

# Annual report 2017

Only for entrepreneurs and the liberal professions  
[www.bankvanbreda.be](http://www.bankvanbreda.be)



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# Preface

## Bank J.Van Breda & C° is different

Bank J.Van Breda & C° is not a bank for everyone. On the contrary, our main asset is our in-depth specialisation. Bank J.Van Breda & C° serves entrepreneurs and the liberal professions exclusively. ABK bank in turn positions itself as a premium bank for individuals. Van Breda Car Finance is the credit partner for customers of large independent car dealers.

We stand out ever more clearly because of three crucial strengths. We are:

### 1.

#### Specialized

Because we do nothing else besides dealing with people like you, we are thoroughly familiar with your needs. This means that we can make the difference at crucial points in your career.

### 2.

#### Personal

As our client, you have a permanent account manager. Our small scale means that he or she can also guarantee you a really personal approach. Our staff are trained to listen first and only then to give advice.

### 3.

#### Proactive

We constantly keep our clients' long-term interests in mind.

In 2017 this approach was once again highly successful:

- Thanks to the steady influx of new investments, client assets under management have risen by EUR 1.3 billion to more than EUR 13.7 billion (+10%). The credit portfolio has also grown by 7% to EUR 4.5 billion.
- Our client satisfaction remains historically high. During the banking crisis, Bank J.Van Breda & C° played its role of safe haven.
- With a net profit of EUR 39.1 million, the bank has achieved the second best result in its history. Thus it has once again proven that it can combine sustainability with profitability throughout the economic cycles. This is possible only thanks to a unique team of enthusiastic employees. Their motivation is stimulated by the appreciation of passionate and interesting clients.

In the coming years as well, we will continue to focus our efforts on our client-oriented approach. To this end, we are working further on building a model with the right mix of personal contact and digital support.



Dirk Wouters  
Chairman of the Executive Committee  
Bank J.Van Breda & C°



## Basic figures At a glance

### Bank J.Van Breda & C° consolidated

	2013	2014	2015	2016	2017
<b>Staff</b>	466	459	465	471	471
<b>Results</b>					
Profit from the reporting period attributable to shareholders	31.5	35.5	40.5	37.7	39.1
<b>Bank levies</b>	2.0	3.3	4.9	8.2	8.4
<b>Balance sheet data</b>					
Total sales volume	12,473	13,657	15,066	16,672	18,272
Total invested by clients	9,018	10,018	11,134	12,449	13,743
Client deposits	3,683	3,815	3,969	4,246	4,566
Off-balance-sheet products	5,335	6,203	7,165	8,203	9,177
Lending to clients	3,455	3,639	30,932	4,223	4,529
Equity (group share)	448	475	502	518	539
<b>Ratios</b>					
Efficiency ratio (cost-income)	59%	60%	56%	59%	59%
Return on average equity (ROE)	7.2%	7.7%	8.3%	7.4%	7.4%
Return on assets (ROA)	0.7%	0.8%	0.9%	0.8%	0.7%
Impairments on loans	0.04%	0.01%	0.01%	0.01%	0.04%
Solvency ratio (equity to assets) <sup>1</sup>	10.2%	9.5%	9.5%	9.8%	8.9%
Core capital ratio (core tier 1) <sup>1</sup>	13.7%	14.9%	14.5%	14.8%	14.2%
Risk weighted solvency ratio (RAR) <sup>1</sup>	15.6%	16.8%	15.9%	15.8%	14.9%

All data as at 31.12; financial information in million EUR

1. As from 2014 calculated according to Basel III standards.

# Annual report



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# Report by the Board of Directors to the General Meeting

in accordance with Article 119 of the Companies Code

## Sales performance of Bank J.Van Breda & C° leads to net profit of EUR 39.1 million in 2017

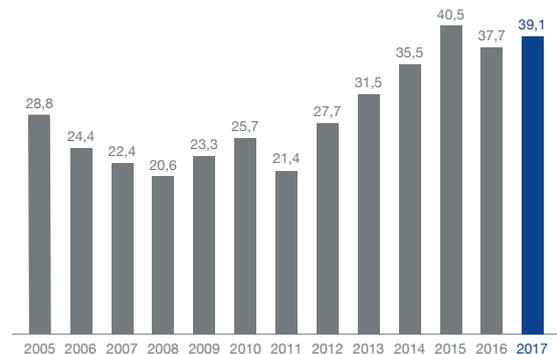
In 2017, Bank J.Van Breda & C° once again posted strong sales figures in each of its three activities: financial guidance for entrepreneurs and the liberal professions (Bank J.Van Breda & C°), premium banking for individual clients (ABK bank) and financing & leasing of cars via vendors (Van Breda Car Finance). The sales volumes (total investment by clients + lending to clients) rose by 10% from EUR 16.7 billion at the end of 2016 to EUR 18.3 billion by the end of 2017.

Assets under management (total invested by clients) grew by EUR 1.3 billion, confirming the trust our clients place in our bank. The investment trajectory of the last few years continued unchanged. Our own fully integrated IT platform has placed us in an excellent position to take full advantage of the opportunities offered us by digitization. We continue to invest steadily in new offices and sales capacity.

The bank's equity rose to EUR 539 million, thus realizing a return on equity (ROE) of 7.4%.

### Net profit rose to EUR 39.1 million

The consolidated net profit was EUR 39.1 million (+4% as compared to 2016). As in past years, the profit is based on strong underlying sales results.



Net profit after tax  
(Bank J.Van Breda & C° consolidated, in million EUR)

\* Net profit for 2011 excluding the profit resulting from the acquisition of ABK bank for a sum of EUR 33.476 million.

## Assets under management rose by EUR 1.3 billion

Total assets under management rose by EUR 1.3 billion, or 10%, to more than EUR 13.7 billion. The total credit portfolio rose by 7% to more than EUR 4.5 billion.

## Satisfied staff, satisfied clients

In today's saturated market, information by word-of-mouth is very important. This is why we attach such great importance to the **net promoter score** from clients. Satisfaction scores on their own are vague. What really matters is what clients tell others about the bank and its services. To the question "how likely is it that you would recommend Bank Van Breda to other entrepreneurs or liberal professions?", 58% give a score of 9 or 10 on a scale of one to ten ("promoters"), 35% respond with 7 or 8 ("passives") and 7% give a score of 6 or lower ("detractors"). 37% have given us a score of 10 out of 10. The strict method of calculation of the NPS results in a very fine score of 51 (promoters minus detractors). This is one of the best figures in the Belgian banking sector.

In addition to a high level of client satisfaction, Bank J. Van Breda & C° also enjoys a **high employee satisfaction**. In 2017, we participated once again in the "Great Place to Work" survey. The results indicated that 94% of our staff find the bank a very good organization to work for. Various new initiatives were further developed or launched in the form of co-creation and with considerable involvement on the part of the employees, in order to further boost collaboration, cohesion and the well-being of each person.

## Banking revenues increase thanks to the growth in off-balance sheet investments

The consolidated banking revenues rose by 6% to EUR 141 million. Profits earned, dividend income and the returns on hedging instruments represented less than 3% of the total banking revenues, which are thus entirely **sales-driven**.

**Interest income** fell by 2%, in spite of the growth in deposits (+8%) and credits (+7%). This is a consequence of a flat rate curve, pressure on the interest rate margin and the bank's strategy of prioritizing safety over yield in its investment portfolio.

Income from fees grew by +17%, thanks to 12% growth in our clients' off-balance sheet investments.

## Cost-income ratio 59%

**Costs have risen** by 5% to EUR 83.6 million, chiefly as a result of the future-oriented investments in sales capacity. Thanks to a high efficiency, the **cost-income ratio** has continued to fall, from 59.4% in 2016 to 59.1% in 2017.

The cost-income ratio was 59%, placing Bank J. Van Breda & C° among the best performing Belgian banks.

## Prudence has resulted in exceptionally low write-downs on loans

Write-downs on loans represented 0.04% of the average loan portfolio, or EUR 1.7 million. This prudent policy has not, however, put a brake on our loan production, and the consolidated loan portfolio grew by 7%.

## Strong liquidity and solvency

With our prudent approach, we always ensure there is a **sufficiently strong liquidity position**. The Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR) amounted to 143% and 121% respectively; far above the required minimum of 100%. The CET1 ratio came to 14.2%. The credit portfolio was fully financed by client deposits, so that the bank does not rely on external financing on the international markets.

**Equity (group share) increased** from EUR 518 million to EUR 539 million. The growth in equity made it possible to continue the rhythm of our sales growth without having to sacrifice our sound leverage, the most important form of protection of deposit-holders. The solvency ratio, expressed as the ratio of equity to assets (leverage ratio), amounted to 8.9%, several times the 3% that the supervisor proposes under Basel III.

Equity (group share) increased  
from EUR 518 million  
to EUR 539 million.





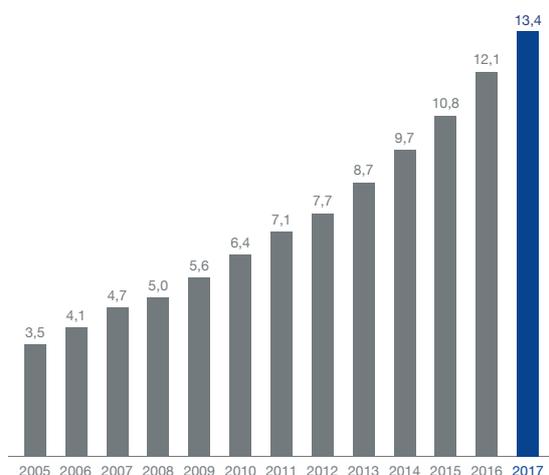
## Bank J. Van Breda & C°

### Only for entrepreneurs and the liberal professions

Bank J. Van Breda & C° seeks to be the niche bank for family entrepreneurs and members of the liberal professions, covering both their private and professional needs throughout their lives. We assist them in systematically building up, managing and protecting their assets. We do this using a holistic approach that starts with the professional activity as the motor generating their private assets. Our clients can count on us for personal and proactive advice.

#### Assets under management rose by EUR 1.3 billion

In 2017, the steady growth in sales continued apace. Thanks to a total increase of EUR 1.3 billion (+11%), the total **assets under management** for entrepreneurs and the liberal professions was EUR 13.4 billion.



Total invested by entrepreneurs and members of the liberal professions Bank J. Van Breda & C° (in EUR billion)

Despite a context of low interest income, **client deposits** grew by EUR 325 million (+8%) to a total volume of EUR 4.3 billion. This growth can be attributed almost entirely to the current accounts. Given our asset management strategy, Bank J. Van Breda & C° also has a significant volume of long-term deposits. Despite the low interest rate, outflows from those deposit accounts remained limited.

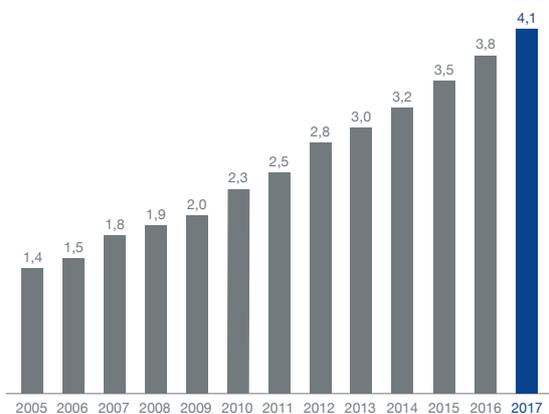
The **off-balance sheet investments** grew by EUR 1 million (+12%) to EUR 9.1 billion. Of that amount, EUR 5.4 billion was entrusted to Delen Private Bank for asset management.

Bank J. Van Breda & C° manages EUR 13.4 billion in assets for entrepreneurs and members of the liberal professions.

## Loan portfolio grew by 7%

Partly thanks to the better economic context and despite stiff competition, the **volume of loans** to entrepreneurs and liberal professionals grew by EUR 274 million (+7%) to a volume of EUR 4.1 billion.

The volume of loans to entrepreneurs and the liberal professions grows to an amount of EUR 4.1 billion.



Volume of loans to entrepreneurs and members of the liberal professions Bank J.Van Breda & C° (in EUR billion)





## ABK bank

### Premium banking for affluent individuals

As a result of a merger with Bank J.Van Breda & C° on 17/11/2017, ABK bank is now a division of Bank J.Van Breda & C°. Since the acquisition in 2011, ABK bank has repositioned itself as a premium bank for individuals. ABK assists clients in building up, managing and protecting their assets with a view to the long-term. In so doing, ABK bank continues to honour the tradition of simple and transparent products.

#### Confirmation of the strategy as the basis for further growth

ABK bank posted strong sales performances in attracting new business relationships with investors.

The external profile of the bank was reinforced by **sponsoring the Belgian Bullets**, the successful Belgian women's bobsled team. The contract runs until the end of the Olympic Winter Games of 2018.

#### Assets under management rose by 4%

At the end of 2017, our clients had EUR 358 million in assets under management (+4%). Within client deposits, we are still seeing an outflow of clients outside our target group, but this has been more than compensated for by the **increase in off-balance sheet products** by target group clients. This growth came from both asset management and the funds of Delen Private Bank, and from insurance-based investment products.

The credit portfolio fell by EUR 16.6 million to EUR 108 million. This fall is due almost entirely to the decrease in loans in the business segment, which is no longer a strategic focus since the takeover.

#### Costs fell by 6%

Despite all the investments and the development of more sales capacity, **costs have fallen** by 6%.



VanBreda  
CarFinance

## Van Breda Car Finance

### Fast, friendly, flexible

As a division of Bank J. Van Breda & C°, Van Breda Car Finance is active throughout Belgium in the vehicle financing and vehicle leasing sectors. Van Breda Car Finance aims to be the optimal credit partner for the customers of large, independent car dealers.

The entire organisation is focused on providing rapid credit solutions for private vehicles through the company's own website. With its core values of 'fast, friendly & flexible', Van Breda Car Finance supports local car dealers through the entire sales process: from the offer stage through the application processing and drawing up of loan contracts to verifying that the payment has been made. This way we can facilitate our partners' sales process by enabling them to extend credit services to their clients.

### Portfolio growth in line with the automobile market

In an automobile market that has seen slight growth (+1.3% in the number of registrations of new private vehicles), Van Breda Car Finance has posted a strong sales performance. The new production volume rose by 20% in 2017. The portfolio grew by 15% to EUR 367 million. As a result of the further increase in the 'financial leasing' segment within the total production volume, the interest margin rose.

Write-downs on loans have increased but remain at a low level, representing only 0.14% of the average loan portfolio. Taken together, this has meant that Van Breda Car Finance once again posted solid results in 2017.

In 2017 the portfolio of Van Breda Car Finance grew to EUR 367 million (+15%).



## Risk management: ongoing monitoring and control

Corporate risks are inherent in a bank's day-to-day activities. When compared with others in the sector, Bank J.Van Breda & C° and its divisions have always remained simple and transparent institutions. Moreover, they have always exercised great caution with respect to assuming risks. They perform ongoing risk monitoring and control. Historically, Bank J.Van Breda & C° has provided ample proof of its capacity to manage risks.

The Risk Committee supervises the risks and risk positions of the bank and its subsidiaries on a structured basis. To this end the Risk Committee seeks information from the various departments and activities.

For a discussion of the various risks, please see the explanations under section "4. Risk Management" in the consolidated financial statements.



## Corporate governance

Bank J.Van Breda & C° strives for responsibility and transparency



Véronique Léonard, Dirk Wouters, Vic Pourbaix and Marc Wijnants

### Executive Committee

The Executive Committee draws up the strategy and translates it into practical policy lines. It is responsible for day-to-day management and for working out an organisational structure with clear areas of competence and lines of reporting.

The members assess the bank's performance on the basis of timely, frequent and accurate management information. Thus they provide insight into the activities and results of the operational managers and make it possible to take prompt, effective action where necessary.

Composition as at 01/01/2018:  
Véronique Léonard, Dirk Wouters (chairman),  
Vic Pourbaix and Marc Wijnants.

### Board of Directors

The Board of Directors ratifies the strategy pursued by the Executive Committee and periodically assesses the main policy lines.

The members are responsible for monitoring and promoting high ethical norms and standards of integrity. They understand the risks associated with banking and establish acceptable levels by defining clear tolerance levels and risk limits.

Composition as at 01/01/2018:  
Jan Suykens (chairman), Luc Bertrand,  
Piet Dejonghe, Jacques Delen, Paul De Winter,  
Willy Lenaers, Véronique Léonard, Vic Pourbaix,  
Caroline Ven, Marc Wijnants and Dirk Wouters  
(directors).

## Remuneration Committee

The Remuneration Committee agrees financial compensation together with the directors and determines the amount of their salary.

Composition as at 01/01/2018:

Luc Bertrand, Willy Lenaers

## Risk Committee

The Risk Committee supervises the risks and risk positions of the bank and its subsidiaries on a structured and ongoing basis.

Composition as at 01/01/2018:

Piet Dejonghe, Jan Suykens and Caroline Ven

Each member of the Risk Committee has the necessary knowledge, expertise, experience and skills to understand and assess the institution's strategy and risk tolerance.

The Risk Committee is an internal and autonomous body that monitors the risks and risk positions of Bank J. Van Breda & C° and ABK bank (which includes the ABK bank and Van Breda Car Finance divisions). To this end, it gathers information from the various activities and departments, at intervals that it determines, about all risk-related matters.

It is a forum for reflection and for testing risk-related matters (such as those risks that are difficult to quantify) against the risk appetite approved by the bank's Board of Directors.

We opt for a simple structure with a clear division of labour between executive and supervisory managers.



The Risk Committee makes recommendations regarding the priorities and/or procedures to be used in operational processes or projects, whenever this is necessary from the perspective of risk management.

## Audit Committee

The Audit Committee is responsible for monitoring the financial reporting process, compliance with administrative, legal and tax rules, and the development of internal auditing procedures. For this purpose, the committee members are in direct contact with both the external and the internal auditors.

Composition as at 01/01/2018:

Willy Lenaers, Jan Suykens and Caroline Ven

Each member of the Audit Committee has the necessary expertise in the field of accounting and audit.

*Jan Suykens* has been chairman of the Executive Committee of Ackermans & van Haaren since 2016. He holds a Master's degree in applied economics (UFSIA, 1982), after which he earned an MBA from Columbia University (1984). He worked for a number of years at Generale Bank in Corporate and Investment Banking before joining Ackermans & van Haaren in 1990.

*Willy Lenaers* holds a Master's degree in Law (Ghent University, 1976) and a graduate degree in Fiscal Sciences (Brussels, 1980). Between 1977 and 1999 he held various posts and directorships at the Kredietbank Groep.

*Caroline Ven* holds a Master's degree in applied economics (UFSIA, 1993) and obtained a Master in e-Business from the Antwerp Management School (Antwerp, 2003). She began her career at the Economic Analysis service of Kredietbank. She has served as Director of the Economics Department of the Federation of Belgian Enterprises (VBO/FEB) and Director of the think-tank VKW Metena. She was responsible for policy coordination in the office of Prime Minister Yves Leterme and Prime Minister Herman Van Rompuy. Between 2011 and 2016 she was managing director of Etion. Today she holds various directorships.

## Specific functions

**Internal audit** is an independent, objective assessment function that focuses on examining and assessing the proper working of the operational departments and the branch network. The unit evaluates the effectiveness and efficiency of internal control and offers advice on improving performance.

Head of internal audit:

[Kristin.VandenEynden@bankvanbreda.be](mailto:Kristin.VandenEynden@bankvanbreda.be)

The **client satisfaction advisor** (formerly ombudswoman) is a neutral and independent mediator who endeavours to work out a solution to any disputes with clients that are not satisfactorily resolved by a department or a branch within a reasonable period.

[cliententevredenheid@bankvanbreda.be](mailto:cliententevredenheid@bankvanbreda.be)

Tel. 0800 93004

**Risk management** is an independent function whose purpose is to further embed internal risk management in the culture and everyday practices of our bank. Its main roles are offering advice and monitoring and reporting on operational activities. These core tasks relate to all risks to which our bank may be exposed.

Credit risk, operational risk, interest rate and liquidity risks are closely monitored by the risk management cell. Risk measurement and reporting ensure that the operational departments are well equipped to keep their risks suitably under control.

Head of risk management:

[Ann.DeWit@bankvanbreda.be](mailto:Ann.DeWit@bankvanbreda.be)

**Compliance** is an independent function that oversees and promotes compliance with the rules relating to banking integrity. The integrity policy concerns principally the following areas: anti-money laundering measures, tax avoidance prevention policy, transactions in financial instruments, insider trading, market manipulation, privacy legislation, confidentiality obligation, codes of ethics and so on.

Head of Compliance:

[Frieda.Seghers@bankvanbreda.be](mailto:Frieda.Seghers@bankvanbreda.be)

## Well equipped for the future

Bank J.Van Breda & C° posted strong financial results in 2017.

- The net profit amounted to EUR 39.1 million. The bank's equity (group share) rose to EUR 539 million.
- The liquidity and solvency ratios remain at a very solid level.

The results were supported by the good stock market climate and a renewal of optimism among European consumers and entrepreneurs. The European economy is currently enjoying a broadly positive momentum, as a result of which, following the lead of the Federal Reserve (the American central bank), the European Central Bank (ECB) will also begin to tighten its policy. This change of direction can, however, bring with it a certain nervousness. Moreover, we must not forget that the current recovery cycle is the second longest one of the modern economic era.

The continued pressure on interest rate margins, high bank levies and the necessary investments in the future are having an impact on the growth in profit. But Bank J.Van Breda & C° remains well equipped for the future in each of its 3 areas of activity:

- Our high level of client satisfaction ensures loyal clients and enthusiastic ambassadors who bring in new clients.

Bank J.Van Breda & C° is optimally equipped to deal with a financial and economic environment that could remain extremely challenging for a long time.



- Our sales capacity and our positioning should make it possible to further increase the assets under management. The impact of such growth on operating income will partly depend on the changes in interest rate margins and in the competitive environment.
- We continue to invest in our future, both as regards sales capacity and efficiency. Digitization will continue to play a crucial role in this regard. With a modern, integrated IT platform, we have a strong starting position.
- We continue to be cost-conscious and strive for a high level of efficiency.
- Our own investment portfolio is managed conservatively. This puts pressure on yields but reduces the volatility of the returns.
- In recent years, write-downs on the loan portfolio were limited. Our conservative policy should continue in the future to contribute to limiting credit losses.
- The competition in the car financing and leasing market will likely continue and trends in car sales are uncertain. Van Breda Car Finance has a good reputation, however, and solid ties to its partners in order to maintain its market position.

The bank's goodwill, reputation, positioning, ongoing investments and sound financial structure all serve as a solid basis for healthy financial growth over the long term.

The Board of Directors wishes to thank the entire staff for their efforts and results achieved in 2017.

Jan Suykens  
Chairman of the Board of Directors  
Bank J.Van Breda & C°

Dirk Wouters  
Chairman of the Executive Committee  
Bank J.Van Breda & C°

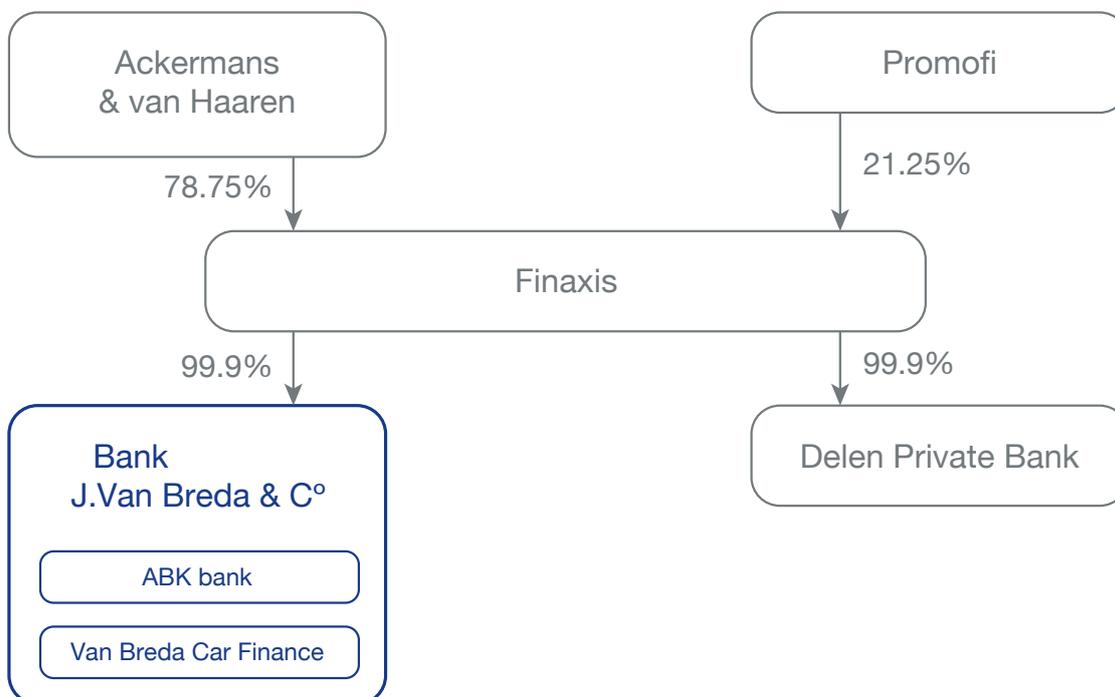
# Organisation chart



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## Bank J.Van Breda & C° strives for sustainable growth



### Finaxis

Bank J.Van Breda & C° is a specialised bank that focuses on family businesses and the liberal professions, covering both professional and private needs throughout their lifetime.

The bank was founded in Lier by Jos Van Breda in 1930 and has maintained its individuality ever since.

Since 1998, the bank's shares have been established in the Finaxis holding company, along with those of Delen Private Bank, one of the largest independent asset managers in Belgium.

Thanks to close cooperation, Bank J.Van Breda & C° also offers its clients the professional services of this renowned bank.

Ackermans & van Haaren, the reference shareholder, now owns 78.75% of the shares in Finaxis. Promofi holds 21.25% of the capital.

## Ackermans & van Haaren

Ackermans & van Haaren is a diversified group active in 4 key sectors:

- **Marine Engineering & Contracting**  
(DEME, one of the largest dredging companies in the world - CFE, a contractor with headquarters in Belgium)
- **Private Banking**  
(Delen Private Bank, one of the largest independent private asset managers in Belgium, and asset manager JM Finn in the UK - Bank J.Van Breda & C°, niche bank for entrepreneurs and liberal professions in Belgium)
- **Real Estate & Senior Care**  
(Leasinvest Real Estate, a listed real-estate investment trust - Extensa, an important land and real estate developer focused on Belgium and Luxembourg)
- **Energy & Resources**  
(SIPEF, an agro-industrial group in tropical agriculture)

The group concentrates on a limited number of strategic participations with significant potential for growth. AvH is quoted on the BEL20 index, the Private Equity NXT index of Euronext Brussels and the European DJ Stoxx 600.

Info: [www.avh.be](http://www.avh.be)

## Delen Group

The Delen group, originally a stockbroker established in 1936, is now active via Delen Private Bank as an asset manager. In its offices in Antwerp, Brussels, Ghent, Hasselt, Leuven, de Kempen, Namur, Liège, Rumbekke (Roeselare), Knokke and branches in Luxembourg and Geneva, the bank has 361 employees (676 employees incl. JM Finn and Oyens & van Eeghen).

Since being incorporated in the Ackermans & van Haaren Group in 1992, it has achieved strong growth year by year. Since 1998 Delen Private Bank has worked closely with Bank J. Van Breda & C<sup>o</sup> to provide service to their respective customers.

With assets under management of more than EUR 29 billion, Delen Private Bank is one of the largest asset management houses in Belgium. In 2011, Delen Investments entered the British market with the acquisition of a majority stake (74%) in JM Finn, a leading London investment manager.

At 31 December 2017, JM Finn had assets under management or administration of EUR 10.5 billion. With the takeover of Oyens & Van Eeghen (100%), Delen Private Bank has strengthened its position in the Benelux and thereby created a leading wealth management group active in the Benelux and the United Kingdom with assets under management totalling about 40 billion euros.

Info: [www.delen.be](http://www.delen.be)

	2013	2014	2015	2016	2017
<b>Staff</b>	552	563	641	657	676
<b>Results</b>					
Net profit after taxes	76,033	80,825	92,417	87,877	105,836
Profit growth	21%	6%	14%	-5%	20%
<b>Balance sheet data</b>					
Total invested by customers	29,535,684	32,866,141	36,884,917	37,769,779	40,544,926
Equity (group share)	464,073	517,390	582,554	621,204	678,792
<b>Ratios</b>					
Cost-income ratio	54.8%	55.0%	54.9%	57.8%	53.7%
Return on equity	17.3%	16.5%	16.8%	14.6%	16.3%

All data as at 31.12, with monetary amounts in thousand euro.

# Consolidated financial statements



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The following pages contain the profit and loss account, the consolidated statement of comprehensive income, the balance sheet, the statement of changes in equity and the cash flow statement of Bank J.Van Breda & C°.

In a separate online appendix, we collect the full consolidated financial statements of Bank J.Van Breda & C° as deposited with the National Bank of Belgium, together with a description of our IFRS-based accounting principles, the notes to the financial statements, the unqualified audit opinion of the recognised auditors and the external mandates of the members of the Board of Directors.

This document can be found at  
[www.bankvanbreda.be/info/publicaties/jaarverslag/](http://www.bankvanbreda.be/info/publicaties/jaarverslag/)

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## Consolidated profit and loss account

	2016	2017
<b>I. Financial and operating income</b>		
1. Interest income, of which	81,027	79,100
Interest received	113,571	104,970
Interest paid	-32,543	-25,869
2. Dividends received	1,940	2,637
3. Fees and commissions, of which	48,011	55,637
Fees and commissions received	49,285	57,813
Fees and commissions paid	-1,274	-2,176
4. Realised profit (loss) on financial assets available for sale	835	1,441
5. Profit (loss) on financial instruments in the trading portfolio	-517	-218
6. Profit (loss) on cashflow hedging, of which	-515	-318
Profit (loss) transferred from equity on hedging instruments	-515	-318
Ineffective portion of changes in fair value of hedging instruments	0	0
7. Profit (loss) on fair value hedges	382	451
8. Gains and losses from foreign exchange trading	1,302	1,142
9. Realised profit (loss) on other assets	0	1
10. Other operating income and costs	1,497	1,507
Other operating income	1,560	1,535
Other operating costs	-63	-27
Banking profit	133,964	141,380
<b>II. Administrative costs</b>		
1. Payroll costs	-39,077	-43,473
2. General and administrative costs	-23,906	-24,973
<b>III. Bank levies</b>	-8,152	-8,407
<b>IV. Depreciation and amortisation</b>		
1. Tangible fixed assets (land, building and equipment)	-3,005	-2,763
2. Intangible assets	-2,581	-2,486
<b>V. Provisions</b>	-2,854	-1,491
Banking costs	-79,576	-83,592
<b>VI. Impairment losses</b>		
1. On financial assets available for sale	-207	0
2. On loans and receivables (incl. financial leasing)	-588	-1,660
3. On goodwill	0	0
<b>VII. Share in the result of associated companies consolidated using the equity method</b>	210	358
<b>VIII. Write-down on loans excluded partners of ABK bank</b>	1,429	1,154
Profit before tax	55,232	57,640
Taxes on profits	-17,417	-18,486
Profit for the period	37,815	39,154
Profit attributable to minority interests	79	73
Profits attributable to shareholders of the company	37,736	39,081

(in thousand euro)

# Consolidated statement of comprehensive income

	2016	2017
Profit for the period	37,815	39,154
Other comprehensive income that can later be transferred to the income statement		
Assets available for sale		
Changes in fair value	-1,317	-2,629
Transfers to the income statement (divestments)	-835	-1,441
Transfers to the income statement (impairment losses)	207	0
Tax	499	1,393
Other comprehensive income on assets available for sale, after tax	-1,446	-2,678
Cash flow hedges		
Effective portion of changes in fair value		
Transfers to the income statement (shutdowns)	515	318
Tax	-175	-123
Other comprehensive income on cash flow hedges, after tax	340	195
Other comprehensive income that will never be transferred to the income statement		
Defined benefit plans		
Actuarial gains and losses	184	-42
Tax	-63	42
Actuarial gains and losses on defined benefit plans, after tax	122	0
Total other comprehensive income for the period, net of income tax	-985	-2,484
Total comprehensive income for the period	36,830	36,671
Comprehensive income for the period attributable to minority interests	79	73
Total comprehensive income for the period attributable to equity holders of the bank	36,751	36,597

(in thousand euro)

## Consolidated balance sheet: assets

	2016	2017
I. Cash and cash balances with central banks	40,812	311,756
II. Loans and advances to banks	74,156	88,863
III. Financial assets		
1. Financial assets held for trading	1,287	410
2. Financial assets available for sale	582,039	427,712
3. Loans and receivables (including finance leases)	4,223,318	4,528,679
4. Fair value hedging: changes in the fair value of the hedged portfolio	11,469	3,952
5. Derivatives used for hedging	1,421	3,650
IV. Tangible assets		
1. Property, plant and equipment	40,054	41,578
V. Goodwill and other intangible assets	5,179	2,930
VI. Investments in associates, subsidiaries and joint ventures using the equity method	1,070	1,220
VII. Tax assets		
1. Current tax assets	1,455	4,757
2. Deferred tax assets	2,624	735
VIII. Other assets	7,356	8,396
Total assets	4,992,240	5,424,639

(in thousand euro)



## Consolidated balance sheet: equity and liabilities

	2016	2017
<b>I. Financial liabilities</b>		
1. Financial liabilities held for trading	1,293	127
2. Financial liabilities measured at amortised cost		
2.1. Deposits from credit institutions	24,422	27,458
2.2. Deposits from other than credit institutions	4,180,089	4,505,512
2.3. Debt certificates	161,693	253,114
2.4. Subordinated liabilities	65,748	60,265
3. Derivatives used for hedging	14,487	9,245
<b>II. Provisions</b>	6,403	7,873
<b>III. Tax liabilities</b>		
1. Current tax liabilities	9	2,286
2. Deferred tax liabilities	283	0
<b>IV. Other liabilities</b>	19,418	19,920
<b>Total liabilities</b>	<b>4,473,845</b>	<b>4,885,801</b>
<b>V. Issued capital</b>	17,500	17,500
<b>VI. Consolidated reserves</b>	496,449	519,393
<b>VII. Revaluation reserves</b>	4,307	1,824
<b>VIII. Minority interests</b>	138	120
<b>Total equity</b>	<b>518,395</b>	<b>538,838</b>
<b>Total equity and liabilities</b>	<b>4,992,240</b>	<b>5,424,639</b>

(in thousand euro)

## Consolidated statement of changes in equity

	Share capital & share premium	Consolidated reserves				Revaluation reserves			Total equity attributable to equity holders of the bank	Minority interest	Total equity
		Con-solidated reserves	Defined benefit plans actuarial gains and losses	Share-based payments	Subtotal	Financial assets available for sale	Cash flow-hedges	Subtotal			
Opening balance, 1 January 2016	17.500	471.735	319	6.665	478.720	6.182	-768	5.414	501.634	125	501.758
Payment of dividend last financial year		-20.215			-20.215				-20.215	-65	-20.280
Payment of interim dividend					0				0		0
Profit of the financial year		37.736			37.736				37.736	79	37.815
Changes in revaluation reserves			121		121	-1.446	340	-1.107	-985	0	-985
Share based payment: (contribution of mother company)				86	86				86		86
Other (mainly change in scope of consolidation interest%)		2.653	0	-2.653	0	0		0	0	0	0
Closing balance, 31 December 2016	17.500	491.910	440	4.099	496.449	4.736	-428	4.307	518.256	138	518.395
Opening balance, 1 January 2017	17.500	491.910	440	4.099	496.449	4.736	-428	4.307	518.256	138	518.395
Payment of dividend last financial year					0				0	-78	-78
Payment of interim dividend		-17.550			-17.550				-17.550		-17.550
Profit of the financial year		39.081			39.081				39.081	73	39.154
Changes in revaluation reserves			0		0	-2.678	195	-2.483	-2.484	0	-2.484
Share based payment: (contribution of mother company)				1.420	1.420				1.420		1.420
Other (mainly change in scope of consolidation interest%)		280	0	-286	-6	0		0	-6	-14	-20
Closing balance, 31 December 2017	17.500	513.720	440	5.233	519.393	2.058	-233	1.824	538.718	120	538.838

(in thousand euro)

The capital of Bank J. Van Breda & C° is represented by 65,000,000 ordinary shares with no par value (650,000 shares in 2015). The increase in the number of shares is a consequence of a share split. All shares are issued and fully paid-up.

# Consolidated cash flow statement

	2016	2017
OPERATING ACTIVITIES		
Net profit (loss) for the period	37,736	39,081
Adjustments to reconcile net profit or loss to net cash provided by operating activities		
Current and deferred tax expenses recognised in income statement	17,417	18,486
Minority interests	79	73
Share in the result of associated companies consolidated using the equity method	-210	-358
Dividend receipts from associated companies consolidated using the equity method	157	209
Investing and financing		
Depreciation / amortisation	5,586	5,248
Gains and losses on sale of tangible assets	0	-1
Write-down on loans excluded partners of ABK bank	-1,429	-1,154
Operating		
Impairments	902	1,751
(Increase) decrease in provisions	2,955	1,615
Gains and losses on cash flow hedges	515	318
Gains and losses on fair value hedges	-382	-451
Gains and losses on financial assets and liabilities held for trading	517	218
Gains and losses on available for sale assets	4,343	5,105
Share based payment	86	1,420
Other adjustments	-119	-173
Cash flow from operating profits before changes in operating assets and liabilities	68,153	71,388
(Increase) decrease in operating assets (excl. cash & cash equivalents)	-292,066	-430,728
(Increase) decrease in balances with central banks	-5,623	-273,045
(Increase) decrease in loans and advances to banks	294	5,095
(Increase) decrease in loans and receivables	-291,866	-307,180
(Increase) decrease in available for sale assets	4,492	142,836
(Increase) decrease in financial assets held for trading	-	-
(Increase) decrease in accrued income from financial assets	1,936	2,411
(Increase) decrease in other assets	-1,300	-844
Increase (decrease) in operating liabilities (excl. cash & cash equivalents)	255,455	420,730
Increase (decrease) in deposits from credit institutions	-16,963	2,261
Increase (decrease) in deposits from other than credit institutions	284,818	330,210
Increase (decrease) in debt certificates	-4,489	91,421
Increase (decrease) in subordinated liabilities (excl. accrued interest)	1,398	409
Increase (decrease) in financial liabilities held for trading	-	-
Increase (decrease) in accrued expenses on financial instruments	-7,102	-4,696
Increase (decrease) in other liabilities	-2,207	1,126
Cash flow from operating activities	31,542	61,390
Income tax (paid) refunded	-15,166	-16,230
Net cash flow from operating activities	16,376	45,160

(in thousand euro)

# Consolidated cash flow statement

	2015	2016
INVESTING ACTIVITIES		
(Cash payments to acquire tangible assets)	-3.379	-4.635
Cash receipts from the sale of tangible assets	0	0
(Cash payments to acquire intangible assets)	-863	-679
(Cash payments for the investment in subsidiaries, net of cash acquired)	-	-
(Other cash payments relating to investing activities)	-220	-262
(Other receipts relating to investing activities)		
<b>Net cash flow from investing activities</b>	<b>-4.462</b>	<b>-5.575</b>
FINANCING ACTIVITIES		
(Dividends paid)	-14.317	-20.280
Cash proceeds from the issuance of subordinated liabilities	-	-
(Repayment of subordinated liabilities)	-11.917	-2.171
(Other payments relating to financing activities)	-1	0
(Other receipts relating to financing activities)		
<b>Net cash flow from financing activities</b>	<b>-26.235</b>	<b>-22.451</b>
Increase of cash and cash equivalents through business combinations	-	-
<b>Net increase in cash and cash equivalents</b>	<b>-80.344</b>	<b>-11.651</b>
<b>Cash and cash equivalents at beginning of the period*</b>	<b>116.971</b>	<b>36.627</b>
<b>Cash and cash equivalents at the end of the period *</b>	<b>36.627</b>	<b>24.976</b>
(*) Cash and cash equivalents are defined as: cash, credit balances with central banks, postal cheque and giro services and amounts receivable from credit institutions (call money and current accounts), less overdrafts with central banks and deposits to credit institutions (call money and current accounts).		
<b>Reconciliation of 'Cash and balances with central banks'(balance sheet) and 'Cash and cash equivalents' (cash flow statement)</b>		
Cash and cash balances with central banks (assets)	36.628	40.812
- Accrued income from cash and cash balances with central banks	0	0
- Balances with central banks (monetary reserve)	-29.370	-34.993
+ Loans and advances to banks (call money and current accounts)	39.097	28.272
- Deposits from central banks (liabilities)	0	0
- Deposits from credit institutions (call money and current accounts)	-9.728	-9.115
<b>Cash and cash equivalents</b>	<b>36.627</b>	<b>24.976</b>

(in thousand euro)

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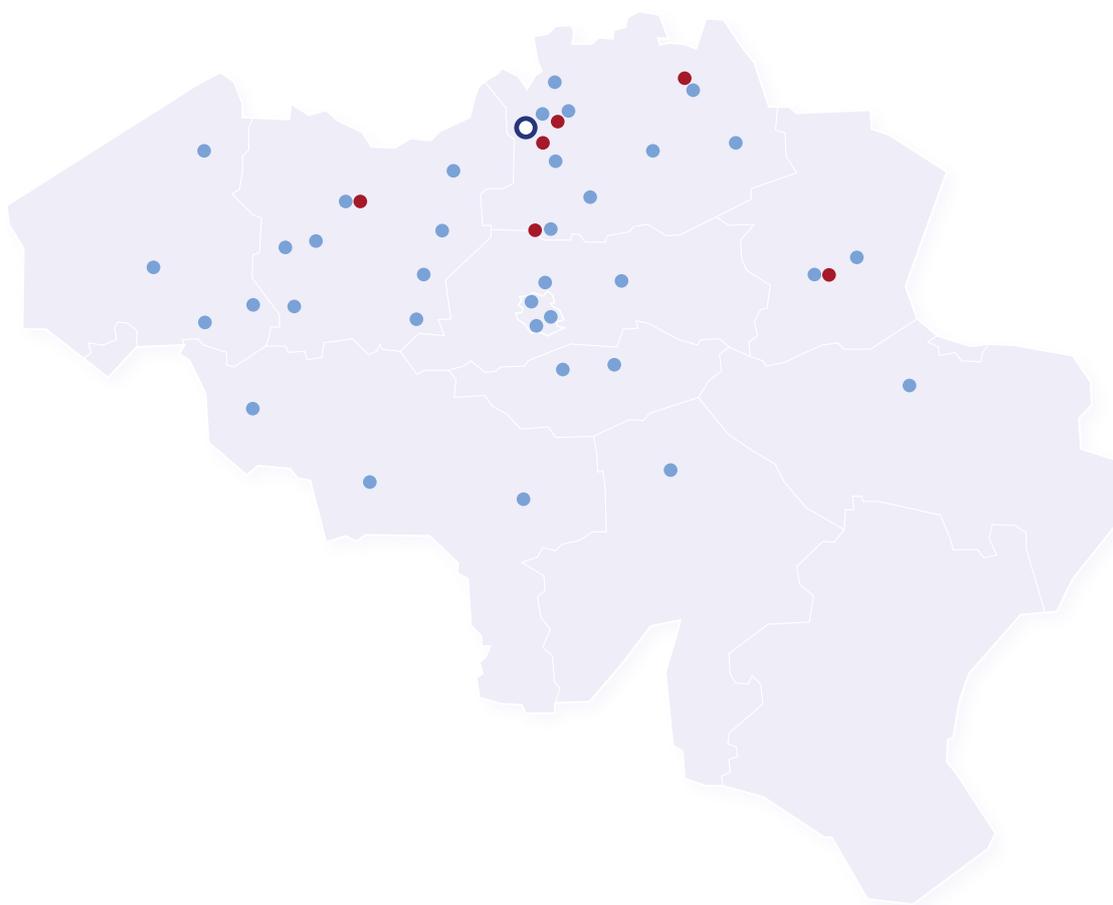


## Branches

### Bank J.Van Breda & C° and ABK bank

You can find the full list of our offices and contact persons at [www.bankvanbreda.be/contact/](http://www.bankvanbreda.be/contact/) and [www.abk.be/contacteer-ons](http://www.abk.be/contacteer-ons)

Feel free to make an appointment!



- Bank J.Van Breda & C°
- ABK bank
- Registered office, Ledeganckkaai 7, 2000 Antwerp, Belgium



## Registered office

### Bank J.Van Breda & C° nv

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RPR Antwerp | FSMA 014 377 A  
IBAN BE 16 6453 4897 1174  
BIC JVBABE 22

### ABK bank

A division of Bank J.Van Breda & C°

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For information:  
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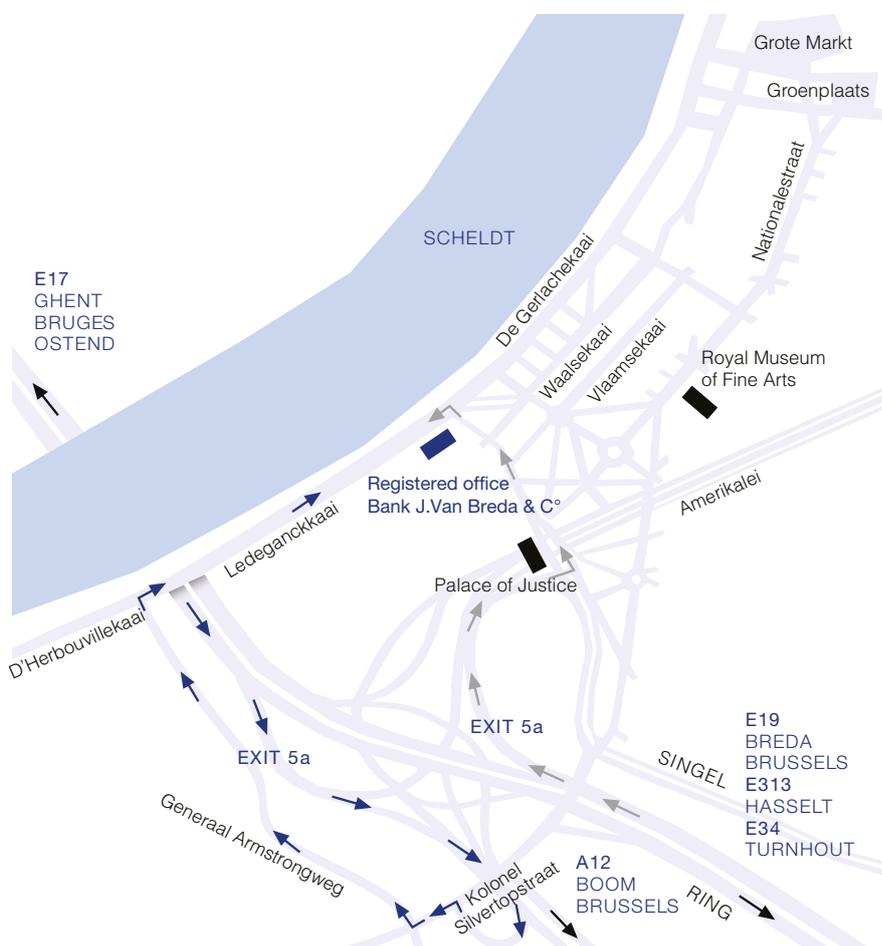
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The former Antwerp-Zuid freight depot has been completely restored and is now the headquarters of Bank J.Van Breda & C°.



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