

DNB Strategy 2025-2028

DeNederlandscheBank

EUROSYSTEM

DNB Strategy 2025 – 2028

Our mission

We want to safeguard financial stability and thus contribute to sustainable prosperity in the Netherlands

Our environment is changing rapidly. Technology, climate, geopolitics, cyber threats, ...

We need to remain alert, agile and decisive to respond to trends and unexpected events

Our strategy

Independent & authoritative
as a central bank, supervisory authority and resolution authority

Open & involved
in society

Adaptive & proactive
thanks to our employees

Effective & efficient
as an organisation

Mission

Why a new strategy? The simple answer is that the old one (2021-2025) will soon be obsolete. That aside, there are plenty of reasons for revisiting our strategy.

Our mission is unchanged: De Nederlandsche Bank (DNB) seeks to safeguard financial stability and thus contributes to sustainable prosperity in the Netherlands. As an independent central bank, supervisory authority and resolution authority, we work alongside our European partners to ensure:

- price stability and a balanced macroeconomic development in Europe
- a shock-resilient financial system and a secure, reliable and efficient payment system
- sound and ethical financial institutions that fulfil their obligations and commitments

In doing so, we are creating a solid financial foundation on which the people of the Netherlands will be able to build their future. Knowing that their savings are safe, that they can get a loan to start a business or buy a house, and that they can pay for their groceries efficiently and securely.



How are we doing in carrying out our mission?

When you look at how DNB fulfils its tasks today, you see an organisation with a solid reputation, doing important work and achieving results. But our environment is changing rapidly. The global political situation has not been this threatening for decades. Political debate and social discourse have become more polarised. All around us, trust in institutions is on the wane, and it would be an illusion to believe that DNB will be immune to this trend in the long term. The Dutch economy is reaching the limits of its capacity, as evidenced by the tight housing and labour markets. New technologies are revolutionising the way in which financial institutions work. These technologies can also be used as a weapon to undermine their stability. Climate change and biodiversity loss are having increasingly apparent impacts. In these challenging times, when the government is forced to make cuts, we have a responsibility as a public institution to ensure that every euro we spend is spent effectively and efficiently.

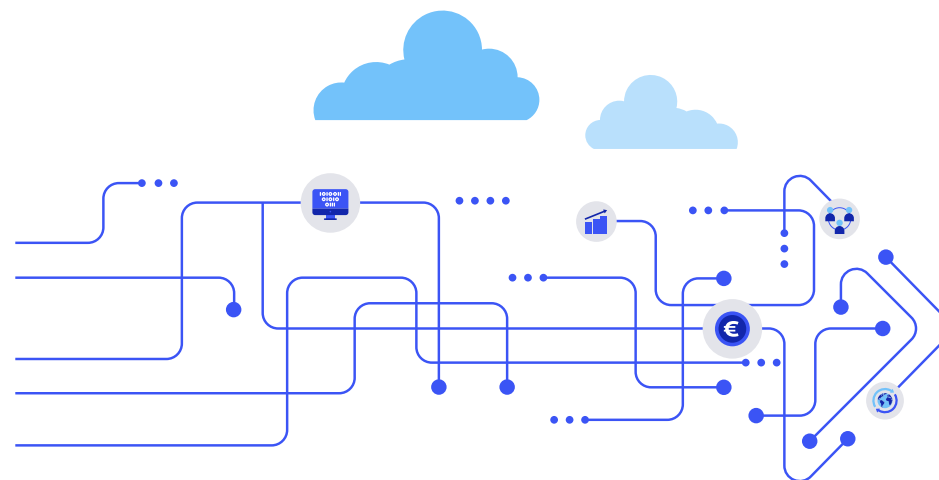
If current trends continue, by 2028 we will face a world where public institutions are under even more scrutiny than today. A world in which the social climate at home and abroad will have become even more rigid and global political tensions will have intensified or possibly erupted. A world in which the role of artificial intelligence in society and economy will have taken a quantum leap. And it will be a world in which the labour market is even tighter, especially in the highly qualified segment, where DNB is looking to recruit its talent.

Is DNB ready to respond to these trends? Even if we are, the future is inherently uncertain. While trends may offer some guidance, we should expect the unexpected. Whatever the environment, we must always be agile enough to respond to the unexpected.

For example, we need to ask ourselves the question: are we ready to face the next great crisis? Sixteen years have passed since Lehman Brothers went belly-up. The majority of DNB employees have no personal or professional recollection of what happened next, except for what they might have read in economics textbooks. Since then, we have been given additional new tasks, and different and new issues demand our attention. Do we still have our eyes on the ball? Is everything we do as efficient as it could be?

These are questions that must also be raised in a European and international context. The implementation of important new regulations that have already been agreed, such as Basel III, is showing signs of fatigue. And the political focus on safeguarding global financial stability seems to be waning internationally.

Our Executive Board believes these issues, and more, must be raised. In addition, the Board has identified room for improvement in several areas. Accordingly, improving DNB's alertness, agility and execution power at an acceptable cost is therefore the focus of the strategy for the coming years.



Strategy

The foregoing presents our priorities and how we envisage ourselves. The attributes we need as an organisation to do our job well. We call these our strategic pillars:

1. Independent and authoritative as a central bank, supervisory authority and resolution authority.
2. Open and involved in society.
3. Adaptive and proactive.
4. Effective and efficient.

There are three levels of urgency for each of these strategic pillars:

- a. Retaining and maintaining: we seek to preserve these aspects and know it takes effort.
- b. Developing: we are working on it, but more is needed.
- c. Rising to the challenge: the difference (delta) between the way things are and the way they should be is still too great and requires considerable effort and management attention.

Note: what is going well and does not need to be addressed remains outside the scope of this text.

1 Independent and authoritative as a central bank, supervisory authority and resolution authority

1a Retaining and maintaining

Surveys show that DNB enjoys a high level of trust and authority among the general public, the financial sector and other key stakeholders. While we seek to nurture this, it does not come easily. We can only maintain our reputation by continuing to ensure that people's money retains its value and is safe in financial institutions, that they can make payments securely and efficiently, and that our economic research and advice is relevant, thorough and independent, responding to the needs of the financial sector and society at large. We also need to do our work at an acceptable cost, and we need to be able to clearly explain our work and the choices we make to the outside world, within the limits of what we can do. So in essence, we must constantly earn trust and authority by doing everything else well.

1b Developing

We facilitate innovation in the financial sector, which is a driving force for economic development. A sector that fails to innovate is at some point a sector at risk. At the same time we recognise that current technological developments, such as artificial intelligence, have the potential to transform the sector to such an extent that it will require additional effort on top of what we are already exerting to manage the risks properly.

DNB is also a European organisation and contributes to strong European institutions and a level European playing field, which ultimately best serves the Dutch interest. In principle, with a view to achieving a level playing field, we do not consider national rules imposed on top of European laws and regulations to be desirable. The Dutch economy benefits greatly from our

membership of the EU and participation in EMU. Especially in a fragmenting world, the Dutch interest is best served by a strong Europe. However, this is not the way everyone in society sees it. Being embedded in Europe is so vital to our prosperity that it requires us to make an extra effort. For example, by providing relevant facts for healthy public debate. And by contributing to a more effective Europe that is closer to its citizens, because Europe is not perfect in all respects.

1c Rising to the challenge

Our aim is to bring inflation back to around the 2% target after a period of high inflation. But that is not going to stop the Dutch economy from struggling. As noted above, the Dutch economy is reaching the limits of its capacity, as evidenced by the tight housing and labour markets. Our advisory role in the coming years should therefore prioritise relevant research and advice that helps to address these issues effectively.

In the years ahead, DNB should push for a level playing field in Europe to strengthen the resilience of the largest banks. The weakening of the implementation of Basel III in Europe has led to a reduced sense of urgency. Buffers for major European banks need to be strengthened in a manner which ensures a level playing field. Our role will be to raise awareness in this respect.

In the years to come, DNB is also committed to ensuring an ethical financial sector and a payment system that is accessible, reliable and efficient. A number of financial institutions still do not meet the minimum requirements for combating money laundering and the financing of terrorism. At the same time, the way in which the financial sector has sought to comply with AML legislation in recent years has raised concerns about privacy, discrimination and access to financial services. At DNB, we believe the fight against money laundering can be both more effective and more efficient. By taking a risk-based approach, but also by embracing new technologies. This will take additional efforts.

Making the pension transition a success is one of our key ambitions. The transition has started and we have pulled out all the stops so far, in terms of both ongoing dialogue with the sector and freeing up capacity to assess the conversion dossiers. However, we have included this under the heading of 'rising to the challenge' because it is a major project and because there is so much at stake for pension scheme members, for the pensions sector and for our own reputation. So we need all hands on deck.



2 Open and involved in society

2a Retaining and maintaining

While sustainability has become an integrated part of our core tasks, keeping it that way will require our continuous efforts. We must continue to explain to a sometimes critical audience why the Dutch economy and financial sector will lose momentum if they fail to become more sustainable. And hence why sustainability is a vital component of our core tasks. One of those core tasks is supervision. In the past few years, our efforts as a supervisory authority have mainly focused on driving improvement and encouraging the sector by providing guidance and good practices. In the coming years we will increasingly monitor institutions' compliance with our expectations and their obligations. Where needed, we will enforce compliance with new laws and regulations.

2b Developing

DNB takes an active approach to soliciting the views of people outside of its own organisation. We survey our stakeholders, engage with the sector as a supervisory authority, and try to listen carefully and understand. As a central bank, we organise outreach meetings, and we are in constant contact with the political arena in The Hague. But we are also independent, and we have a duty to act with all the means at our disposal to fulfil our obligations under the law. That means dialogue, but at the same time decisive intervention and enforcement when necessary.

The renovated building at Frederiksplein is intended to contribute to DNB's openness and involvement in society from now on. We are excited to finally move into the new building, but this is just the beginning. Now we need to start making it work and start fulfilling the building's societal role. Maximising its public outreach potential – the role of its public spaces and the design of *De Nieuwe Schatkamer* – will require continued attention.

2c Rising to the challenge

DNB is a beacon of confidence, even in difficult or uncertain times, and is a proponent of taking the long view. This is nothing new. What is new, however, that the times are getting increasingly difficult and uncertain, making our role more challenging every day. What this requires of us is that we continue to deliver excellence in our tasks and provide economic data – and that we thus embrace and nurture the people who can deliver that excellence. It also requires us to remain fiercely independent and clear when communicating: facts and robust analyses contribute to a healthy debate. But all this will require sensitivity to our surroundings and flexibility in how best to influence political and public opinion. This will require additional efforts from many quarters in our organisation.



3 Adaptive and proactive

3a Retaining and maintaining

DNB is an attractive place to work, both for current employees and for new employees. Recruiting and retaining good people is the foundation of everything we do, so we wish to nurture this appeal. This requires a continuous effort, not only from HR but from the whole organisation.

DNB is a diverse organisation that boasts an inclusive culture. We believe that diversity is important because everyone should have the opportunity to participate and develop, and because diverse teams make better decisions. Over the past few years, we have taken considerable steps to make DNB more diverse, and this is also being noticed by the outside world. That said, we are still behind on some of our own targets. So this also requires our constant attention.

3b Developing

DNB supervises a sector that is digitising at breakneck speed. Whereas we are at the forefront in our own peer group of supervisory authorities and central banks, we lag behind the financial sector in terms of knowledge, skills and the adoption of digital technologies. We must quickly become more digitally mature to remain relevant and decisive. This goes well beyond increasing employees' knowledge and skills. Digital competence must become an attitude, a second nature.

3c Rising to the challenge

During the Great Financial Crisis, 16 years ago, it became painfully clear that DNB's supervision had been stuck in dialogue mode for too long and had waited too long to act. This prompted us to launch our From Analysis to Action plan. DNB has become much more decisive in the way it operates. But with the most recent major crisis many years behind us, the question of whether we are still alert is a valid one. Above all, will we be able to scale up when - or better still, before - matters become urgent? We need to make an extra effort to ensure that we have our eyes on the ball and are agile when the situation demands.

Following on from this is the question of whether DNB and the financial sector are prepared for escalating geopolitical risks, including cyber risks. We are witness to a society that is preparing for the possibility of war. Billions are being invested in strengthening the Dutch armed forces. DNB and the financial sector need to ask themselves the right questions about what such a scenario would mean for them. Also because nowadays war could take the form of a large-scale cyber attack on Dutch financial institutions, with DNB finding itself in the front line. Preparing for this remains a priority for the period ahead.



4 Effective and efficient

4a Retaining and maintaining

DNB staff are experts, whose loyalty and commitment to their work are exemplary. They are meticulous and have a keen eye for detail. While attributes like these are our strength, they can also be our weakness. If you want to be exhaustive, you tend to lose sight of what really matters. Avoiding mistakes at all cost may cause inertia. Looking at every possible detail may not always be necessary, and it is time-consuming and costly. Not just for ourselves, but also for the sector if we fulfil our tasks in that way. So we want to cherish our good qualities, but be careful not to overdo things, and act accordingly.

4b Developing

DNB has taken significant steps towards a future-proof, secure and reliable IT infrastructure over the past few years. But everything must be aimed at getting our IT environment structurally in order. This includes modern workstations, the definitive realisation of a cloud environment and the standardisation of the IT infrastructure to provide a reliable foundation. Reliable also means getting your risk management right, including managing access rights and ensuring disaster recovery capabilities.

Additional efforts are also needed to get the fundamentals of our operational management in order. This includes a well-functioning governance model, the management of our change programmes and projects, and the implementation of process-oriented work at DNB.

4c Rising to the challenge

The outside world expects us to be cost-conscious, but at the same time has a perception that we are not at the moment. Our stakeholder surveys consistently show this, and unfortunately we cannot deny it. Part of this is due to our tendency to strive for exhaustiveness and an exaggerated level of conscientiousness. While this reduces the chance of errors, it is not always efficient. In the long haul, a lack of cost-awareness could harm our

reputation, not least when cuts have to be made elsewhere and DNB is making losses. After all, DNB performs its tasks with taxpayer money, so we will watch costs more closely in the coming period.

To stay relevant in the digital era, DNB must use new technology in its core tasks. We focus on using technology effectively, adopting a smart follower strategy, using only proven technology. This way, we may not be leading the market, but we are not lagging either. And we are cost-conscious. Once we have established a robust foundation, we can realign our resources and priorities towards innovation.



Closing comments

Putting words on paper is easy. But it is crucial that this strategy is ingrained in the minds of our people. Having outlined what we seek to do and why, we now need to turn our words into deeds throughout our organisation. To do precisely that, our Executive Board will discuss with our employees what the new strategy means for them.

While many people in the Netherlands are aware of De Nederlandsche Bank and hold us in high regard, there is still a lack of familiarity with our specific tasks. Basically, they tell us: "We're not sure what you are up to, but we don't mind because we trust you are doing a good job." We would rather the public know more about what we do, but we still take it as a compliment. Let us make sure we keep our eyes on the ball, so that we are deserving of the compliment in the years to come.




De Nederlandsche Bank N.V.
PO Box 98, 1000 AB Amsterdam
+31 (0) 20 524 91 11
dnb.nl/en

Follow us on:

 LinkedIn

 X

 Instagram

DeNederlandscheBank

EUROSYSTEEM