	-25 090	4 674
2.1 Realised gains/losses arising from financial operations	107 639	111 813	91 854	20 331	53 408
2.2 Write-downs on financial assets and positions	-30 574	-7 947	-4 064	-45 421	-48 734
2.3 Transfer to/from provisions	-	-	-	-	-
3. Net income/expense from fees and commissions	592	2 446	-661	-264	627
3.1 Fees and commissions income	11 435	10 713	7 217	6 859	7 452
3.2 Fees and commissions expense	-10 843	-8 267	-7 878	-7 123	-6 825
4. Income from equity shares and participating interests	65 432	79 958	80 530	66 271	61 190
5. Net result of pooling of monetary income	-705 627	-325 693	-313 502	-367 648	-248 906
6. Other income	195 667	171 805	169 788	173 484	161 556
7. Staff costs	-301 037	-300 155	-311 572	-326 889	-336 948
8. Administrative expenses	-94 594	-90 194	-101 332	-105 028	-90 469
9. Depreciation of tangible and intangible fixed assets	-16 024	-18 004	-18 755	-14 791	-13 015
10. Banknote production services	-12 682	-13 563	n.	n.	n.
11. Other expenses	-	-	-3	-637	-
12. Corporate tax	-83 013	-124 279	-194 621	-186 782	-190 960
Profit for the year	355 391	660 944	825 252	745 562	632 685

3.2.8.3 Dividend per share

(in €)

	2021	2020	2019	2018	2017
Gross dividend	138.04	105.77	122.57	138.47	127.63
Withholding tax	41.41	31.73	36.77	41.54	38.29
Net dividend	96.63	74.04	85.80	96.93	89.34

3.3 Auditor's report to the Council of Regency



NATIONAL BANK OF BELGIUM NV / SA

Boulevard de Berlaimontlaan14

Enterprise Number : BE 0203.201.340

AUDITOR'S REPORT

In accordance with Protocol No. 4 of the Statutes of the European System of Central Banks and of the European Central Bank, we were appointed by the General Meeting of Shareholders of 18 May 2020 as the auditor responsible for preparing a report to the Council of Regency on the audit of the financial statements of the National Bank of Belgium (the "Bank"). The scope of this mandate is defined in the relevant contractual documents. We have performed the audit of the Bank during five consecutive years.

This mandate as auditor was entrusted to us on the proposal of the Bank's Audit Committee and, ab initio, confirmed by the Council of the European Union on the recommendation of the Governing Council of the European Central Bank.

In the context of that mandate, we have the honour to submit our report on the audit of the Bank's financial statements, drawn up in accordance with the sui generis accounting standards applicable to the Bank - including the presentation rules and principles and the explanations provided -, as defined by the Council of Regency, and on the other provisions contractually agreed with the Bank.

Unqualified opinion

We have conducted the contractual audit of the Bank's financial statements - which show a balance sheet total of € 359,4 billion and a profit for the year of € 355,4 million – and the annexes, as mentioned in the Corporate Report, Report 2021, Chapter 3 'Annual accounts and reports on the financial year' ("**financial statements**").

In our opinion, these financial statements give a true and fair view of the Bank's net equity and financial position as at 31 December 2021, and its results for the financial year ending on that date, drawn up in accordance with the sui generis accounting standards applicable to the Bank – including the presentation rules and principles and the explanations provided – as defined by the Council of Regency.

Basis of the unqualified opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA). Our responsibilities under those standards are described in more detail in the section of this report on "Responsibilities of the auditor concerning the audit of the financial statements". We complied with all the ethical requirements applicable to the audit of financial statements in Belgium, including the independency requirements.

We obtained from the Board of Directors and the Bank's officials the explanations and information necessary for our assignment.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

The key audit matters are the matters which, in our professional judgment, were the most significant in the audit of the financial statements for the current period. We dealt with those matters in the context of our audit of the financial statements and in forming our opinion on those statements. We do not express any separate opinion on these matters.

The report below takes the duty of confidentiality, applicable to the Bank in regard to a number of subjects, in consideration. This implies that some key audit matters may not/not be completely reported.

Key audit matter	Audit approach
<p>KEY AUDIT MATTER 1 : CREDIT RISK</p> <p>Given its activities, the Bank incurs a credit risk. To determine the total risk exposure, related to fixed- income securities, both the portfolio managed by the Bank itself and the monetary policy portfolio registered on the Bank's balance sheet, as well as the Bank's share in the monetary policy portfolio of the Eurosystem are to be taken into account.</p> <p>However, communication concerning the monetary policy portfolios is the responsibility of the ECB.</p>	<ul style="list-style-type: none"> ▪ Obtaining of an understanding and assessment of the procedures and processes for the acceptance of counterparties (ratings of various rating agencies, implied ratings, financial ratios and any financial analyses, determination and treatment of limits). ▪ Regarding the portfolio for implementation of the Eurosystem's monetary policy, a check was conducted related to compliance with the eligibility criteria – the "Single List" of marketable and non-marketable assets (bank loans). ▪ Review of the defined control measures concerning the monitoring of the set limits in relation to the risk incurred and compliance with those limits, except for exposures to Belgian public authorities. ▪ Review and assessment of the work carried out by the Bank's Internal Audit, related to both procedures and the year-end closing. ▪ At reporting date, review of controls in place regarding risk identification and assessment of effectiveness of these procedures.

Key audit matter	Audit approach
<p>The Asset Purchase Programme implies increased risks which could have a negative influence on the Bank's results, especially since, in the light of the global SARS-Cov-2 pandemic, the purchase programmes were supplemented by the Pandemic Emergency Purchase Programme. To mitigate that risk, the Bank replenished an available reserve in accordance with its profit-distribution policy.</p> <p>Upon the decision of the ECB Governing Council, the Bank sets up, where appropriate, a specific provision to cover losses related to the monetary policy operations.</p> <p>In view of the potentially significant impact on the profit and loss account and/or the importance for the assessment of the size of the available reserves, we consider the identification and assessment of the credit risk to be a key audit matter.</p> <p><u>References to the Corporate Report – Chapter 3.</u> 3.1.1.1 Balance sheet 3.1.1.3 Profit distribution 3.1.2.1. Financial risk management</p> <p>Note 36 : Disclosures related to the result appropriation</p>	<ul style="list-style-type: none"> ▪ Understanding of the calculation method related to the provisions accounted for, including the reliance on the works realised by the internal audit department of the Bank regarding the risk identification and management tools and models. ▪ Evaluation of the information reported in the financial statements in the light of the Bank's practices and the sui generis reference framework. ▪ Confirmation by the Directors concerning information obtained from the ECB

Key audit matter	Audit approach
<p>KEY AUDIT MATTER 2 : MARKET RISK</p> <p>In connection with the monetary policy and its own investment policy, the Bank invests funds to acquire securities which are recorded either at fair value or at what is termed the amortised acquisition cost.</p> <p>The Bank incurs a market risk on the portfolio measured at fair value. In a first instance, negative revaluation differences are deducted from the corresponding revaluation account, recorded as a liability. Any remaining balance is recorded in the profit & loss statement. Regarding the portfolios measured at amortised cost, the Bank incurs an indirect risk that is to be assessed in the light of the general market risk incurred by the Bank.</p> <p>In order to determine the total risk exposure of the fixed-income securities, the Bank's share in the monetary policy portfolios of the Eurosystem is taken into consideration. However, communication on that subject is the responsibility of the ECB.</p> <p>In view of the potentially significant impact on the profit and loss account and the importance for assessing the level of the available reserves, we consider the identification and assessment of the market risk as a key point of our assignment.</p> <p><u>References to the Corporate Report – Chapter 3.</u></p> <p>3.1.1.3. Profit distribution 3.1.2.1. Financial risk management Note 36 : Diclosures related to the result appropriation</p>	<ul style="list-style-type: none"> ▪ Evaluation of the procedures and processes for assessing market risk. ▪ Assessment of the market data, assumptions and estimates used by the Bank, including the reliance on the works realised by the internal audit department of the Bank regarding the risk identification and management tools and models ▪ Discussion of the outcome of the analysis performed by the Bank with department heads. ▪ Review of the consistency of the report to the Board of Directors. ▪ Taking note of the discussions in the Board of Directors. ▪ Assessment of the information contained in the financial statements in the light of the Bank's practices and the sui generis reference system. ▪ ECB confirmation of the monetary policy results and the reconciliation with profit & loss statements.

Key audit matter	Audit approach
<p>KEY AUDIT MATTER 3 : COMPLIANCE RISK</p> <p>Taking the Bank's hybrid sui generis regulatory framework into account, the following compliance risks were identified:</p> <ul style="list-style-type: none"> ▪ Procurement policy - regulations regarding public contracts ▪ Money laundering regulations ▪ ECB rules and related regulations ▪ GDPR <p>The above regulations may have a significant impact on the interaction with other institutions and/or the Bank's reputation.</p> <p><u>References to the Corporate Report – Chapter 3</u></p> <p>3.1.2.2. Non-financial risk management</p>	<ul style="list-style-type: none"> ▪ Taking note of the design of the processes and procedures for the Bank's procurements. ▪ Review and assessment of the work done by the Bank's Internal Audit. ▪ Discussion of compliance risks with the Bank's Legal Compliance Officer. ▪ Discussion of different risks related to the management of data with the Data Protection Officer. ▪ Conduct of various tests on a sample basis related to certain fundamental aspects of the ECB rules and related regulations.

Key audit matter	Audit approach
<p>KEY AUDIT MATTER 4 : GENERAL DATA SYSTEM CONTROLS</p> <p>The Bank is dependent to a significant extent on the reliability and protection of its IT platforms and applications, both for its operational activities and for its accounting activities.</p> <p>In view of the its very diverse activities - including the systems for monitoring and assessing the risks incurred - the proper operation of the IT platforms and applications is essential for the Bank.</p> <p>As a central point for data collection as well as responsible for the processing of certain data (central credit registry, central balance sheet office, central securities depository/securities settlement system, payments, monetary policy, statistics, prudential supervision etc.), the management of this risk is not negligible for the Bank.</p> <p>In view of our specific assignment, we only reviewed certain specific key points of the general IT system controls directly relevant to the Bank's financial statements.</p> <p><u>References to the Corporate Report – Chapter 3</u></p> <p>3.1.2.2. Non-financial risk management</p>	<ul style="list-style-type: none"> ▪ Establishing, with the aid of the Internal Audit service, of a cartography of the various IT systems and platforms important for the accounting registrations of the Bank. ▪ Taking note of the main incidents related to IT systems and platforms with attention to incidents which affected the accounting data and assessment of the measures taken. ▪ Evaluation of the design – for some of the most important applications - and, if relevant, the operational effectiveness of certain key controls. ▪ Evaluation of the checks and audits carried out by the Internal Audit service.

Responsibilities of the Board of Directors in regard to the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with the sui generis accounting reference framework, as identified in the introduction, and for such internal control as the Board of Directors determines is necessary to enable the preparation of the financial statements free of material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Bank's ability to continue as a going concern and using the going concern basis of accounting.

Responsibilities of the auditor in regard to the audit of the financial statements

In accordance with the contractual provisions, we aim to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report to the Council of Regency that includes our opinion.

Reasonable assurance is a high level of assurance but does not guarantee that an audit conducted in accordance with the ISA's will always detect material misstatement when it exists. Misstatements can arise from fraud or error, and are considered material if, individually or in the aggregate, they could reasonably be to influence the economic decisions which users may take on the basis of these financial statements.

As part of an audit in accordance with ISA's, we exercise a professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, because fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the Bank's internal control;
- Evaluate the appropriateness of the accounting estimates made by the Board of Directors;
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, up to the date of Report to the Council of Regency;
- Evaluate the overall presentation, structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation, taking into account the sui generis legal framework - including the measurement and reporting principles and the usual explanation provided -applicable to the Bank.

Our audit procedures, however, do not provide any assurance regarding the future viability of the Bank, nor regarding the efficiency or effectiveness with which the governing body has taken or will undertake the operations of the Bank.



We communicate, in accordance with ISA 260 and 265, with the Audit Committee regarding, amongst others, the planned scope and timing of the audit procedures, of any significant audit findings, including any significant deficiencies in internal control, and regarding the key audit matters.

* * *

REPORT ABOUT SOME LEGAL AND REGULATORY OBLIGATIONS

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and content of the corporate report, and in particular Chapter 2 3 "Annual accounts and reports on the financial year", compliance with the legal and regulatory requirements regarding bookkeeping, and compliance with the Organic Law and the other legal and regulatory dispositions, and the Bank's By-Laws.

Responsibilities of the auditor

In the context of our mandate for the Council of Regency as determined in the contract documents, it is our responsibility to report, in all material aspects, specifically adapted if necessary to the Bank's hybrid character and its sui generis legal framework, on compliance with certain provisions of Article 3:75 of the Companies' and Associations' Code.

Other comments

In our opinion, and having performed specific procedures in relation to the reporting on the financial statements, this report is consistent with the annual accounts for the same financial year, and was prepared in accordance with Articles 3:5 and 3:6 of the Companies' and Associations' Code. We do not express any form of assurance whatsoever on the report.

Without prejudice to formal aspects of minor importance, with due regard for the Bank's practices, the accounting records were maintained in accordance with the sui generis accounting reference framework - including the presentation rules and principles and the usual provided explanation provided - applicable to the Bank, as interpreted and laid down by the Council of Regency.

The appropriation of the results proposed to the Council of Regency complies with the legal and statutory requirements.

The social balance sheet deals with both the form and the content of the disclosures required by the Company Code and, to our knowledge, does not contain any significant inconsistencies in relation to the information available to us for the purposes of our contractual assignment.

We are not aware of any transactions undertaken or decisions taken in breach of the Organic Law, the By-Laws, or the applicable provisions of the Company Code and Associations' Code (as considered applicable by the bank) which we were contracted to examine.



No additional assignment was conducted which is incompatible with our contractual mandate. Our firm of auditors, and if appropriate our network, remained independent of the Bank during our mandate.

Brussels, 25 March 2022

MAZARS RÉVISEURS D'ENTREPRISES

Auditor

Represented by

Digitally signed by

STRAGIER DIRK

PIERRE E

Date: 25/03/2022

17:41:35

Dirk STRAGIER

Auditor

3.4 Approval by the Council of Regency

Having taken note of the examination by the Audit Committee, the Council of Regency approved the annual accounts and the report on the company's activities in the year 2021 on 30 March 2022 and

determined the final distribution of the profits for that year. In accordance with Article 44 of the Statutes, the approval of the accounts implies a discharge for the members of the Board of Directors.



WETTEN, DECRETEN, ORDONNANTIES EN VERORDENINGEN LOIS, DECRETS, ORDONNANCES ET REGLEMENTS

MINISTERIE VAN FINANCIËN

N. 98 — 788

IC — 98.0318001

22 FEBRUARI 1998. — Wet tot vaststelling van het organiek statuut van de Nationale Bank van België (1)

ALBERT II, Koning der Belgen,
Aan allen die nu zijn en hierna wezen zullen. Onze Groot.

Artikel 1. Deze wet regelt een aangelegenheid als bedoeld in artikel 78 van de Grondwet.

HOOFDSTUK I. — Aard en doelstellingen

Art. 2. De Nationale Bank van België, in het Frans « Banque Nationale de Belgique », in het Duits « Belgische Nationalbank », ingesteld bij de wet van 5 mei 1850, maakt ingeregend deel uit van het Europees stelsel van centrale banken, hierna ESCB genoemd, waarvan van toelating werden vastgelegd in het desbetreffend Protocol gebicht aan het Verdrag tot oprichting van de Europese Gemeenschap.

Daarbovenop gelden voor de Bank deze wet haar eigen statuten en, aanvullend, de bepalingen betreffende de naamloze vennootschappen.

Art. 3. De maatschappelijke zetel van de Bank is te Brussel gevestigd. De Bank richt vestigingen op in de plaatsen van het Belgische grondgebied waar de noodwendigheid ervan wordt vastgesteld.

Art. 4. Het maatschappelijk kapitaal van de Bank, dat vierhonderd miljoen frank bedraagt, is verdeeld in vierhonderdduizend aandelen, waarvan tweehonderdduizend aandelen die nominatief en onoverdraagbaar zijn, door de Belgische Staat zijn ingetekend en tweehonderdduizend aandelen op naam of aan toonder. Het maatschappelijk kapitaal is volledig afgelost.

HOOFDSTUK II. — Taken en verichtingen die van het ESCB afhangen

Art. 5. 1. Om de doelstellingen van het ESCB te verwezenlijken en de taken ervan te vervullen, mag de Bank :

— op de kapitaalmarkten optreden, hetzij door vast aan te kopen en te verkopen (contant of op termijn), hetzij door in het kader van stallingoperaties op te nemen of te geven (cessie-retrocessie verrichtingen) hetzij door schuldvoorwaarden en verhandelbare effecten, uitgedrukt in communautaire of niet communautaire munt, alsook edele metalen te lenen of te ontlenen;

— krediettransacties verrichten met kredietinstellingen en andere geld- of kapitaalmarktinstellingen waarbij de verleende kredieten worden gedekt door toereikende zekerheid.

(1) Parlementaire verwijzingen :

Kamer van volksvertegenwoordigers :

Zitting 1996-1997.

Parlementaire stukken. — Wetsontwerp nr. 1061/1. — Amendementen nr. 1061/2. — Verslag nr. 1061/3. — Tekst aangenomen door de Commissie nr. 1061/4. — Amendementen nr. 1061/5 tot 8. — Aanvullend verslag nr. 1061/9. — Artikelen goetvaardig door de Commissie nr. 1061/10. — Amendementen nr. 1061/11. — Tekst aangenomen in plenaire vergadering en overgezonden aan de Senaat nr. 1061/12.

Parlementaire Handelingen. — Bespreking en aanneming : plenaire vergadering van 10 juli 1997.

Senaat :

Zitting 1996-1997.

Parlementaire stukken. — Wetsontwerp overgezonden door de Kamer van volksvertegenwoordigers nr. 1-707/1.

Zitting 1997-1998.

Parlementaire stukken. — Amendementen nr. 1707/2. — Verslag van de Commissie (Evocatieprocedure) nr. 1-707/3. — Tekst aangenomen door de Commissie nr. 1-707/4. — Amendementen nr. 1-707/5 en 6. — Advies van de Raad van de State nr. 1-707/7. — Beslissing om niet te amendementen nr. 1-707/8.

Parlementaire Handelingen. — Algemene bespreking : 29 februari 1998. Stemming over het geheel : 12 februari 1998.

MINISTÈRE DES FINANCES

F. 98 — 788

IC — 98.0318001

22 FEVRIER 1998. — Loi fixant le statut organique de la Banque Nationale de Belgique (1)

ALBERT II, Roi des Belges,
A tous, présents et à venir. Salut.

Article 1^{er}. La présente loi règle une matière visée à l'article 78 de la Constitution.

CHAPITRE I^{er}. — Nature et objectifs

Art. 2. La Banque nationale de Belgique, en néerlandais « Nationale Bank van België », en allemand « Belgische Nationalbank », instituée par la loi du 5 mai 1850, fait partie intégrante du Système européen de banques centrales, ci-après dénommé SEBC, dont les statuts ont été fixés par le Protocole y relatif annexé au Traité instituant la Communauté européenne.

En outre, la Banque est régie par la présente loi, par ses propres statuts et, à titre supplétif, par les dispositions sur les sociétés anonymes.

Art. 3. Le siège social de la Banque est fixé à Bruxelles. La Banque établit des sièges d'activité dans les localités du territoire de la Belgique où le besoin en est constaté.

Art. 4. Le capital social de la Banque, d'un montant de quatre cents millions de francs, est représenté par quatre cent mille actions, dont deux cent mille nominatives et incessibles, souscrites par l'Etat belge, et deux cent mille en nom ou au porteur. Le capital social est entièrement libéré.

CHAPITRE II. — Missions et opérations relevant du SEBC

Art. 5. 1. Afin d'atteindre les objectifs du SEBC et d'accomplir ses missions, la Banque peut :

— intervenir sur les marchés de capitaux, soit en achetant et en vendant ferme (au comptant et à terme), soit en prêtant et en mettant en pension (opérations de cession-retrocession), soit en prêtant ou en empruntant des créances et des titres négociables, libellés en monnaies communautaires ou non communautaires, ainsi que des métaux précieux;

— effectuer des opérations de crédit avec des établissements de crédit et d'autres intervenants des marchés monétaires ou des capitaux sur la base d'une sûreté appropriée pour les prêts.

(1) Références parlementaires :

Chambre des représentants :

Séance 1996-1997.

Documents parlementaires. — Projet de loi n° 1061/1. — Amendements n° 1061/2. — Rapport n° 1061/3. — Texte adopté par la Commission n° 1061/4. — Amendements n° 1061/5 à 8. — Rapport complémentaire n° 1061/9. — Articles modifiés par la Commission n° 1061/10. — Amendements n° 1061/11. — Texte adopté en séance plénière et transmis au Sénat n° 1061/12.

Annales parlementaires. — Discussion et adoption : séance plénière du 10 juillet 1997.

Sénat :

Séance 1996-1997.

Documents parlementaires. — Projet transmis par la Chambre des représentants n° 1-707/1.

Séance 1997-1998.

Documents parlementaires. — Amendements n° 1-707/2. — Rapport de la Commission (procédure d'évocation) n° 1-707/3. — Texte adopté par la Commission n° 1-707/4. — Amendements n° 1-707/5 et 6. — Avis du Conseil d'Etat n° 1-707/7. — Décision de ne pas amender n° 1-707/8.

Annales parlementaires. — Discussion générale : 29 février 1998. — Vote sur l'ensemble : 12 février 1998.

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Lois, décrets, ordonnances et règlements

Ministère fédéral Stratégie et Appui

BELGISCH STAATSBLAD — 28.03.1998

De Bank wordt in kennis gesteld van alle voorgenomen devalueringen van de Staat, de Gemeenschappen en de Gewesten. Op verzoek van de Bank pleegt de Minister van Financiën en de Bank overtuigend tekenen wanneer deze laatste oordeelt dat die leningen de doeltreffendheid van het monetaire of het wisselbeleid in het gedrag dreigen te brengen. De nadere regelen van de Minister van Financiën en de Bank worden vastgelegd in een tussen de Minister van Financiën en de Bank overeengekomen, onder voorbehoud van goedkeuring van deze overeenkomst door de ECB.

Art. 12. De Bank mag daarenboven belast worden met de inzameling van statistische gegevens of met de internationale samenwerking die verband houden met iedere taak bedoeld in artikel 10.

Art. 13. De Bank mag alle operaties verrichten en alle diensten verlenen die bijkomstig zijn of aansluiten bij de opdrachten die worden bedoeld in artikel 10.

Art. 14. De Bank mag de uitvoering van opdrachten die niet behoren tot het ESCB, waarmee ze is belast of voor dewelke zij het initiatief neemt, toevertrouwen aan één of verscheidene onderscheiden juridische entiteiten die daarvoor speciaal worden opgericht en door de Bank gecontroleerd zijn, de leiding ervan wordt verzekerd door één of verscheidene leden van het Directiecomité.

De voorafgaandelijke toelating van de Koning, op voorstel van de bevoegde minister, is vereist indien de opdracht bij wet aan de Bank wordt toevertrouwd.

Art. 15. De Bank mag, in voorkomend geval onder voorbehoud van goedkeuring van de ECB, muntenstukken in goud uitgeven die wettig betaalmiddel zijn, als verzamelaars- of herdenkingsmunten ter belope van 10% van het gewicht van het goud dat op 1 januari 1987 voorkomt in de activa van de Bank; ze zal evenwel te dien einde jaarlijks slechts ten hoogste 2% van dat gewicht in goud mogen gebruiken.

De netto-opbrengst van de uitgifte van de munten, vermindert met de rechten die aan de Luxemburgse Staat zijn toegekend door het Protocol van 9 maart 1981 met betrekking tot de monetaire associatie tussen beide landen, wordt aan de Staat gestort. Het gedeelte dat hem tussen beide landen, wordt aan de Staat gestort. Het gedeelte dat hem toekomt, zal tot gevog moeten hebben dat zijn schuld in deviezen vermindert.

Art. 16. De juridische entiteiten bedoeld in artikel 14 zijn onderworpen aan de controle van het Rekenhof.

HOOFDSTUK IV. — Organen — Samenstelling — Overeenkomsten

Art. 17. De organen van de Bank bestaan uit de gouverneur, het Directiecomité, de Regentenaad en het College van Censoren.

Art. 18. 1. De gouverneur staat in voor de leiding van de Bank; hij zet het Directiecomité en de Regentenaad voor.
2. In geval van belet wordt hij vervangen door de vice-gouverneur. Onverminderd de toepassing van artikel 10.2 van de statuten van het ESCB.

Art. 19. 1. Het Directiecomité bevat, benevens de gouverneur die hem voorzigt, ten minste vijf directeurs en ten hoogste zeven, waarvan er één de lid van vice-gouverneur draagt die de Koning hem toekent. Het Directiecomité bestaat uit evenveel Nederlandse als Franstalige leden, de gouverneur eventueel uitgezonderd.

2. Het Comité besuurt en beheert de Bank en bepaalt de koers van het beleid ervan.
3. Het beschikt over de reglementaire macht in de gevallen die door de wet zijn bepaald.

4. Het beslist over de plaatsing van het kapitaal, de reserves en de afschrijvingsrekeningen, na raadpleging van de Regentenaad en onverminderd de regels vastgelegd door de ECB.

5. Het spreekt zich uit over alle zaken die niet uitdrukkelijk door de wet, de statuten of het huishoudelijk reglement zijn voorbehouden aan een ander orgaan.

Art. 20. 1. De Regentenaad is samengesteld uit de gouverneur, drie directeurs en tien régents. Hij telt evenveel Nederlandse als Franstalige régents.
2. De Raad woelt van gedachten over de algemene kwesties met betrekking tot de Bank, het monetaire beleid en de economische toestand van het land en van de Europese Gemeenschap. Hij neemt iedere maand kennis van de toestand van de instelling.

Hij stelt op voorstel van het Directiecomité, het huishoudelijk reglement vast dat de basisregels bevat inzake de werking van de organen van de Bank en de organisatie van de departementen, diensten en vestigingen.

direction et le Comité de direction, par le vice-gouverneur.
2. Il est remplacé, en cas d'empêchement, par le vice-gouverneur sans préjudice de l'application de l'article 10.2 des statuts du SEBC.

Art. 19. 1. Le Comité de direction est composé, outre le gouverneur qui le préside, de cinq directeurs au moins et de sept au plus, dont l'un porte le titre de vice-gouverneur, que le Roi lui confère. Le Comité de direction compte autant de membres d'expression française que d'expression néerlandaise, le gouverneur éventuellement excepté.
2. Le Comité assure l'administration et la gestion de la Banque et détermine l'orientation de sa politique.
3. Il exerce le pouvoir réglementaire dans les cas prévus par la loi.

4. Il décide du placement du capital, des réserves et comptes d'amortissement après consultation du Conseil de régence et sans préjudice des règles déterminées par la BCE.
5. Il statue sur toutes les affaires qui ne sont pas expressément réservées à un autre organe par la loi, les statuts ou le règlement d'ordre intérieur.

Art. 20. 1. Le Conseil de régence se compose du gouverneur, des directeurs et de dix régents. Il compte autant de régents d'expression française que d'expression néerlandaise.
2. Le Conseil procède à des échanges de vues sur les questions générales relatives à la Banque, à la politique monétaire et à la situation économique du pays et de la Communauté européenne. Il prend tous les mois connaissance de la situation de l'institution.

Il arrête, sur la proposition du Comité de direction, le règlement d'ordre intérieur qui comporte les règles de base relatives au fonctionnement des organes de la Banque ainsi qu'à l'organisation des départements, services et sièges d'activité.

Art. 24. Les régents reçoivent des jetons d'une indemnité de déplacement. Le montant fixé par le Conseil de régence.

Art. 25. Les membres des Chambres législatives, des Conseils des communautés et du gouvernement de communauté ou de région, membres d'un membre du gouvernement fédéral, du gouvernement, vice-gouverneur, membre du Comité de direction et du Comité de régence.