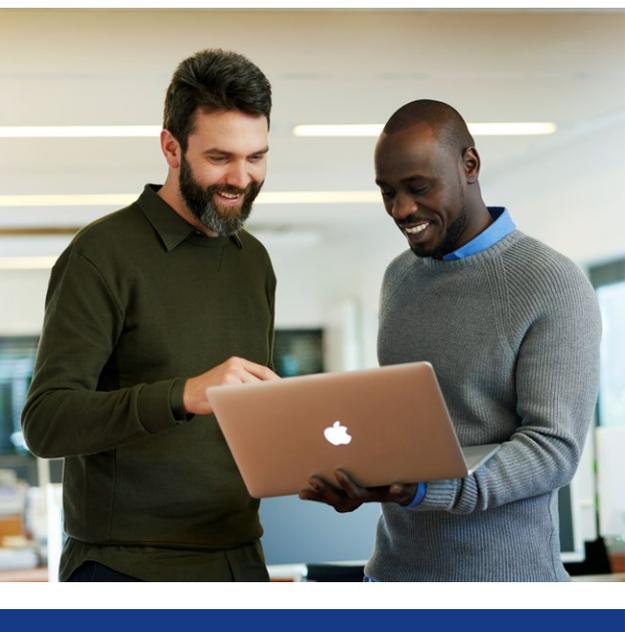


# Annual report 2018

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



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# Preface

## Focus works

Thirty years ago, we at Bank J. Van Breda & Co laid the foundations for what is now more than ever our core strategy. Since 1989, we have been the bank for entrepreneurs and the liberal professions alone. Throughout all that time, we have focused on our target group. In light of their specific needs, they merit a unique approach.

### Thoroughgoing specialisation

What are you most concerned about? The main question that we ask our entrepreneurs and members of the liberal professions. And time and time again, they tell us all about their business and their passion. Thanks to their drive and expertise, we are living in a society in which prosperity and well-being are almost self-evident.

When we enquire about their financial challenges, a number of key questions keep coming up. They are usually very pertinent to their environment:

A few examples:

- How much do I need for a care-free retirement?
- How do I put together my investment portfolio?
- How do I buy and finance my real estate?
- How can I use my company as a source of income?
- How do I find a sounding board for my professional challenges?
- How do I plan my succession?
- etc.

### Make the right financial choice

Over the years, we at Bank J. Van Breda & Co have enhanced and refined our answers to and advice about these questions. We are thus able to make an enormous difference at key moments, and we help make the right financial choices every day.

### Insight and overview

These financial choices are absolutely crucial for entrepreneurs and members of the liberal professions. As self-employed persons, they must make their own financial arrangements to ensure they are and remain independent. By the time they stop working, they have to have built up a significant pension capital for themselves. That is easier said than done. Talking about their financial future and helping them achieve their goals is unquestionably one of our core activities.

Advising entrepreneurs and members of the liberal professions build up their assets soon became one of our specialities. As our knowledge and expertise in this area grew, we asked ourselves whether we could also help a wider target group in this regard. For example, those who are not self-employed often also wish to build up a pension capital. They too need a clear strategy, a good overview of their existing investments and insight into what they want and are able to achieve over the long term.

## Digital bank

That idea gave rise to the Bank de Kremer as a new start-up. In the spring of 2018, we launched the new bank, which serves a wide public. Anyone who needs assistance in building up, managing and protecting his or her assets can use the free app. The knowledge and experience of Bank J.Van Breda & C° and the prudent policy of our sister company Delen Private Bank serve as a solid foundation for Bank de Kremer.

## Credit partner of car dealers

Bank J.Van Breda & C°, as a traditional bank, offers not only investments but also extends credit. This activity developed into a separate division that is active throughout the country in the sector of car financing and leasing. Van Breda Car Finance focuses specifically on the customers of large, independent car dealers. And once again, its focus and thorough-going specialisation is the absolute foundation for this activity.

Consistent specialisation is our strongest asset. Thanks to our small scale, we are able to guarantee a personalised approach. In this way we also lay the basis for continued client-orientation in the coming years. To this end, we continue to build 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

	2014	2015	2016	2017	2018
<b>Staff</b>	459	465	471	471	464
Profit from the reporting period attributable to shareholders	35.5	40.5	37.7	39.1	42.2
<b>Bank levies</b>	3.3	4.9	8.2	8.4	8.9
<b>Balance sheet data</b>					
Total sales volume	13,657	15,066	16,672	18,272	19,066
Total invested by clients	10,018	11,134	12,449	13,743	14,269
Client deposits	3,815	3,969	4,246	4,566	4,877
Off-balance-sheet products	6,203	7,165	8,203	9,177	9,392
Lending to clients	3,639	3,932	4,223	4,529	4,797
Equity (group share)	475	502	518	539	550
<b>Ratios</b>					
Efficiency ratio (cost-income)	60%	56%	59%	59%	61%
Return on average equity (ROE)	7.7%	8.3%	7.4%	7.4%	7.7%
Return on assets (ROA)	0.8%	0.9%	0.8%	0.7%	0.7%
Impairments on loans	0.01%	0.01%	0.01%	0.04%	0.05%
Solvency ratio (equity to assets) <sup>1</sup>	9.5%	9.5%	9.8%	8.9%	8.6%
Core capital ratio (core tier 1) <sup>1</sup>	14.9%	14.5%	14.8%	14.2%	13.6%
Risk weighted solvency ratio (RAR) <sup>1</sup>	16.8%	15.9%	15.8%	14.9%	15.0%

All data as at 31.12; financial information in million EUR

1. Excluding 0.01% expected credit losses (ECL) according to IFRS 9

# 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 42.2 million in 2018

In 2018, Bank J.Van Breda & C° achieved record results. The consolidated net profit rose by 8% to EUR 42.2 million (EUR 39.1 million in 2017). The result is the consequence of strong sales performance in both the target group of banking for entrepreneurs and liberal professions and at Van Breda Car Finance. With the launch of Bank de Kremer for private individuals, a new initiative was made available on the market that meets a clear need for insight and a clear overview of current and future assets.

The volume of sales (total invested by clients + loans extended) rose in 2018 by 4% to EUR 19.1 billion. Assets under management (total invested by clients) grew by EUR 526 million to 14.3 billion, confirming the trust our clients place in our bank.

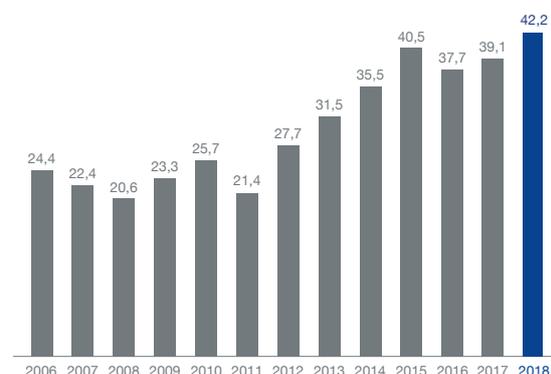
The investment trajectory of the last few years continued unchanged. Our own fully integrated IT platform has placed us in an excellent position to take full advantage of the opportunities offered us by digitization. We continue to invest steadily in new offices and sales capacity.

As a result of the low interest rate and narrow interest margin, the strong growth in volume was insufficient to compensate for the rise in the cost of investment. Banking revenues increased by 2% but its costs rose by 5%. The resulting taxable base hence fell by 7%. Thanks to low corporate tax, the after-tax profit rose by 8%.

The bank's equity rose to EUR 550 million, thus realizing a return on equity (ROE) of 7.7%.

### Net profit rose to EUR 42.2 million

The consolidated net profit was EUR 42.2 million (+8% as compared to 2017). 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 526 million

Despite the downward market trend, the total assets under management increased by EUR 526 million, or 4%, to EUR 14.3 billion. The total loan portfolio rose by 6% to EUR 4.8 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. To the question "how likely is it that you would recommend Bank Van Breda to other entrepreneurs or liberal professions?", 57% give a score of 9 or 10 on a scale of one to ten ("promoters"), 36% 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 50 (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 high employee satisfaction. From the 2017 "Great Place to Work" survey, we have seen that 94% of our employees consider the bank a very good organisation 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. At the end of 2019, the bank will once again participate in the survey.

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

The consolidated banking revenues rose by 2% to EUR 144 million. Profits earned, dividend income and the returns on hedging instruments represented less than 1% of total banking revenues, which are thus entirely sales-driven.

Interest income stagnated, in spite of the growth in deposits (+7%) and credits (+6%). This is a consequence of low interest rates, pressure on the interest rate margin and the bank's strategy of prioritizing safety over yield in its investment portfolio.

Thanks to the growth in off-balance sheet investments by our clients, the fees received rose by 8%.

## Cost / income ratio 61%

The costs rose by 5% to EUR 87.7 million, particularly as a result of future-oriented investments in sales capacity, IT and the launch of Bank de Kremer. The cost / income ratio amounted to 61%, as compared to 59% in 2017, placing Bank J. Van Breda & C° still among the best performing Belgian banks.

The cost-income ratio was 61%,  
placing Bank J. Van Breda & C° among  
the best performing Belgian banks.

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

Our prudent lending policy has in no way put a brake on our credit production, so that the credit portfolio grew by 6% on a consolidated basis. Write-downs on loans amounted to 0.05% (excluding Expected Credit Losses) on the average credit portfolio of EUR 2.4 million.

## 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 146% and 124% respectively; far above the required minimum of 100%. The CET1 ratio was 13.6%. The loan 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 539 million to EUR 550 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 expressed as equity on assets (leverage ratio) came to 8.6%, several times the required 3% that will be binding upon publication of the Capital Requirements Regulation 2 (CRR2).

Equity (group share) increased  
from EUR 539 to EUR 550 million.



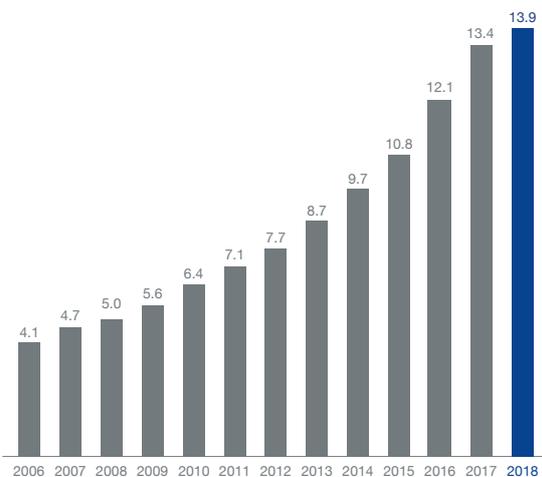
## Bank J. Van Breda & C°

### 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 rely on personal, proactive advice.

#### Assets under management rose by EUR 0.5 billion

In 2018, the steady growth in sales continued apace. Despite a negative stock market climate, the total assets under management by entrepreneurs and liberal professions rose by EUR 0.5 billion to EUR 13.9 billion.



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

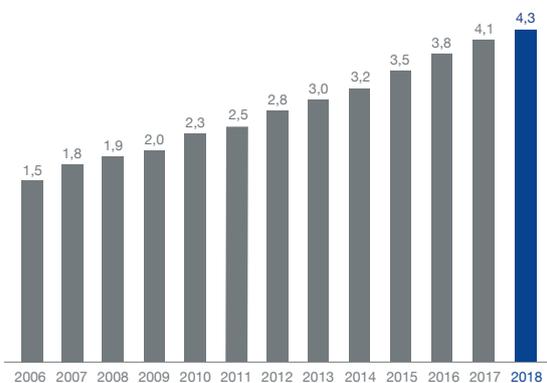
Despite a context of low interest income, client deposits grew by EUR 325 million (+8%) to a total volume of EUR 4.6 billion. This growth can be attributed almost entirely to the current accounts.

In a difficult market environment, off-balance sheet investments nevertheless grew by EUR 213 million (+2%) to EUR 9.3 billion. Of that amount, EUR 5.6 billion was entrusted to Delen Private Bank for asset management.

Bank J. Van Breda & C°  
manages EUR 13.9 billion in  
assets for entrepreneurs  
and members of  
the liberal professions.

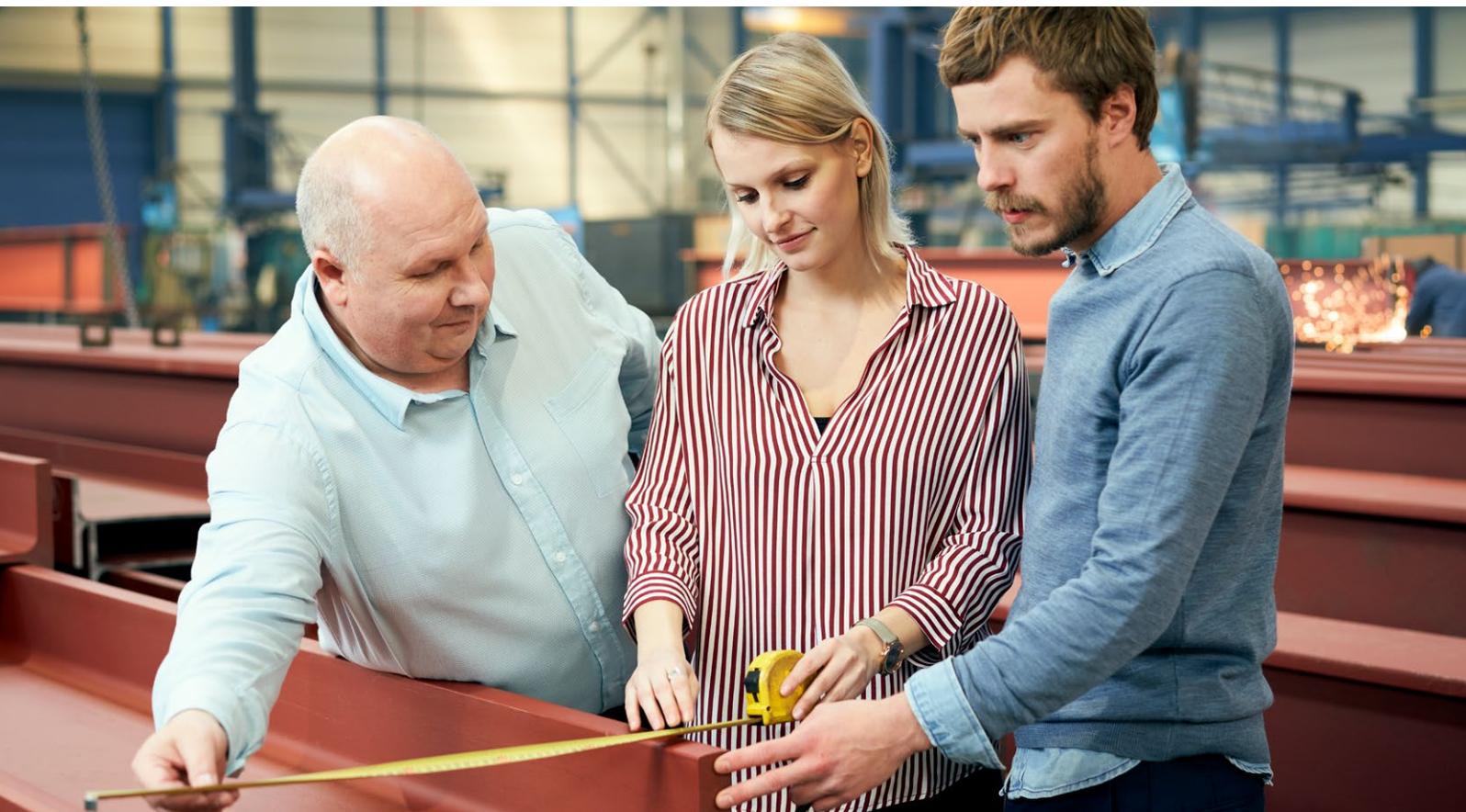
## Loan portfolio grew by 6%

Partly thanks to the better economic context and despite stiff competition, the volume of loans to entrepreneurs and liberal professionals grew by EUR 237 million (+6%) to a volume of EUR 4.3 billion.



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

The volume of loans to entrepreneurs and the liberal professions grows to an amount of EUR 4.3 billion.





## Bank de Kremer

It is only once you know what exists that you can know what is possible

In June 2018, Bank de Kremer launched an app to make asset management advice accessible to everyone. This division of Bank J.Van Breda & C° helps its clients build up, manage and protect their assets. The knowledge and experience of Bank J.Van Breda & C° and the prudent policy of Delen Private Bank serve as a solid foundation for Bank de Kremer.

### Overview and insight thanks to a smart app

Bank de Kremer wants to meet the clear needs of Flemish people for an overview and insight into their financial situation, both now and when they reach retirement age.

That is why Bank de Kremer launched a free and anonymous app that can be used by both clients and non-clients without obligation to take stock of their assets. This insight enables investors to make smart financial choices and, together with Bank de Kremer, to draw up a strategy for optimising their assets.

The launch of Bank de Kremer went hand in hand with a major communication campaign in two stages (the first one with the launch, in June, and a second one in autumn 2018) simultaneously on TV, radio and in the print media by a major online advertising and social media component.



## 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.

### Production volume rose by 6%

While the automobile market has been stagnating (+0.56% in the number of registrations of new private vehicles), Van Breda Car Finance posted a strong sales performance in 2018. The new production volume rose by 6%. The portfolio grew by 12% to EUR 413 million.

In 2017 the portfolio of Van Breda Car Finance grew to EUR 413 million.



## 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 institution 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 "Risk Management" in the consolidated financial statements.



## Corporate governance

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



Vic Pourbaix, Marc Wijnants, Dirk Wouters and Véronique Léonard

### 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 1/1/2019:  
Véronique Léonard, Vic Pourbaix,  
Marc Wijnants en Dirk Wouters (chairman).

### 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 1/1/2019:  
Jan Suykens (chairman), Luc Bertrand, Piet Dejonghe,  
Jacques Delen, Paul De Winter, Stefan Dierckx,  
Willy Lenaers, Véronique Léonard, Vic Pourbaix,  
Caroline Ven, Marc Wijnants en 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 1/1/2019:

Luc Bertrand, Stefan Dierckx, Willy Lenaers

## Risk Committee

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

Composition as at 1/1/2019:

Piet Dejonghe, Stefan Dierckx, Jan Suykens en 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° (which includes the Bank de Kremer 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. 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.

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

## 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 1/1/2019:

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.

Contact information for Internal audit:

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

The **client satisfaction advisor** (formerly ombuds-woman) 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 2018.

- The net profit amounted to EUR 42.2 million. The bank's equity (group share) rose to EUR 550 million.
- The liquidity and solvency ratios remain at a very solid level.

These results were, moreover, achieved in a challenging economic context in which the stock market climate deteriorated significantly in the fourth quarter. Interest rates continued in 2019 to be unfavourable, and moreover, the European economy may also be impacted by political and financial developments such as Brexit or the protectionist measures adopted by the United States.

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.
- 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.
- The competition in the car financing and leasing

market will likely continue, the consolidation trend in automobile distribution is ongoing, 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.

- We continue to invest in our future and to strengthen both our sales capacity and our efficiency. New initiatives in digitisation, including the asset management app offered by Bank de Kremer, will 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.
- 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 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 2018.

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°

Bank J. Van Breda & C° has a solid basis for a healthy financial growth over the long term.



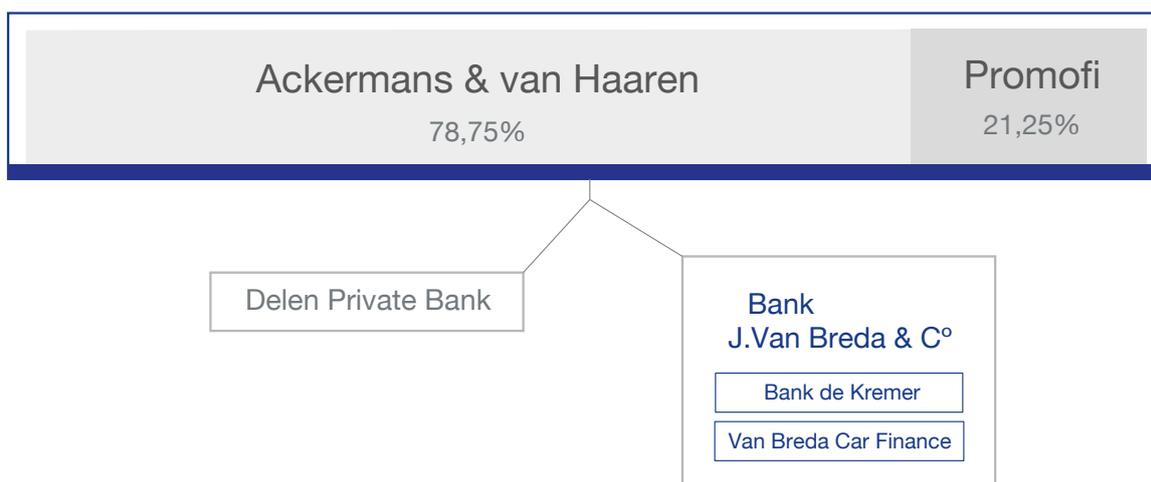
# Organisation chart



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



### Belgian roots

Bank J.Van Breda & C° is a specialist bank which addresses itself specifically to the liberal professions and entrepreneurs for both their private and business affairs, throughout their lives.

The bank was founded by Jos Van Breda in 1930 in Lier, and has retained its distinctiveness ever since.

Today, Ackermans & van Haaren, the principal shareholder, owns 78.75% of the shares of Bank J.Van Breda & C°. The Delen family holds a 21.25% share of the capital.

Bank J.Van Breda & C° and Delen Private Bank are sister companies. They have the same shareholding structure. Thanks to their intensive collaboration, Bank J.Van Breda & C° also offers its clientèle the professional services of this highly regarded firm.

## 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<sup>o</sup>, 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)

## Groep Delen

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 391 employees (709 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 27 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 2018, JM Finn had assets under management or administration of EUR 9.6 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 37 billion euros.

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

	2014	2015	2016	2017	2018
<b>Staff</b>	563	641	657	676	709
<b>Results</b>					
Net profit after taxes	80,825	92,417	87,877	105,836	112,390
Profit growth	6%	14%	-5%	20%	6%
<b>Balance sheet data</b>					
Total invested by customers	32,866,141	36,884,917	37,769,779	40,544,926	37,712,549
Equity (group share)	517,390	582,554	621,204	678,792	742,927
<b>Ratios</b>					
Cost-income ratio	55.0%	54.9%	57.8%	53.7%	55.3%
Return on equity	16.5%	16.8%	14.6%	16.3%	15.8%

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

# Corporate social responsibility



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## The Bank as a safe haven

A bank is different from other types of companies, since it calls upon the savings of the community in which it is active. Corporate social responsibility thus means first and foremost that the bank does so with great attention to safety, without incurring excessive risk. It cannot at any time expose its clients' savings to danger.

In essence, a bank converts its clients' deposits into credits. Its "raw material" is monetary savings, which it receives mainly over the short term. It lends that money out in turn via various forms of credit, principally over a longer term. By bringing in money from our target group in order to finance the needs of that same target group, we stimulate the economy, thus contributing to public welfare and well-being.

### High net worth

Bank J. Van Breda & C° is a Belgian **specialist advisory bank** which exclusively targets entrepreneurs and the liberal professions.

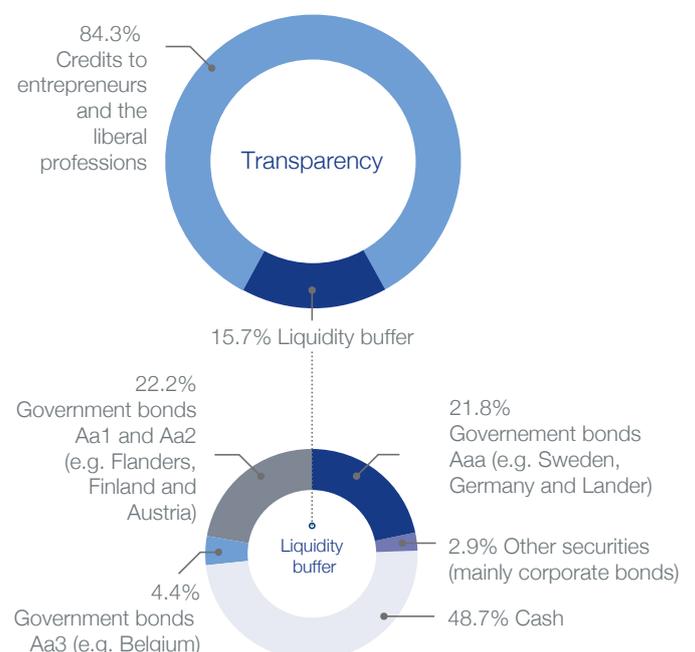
Even during the banking crisis and on turbulent financial markets, Bank J. Van Breda & C° remained a safe haven. Thanks to our **prudent policy**, our equity has not been affected by the crisis at any time. The bank has never received any state aid. Bank J. Van Breda & C° has **ample own funds**. Its solvency, expressed in terms of equity on assets; (leverage ratio), is 8.6%. This figure is several times higher than the 3% that the supervisory authorities require under Basel III and as such is one of the highest in the Belgian banking sector.

### Safe liquidity buffer

The savings on deposit with the bank are spread across a portfolio with credits to entrepreneurs and the liberal professions (84.3%) and in a safe liquidity buffer (15.7%).

The bank invests for own account exclusively in cash with the European Central Bank (ECB) and in a diversified investment portfolio that consists chiefly of **government bonds**.

As at 31/12/2018, only 2.9% of the liquidity buffer was made up of other securities (see figure below). This consists principally of corporate bonds that we have pre-screened based on the Ethix blacklist.



Rating Moody's

## Client-driven activities

The bank's results are predominantly **client-oriented**. We work with the assets *of* entrepreneurs and liberal professionals *for* entrepreneurs and liberal professionals. Our activities are limited to the Belgian market.

We use interbank deposits only sporadically. The bank does not have its own trading room. It has a conservative investment policy for its portfolio and uses financial instruments only to cover its interest rate risk, never for speculative purposes.

## Spread across tens of thousands of entrepreneurs and members of the liberal professions

SMEs form the economic fabric of our country. The liberal professions play a crucial role in health care and in service provision. Thanks to their diversity and independence, they ensure a broad **risk spread**. We work with internal concentration limits for each sector that are much lower than the regulatory standards. The possibility that a default on a major loan may cause a major breach in the bank's buffers is therefore excluded.

## Profitable long-term vision with a proven track record

Bank J.Van Breda & C<sup>o</sup> has never recorded a loss in the past 25 years. This attests to the fact that we combine sustainability and profitability **across the economic cycles**. We are a growth company with a steady trajectory with a view to the long term, without extremes.

The return on equity has stood above the market average throughout that period, without exhibiting any significant peaks or valleys. The profitability level was never artificially high, not did it see any extreme regression.

## Taxpayer in Belgium

Bank J.Van Breda & C<sup>o</sup> is active solely in Belgium. The bank has no tax optimisation abroad, and as a **locally based company** is a good taxpayer. In 2018 we paid 8.9 million euros in bank levies and 11.5 million euros in taxes on a net profit of 42.2 million euros.

## Impeccable reputation

Bank J.Van Breda & C<sup>o</sup> enjoys an impeccable reputation, which it wishes to perpetuate. Ongoing commitment to **integrity and discretion** is the golden thread through all its activities.

The bank stresses prudence and balance above all else for the benefit of its clients as well. This means, among other things, nuanced investment advice (with a view to diversification, long-term planning and investments in high-quality assets), a considered response to credit requests (with the emphasis on the quality of the business management, repayment capacity and own funds) and high standards as regards legal and tax compliance.

## Ethically responsible choices

### Targeted client acceptance policy

The bank applies a clear client acceptance policy and actively works on the prevention and detection of money laundering and terrorist financing. To this end, the bank carefully examines new clients.

Specifically, its target group strategy

- applies at all times in this regard: “only for entrepreneurs and the liberal professions”
- A prohibition against identification at a distance: we get to know each client personally.
- Strong professional ethics that avoids any reputational risk and allows us to work only with respectable clients and partners.

It goes without saying that we reject any potential client who appears on sanctions and embargo lists maintained by OFAC, HM Treasury (UK), etc.

The bank has no foreign subsidiaries and refuses any dealings with tax havens.

### First listen, then advise No product sales

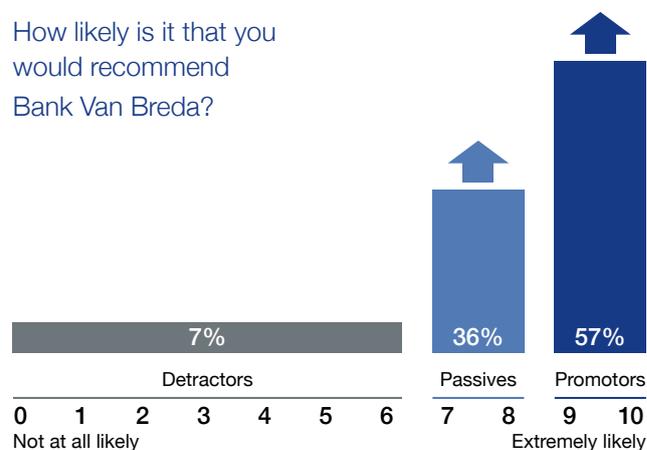
Our aim is to ensure our clients make **the right financial choices** throughout their lives. This means that our advice must be sustainable: we want to be able to look everyone in the eye at all times. We therefore listen first to their needs and are attentive to each person’s circumstances and wish to gain insight into the entire context of their activities.

Hard sales are not part of who we are. We do not set any product targets for our sales staff. Our long-term collaboration with our clients is our prime goal. We believe in close personal relations with a trusted contact person. As **a relationship banker**, we work consciously toward continuity and boast a low staff turnover.

### Client satisfaction is crucial

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?”, 57% give a score of 9 or 10 on a scale of one to ten (“promoters”), 36% 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 Net Promoter Score (NPS) results in a very fine score of 50 (promoters minus detractors). This is one of the best figures in the Belgian banking sector.

### How likely is it that you would recommend Bank Van Breda?



## Learning from complaints

We see complaints as opportunities. Therefore we undertake to respond quickly to every complaint. In the first instance, this is the role of the account manager, who immediately takes responsibility. Our client satisfaction advisor offers a second opinion if someone is not satisfied with the solution proposed. She mediates and can **decide independently**. She reports any structural problems and suggestions directly to the Executive Committee, thus ensuring a continuous process of improvement.

## Partnerships over the long term

Bank J. Van Breda & C° positions itself on the market as **a specialist advisory bank**. Together with the client, we look over his or her movable assets, both professional and personal. We work with each client to design a strategy for reaching his or her goal, that is to say, a given capital over the long term. The purpose is generally to yield an income when our client will retire from professional activities. The chosen strategy is then monitored systematically.

For the building blocks needed to achieve the strategy in question, we call upon **external asset managers**. They manage our clients' investment portfolios transparently within the agreed formulae.

To this end we work with, among others, Delen Private Bank, Baloise Insurance, AG Insurance, Vivium (brand name of P&V), Generali Belgium and Fidelity International.

## Sustainable lending

We do not give credit for the sake of credit. Sound lending helps people expand their business or practice or to invest in real estate. We tend to be on the conservative side when it comes to lending, and stay away from excessive credit provision. We therefore assess each credit application critically and advise only safe forms of credit that are manageable for the client. The client's repayment capacity, his or her professional suitability and ability to build up something for themselves are the primary criteria.

Our credit portfolio focuses on a very specific niche **target group of clients who are economically active in Belgium**: private and business clients who are liberal professionals, family-run SMEs and self-employed entrepreneurs.

Given this focus and in light of **Belgian legislation and regulations** in this area, we exclude providing credit in the following situations:

- infringements of human rights and labour law,
- production of fossil fuels, such as coal, oil and gas or of unconventional oil and gas extraction, such as tar sands and shale gas,
- infringements of public health and the environment, such as poisoning of the ground water, industrial activities in protected nature reserves.

We do not extend credit to companies engaged in weapons production, the tobacco industry or nuclear energy. SMEs that are active in Belgium in the diamond sector and in the financing of gaming machines are also **explicitly excluded**.

## Share funds and asset management with responsible investments

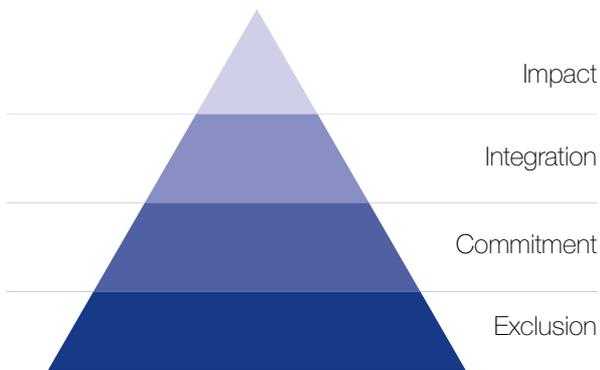
Bank J. Van Breda & C° does not manage any investment funds of its own. Our sister company Delen Private Bank specializes in asset management and also handles the composition of the investment funds which we distribute. They do so in collaboration with fund manager Capfi Delen Asset Management (Cadelam), the subsidiary of Delen Private Bank.

### Basic principles: the 4-step method

Delen Private Bank is a signatory of the “Principles for Responsible Investment” (UN PRI) supported by the United Nations.

It pursues the careful investment philosophy of a dynamic and prudent manager. Directed at the long term, the emphasis is on simplicity and sound judgement: protection and balanced growth.

Responsible investment policy is applicable to all in-house funds and ensures responsible portfolio management in four stages: exclusion, commitment, integration and impact.



### Exclusion

The fund managers apply the exclusion list confirmed by the financial supervisory authority, the FSMA (Financial Services and Markets Authority) and the sectoral federation BEAMA (Belgian Asset Managers Association). Companies involved in the production of controversial weapons, as well as those guilty of breaching the basic standards of human, environmental or corporate law are excluded as investments. In addition, Cadelam, together with Delen Private Bank, adheres to a broader list of exclusions, consisting of more than 200 companies and authorities. The list is a consolidation of 6 lists published by organisations that lead the way in SRI (Socially Responsible Investing).

These are

- the Norwegian State Fund – generally recognised as one of the most respected players in sustainable investment,
- along with 2 financial players from northern Europe,
- 2 government-linked pension funds in western Europe
- and an international peace movement.

Each is a leader in responsible investing.

Cadelam’s policy aims to blacklist a company or authority if 3 of the 6 above-mentioned organisations have detected possible breaches of the ESG norms (environment, social & governance). In that case, no investment is made in bonds issued by the company or authority in question. For example, these may involve (nuclear) weapons manufacturers, firms in breach of human rights or that have caused environmental damage.

If one or two of those leading organisations have detected ESG breaches, the fund manager decides, after further internal analysis or consultation, whether or not to invest. This “trapped filter” is applied consistently to the portfolios of the managed funds. Responsible investment is therefore a matter of continuous vigilance, discussion and dialogue.

The exclusion policy is currently being extended to companies that do not adhere to the United Nations Global Compact – the basic framework of ten universally accepted principles in the area of human rights, labour, the environment and anti-corruption.

**Commitment**

Companies with well-informed and committed shareholders have a better chance of good economic performance over the long run. Our collaboration with Hermes EOS, an independent organisation specialising in commitment, makes it possible to engage in a structured manner in dialogue with companies in which we invest. The emphasis lies first of all on positive development as a consequence of a constructive dialogue about climate change, human rights and remuneration, among other things.

**Integration**

Non-financial (ESG) parameters are of increasing importance in the investment process. Specialised information makes it possible to take into account ESG risks both in selecting investments and in monitoring

the portfolio.

**Impact**

With a focus on inherently sustainable sectors and companies, expertise is developed in the selection of investments that not only deliver financial yield but also have a non-financial impact on human beings, the environment and society.

## Sustainable employer

### Value-driven corporate culture

Values make the difference. We believe that the ethics and values of our employees play a key role in the way in which the bank engages in contacts with its clients and suppliers. The attitude of our employees is therefore of crucial importance in the recruitment, coaching and governance of our bank.

Research into culture and values show that our staff prioritise 3 core values:

1. **Honesty** We work exclusively with persons of integrity who seek to live ethical lives both in the personal and the professional sphere.
2. **Sense of responsibility** If our staff advise something, they take into account the effect it has over the long term. They make concrete arrangements and meet their commitments. That is their fundamental attitude.
3. **Enthusiasm** You can sense the difference at the first contact: here is a team with a positive attitude.

This approach underpins the success of Bank J. Van Breda & C° and we therefore set great store by it.

We reject all forms of discrimination based on belief, gender, sexual orientation or origin. We are open to everyone who brings talent and a positive attitude to life.

### Great place to work

Happy people exude a positive force, and that is true in the workplace as well. And certainly in contacts with clients. We as an employer therefore encourage people to work in the area of their talents, and we offer a framework that fosters growth and development.

In order to test this out, we take part every two years in the international internal survey conducted by “Great place to work” in conjunction with the Vlerick

Management School. The process holds up a mirror to our company that helps us identify and adjust any weaknesses in our human resources policy and to further enhance our strengths.

Bank J. Van Breda & C° was nominated in 2006, 2010 and 2012 as “**Best employer**”. In 2018 we were certified as a “**Great place to work**”. To the statement “Generally speaking I can say that this is a very good organisation to work for”, 94% replied in the affirmative.

### Gender diversity

A **diverse Board of Directors** is attentive to differences in background, gender and professional skills that are relevant to Bank J. Van Breda & C°.

The Remuneration and Nominations Committee evaluates candidates based on their merits, and does so on the basis of objective criteria. Based on the current number of directors, the aim is for a representation of the under-represented gender within the Board from 2 people (9 men and 2 women as at 1/1/2019) and within the Executive Committee from 1 person (3 men and 1 woman as at 1/1/2019).

If the number of directors of the under-represented gender should fall below this objective, then the Board strives to return to that level within a period of 3 years.

### Extensive share option plan

Ensuring client and staff loyalty go hand in hand. Therefore, Bank J. Van Breda & C° pursues a social HR policy that is aimed at ensuring that every employee who wishes to contribute fully to the company mission is offered sufficient challenges that fit their talents. Working in a results-oriented way and a share in the profits are supported via an **extensive share option plan** with a term of between 4 and 8 years, which is open to every employee. As from 2020, these will be replaced, via a collective labour agreement, by an annual profit share.

The bank's remuneration policy is in line with the sustainable growth we aim to achieve and with the **long-term interests** of our clients. The remuneration policy ensures that there is no incentive to incur excessive risk.

The bank's commitment to **avoiding conflicts of interest** is described in the codes of ethics for employees, members of the Executive Committee and members of the Board of Directors.

### Attentiveness to health

People are not meant to spend all day sitting in an office. We thus promote exercise and **a healthy lifestyle**.

- At the head office, all employees have free access to the bank's our own fitness room. Those who work in a branch are offered financial support to work out at a local club.
- All our offices have free fruit on offer. At the head office, soup is served every day at noon (the leftovers go to the "Mothers for mothers" charity). There are no soft drinks on offer, but still water and sparkling water are provided, filtered,

from the tap.

- An internal working group ("Happy team") undertakes various joint initiatives and organizes walks, jogging, bike rides, introduction to yoga, presentations on the importance of rest and sleep, etc.
- We make efforts to prevent stress and burn-out. We also keep an eye on maintaining a good work-life balance. Various forms of working from home and from a distance are possible. Flexible working hours and options for part-time work, unpaid days off and even a sabbatical are available.



## Limiting our environmental footprint

In addition to our environmental policies when it comes to making loans and choosing investment funds, there is also wide-ranging scope for limiting our environmental footprint in relationships with clients and at company level. An 'Eco' working group is taking the lead in this area, exploring what measures are necessary in order to make the bank a carbon-neutral company.

### Reducing emissions by 25% by 2025

In 2018, an initial 'carbon footprint study' was conducted to measure the bank's impact on the climate. The results have served as an impetus to develop a long-term vision for limiting our harmful emissions and ultimately for becoming climate-neutral. By means of a concrete action plan, the bank undertakes to reduce its emissions by at least 25% by 2025. That can be done via measures in the area of energy use, company cars, coolants, commuting, paper use, waste disposal, etc., combined with investments in climate projects in the global South. From 2019 – 2020, the bank wishes to measure its achievements using key performance indicators (KPIs) defined with a view to achieving emission reduction targets.

### Recent initiatives

- The bank recently switched to **green electricity** that is considered by the applicable legislation to be 100% produced by renewable energy sources or derived from high-quality co-generation installations.
- We are playing the digital card, and are pioneers as '**a paperless bank**'. Any remaining waste paper is collected separately.
- Clients can **sign documents online**, which saves a lot of unnecessary travel as well.
- The bank encourages the use of **bikes** for commuting to work by offering a bike bonus, showers and changing rooms, covered bike racks and company bicycles.

- Thanks to an appropriate policy, the bank wishes to **green its fleet of cars** and encourages the use of electric and hybrid vehicles. The dominant position of diesel cars is being reduced in favour of petrol cars for anyone who drives less than 25,000 km per year.
- In terms of mobility, we are focusing on **behavioural change** by fostering a balanced combination of flexible hours at the head office and local branches, and working from home and video-conferencing.
- In the event of new constructions and the **renovation of offices**, we look at ways to limit energy use and CO2 emissions.



## Social engagement

### Good neighbours, listed monument

In 2006, the Bank J. Van Breda & Co moved its head office to the former freight station of Antwerp South, on the Ledeganckkai on the Schelde river. The site was formerly the hub of the Antwerp port, but in 1998 was abandoned by the Belgian railways. The building, with its **monumental ticket hall**, was listed in 1996 as a historical monument, but in spite of that distinction, it fell into disrepair.

By virtue of its new function, this **historic maritime heritage building** has been preserved for successive generations. With the support of the Flemish region, the city and the province of Antwerp, all historical elements of the building have been restored to their original state. Since then, we have received thousands of clients and other interested parties on the premises. City guides have free access to the former ticket hall and the garden. We regularly take part in the Heritage Days or Architectural open houses. That offers us the opportunity to give something back to the community that has helped us bring this project to a successful completion.

### Financial literacy

In order to make the right financial choices, clients need to have keen insight into the options before them. Not every client has sufficient financial knowledge, however, even if he or she is a university graduate. That is why we regularly offer **presentations** to help further the knowledge of doctors and pharmacists about the world of finance.

### Structural support as a patron of good causes

We deal every day with successful entrepreneurs and liberal professionals, but we know that success is not that easy. We therefore support two initiatives to which our clients feel a strong commitment.

We have chosen two organisations that are not so well known among the wider public, and that may find it more difficult to attract funds:

- **Entrepreneurs without Borders** is an organisation that is fighting desertification by means of reforestation and thereby promotes prosperity in the Sahel region. We have been a structural sponsor since 2015.
- **Doctors without Holidays** annually facilitates around 400 doctors and nurses who, during their holidays, spend two to three weeks treating patients in African hospitals and training and upgrading the skills of local health care providers. We have been sponsoring Doctors without Holidays since 2009.

In addition to these structural sponsorships, we support **spontaneous initiatives** in which members of our staff together make a commitment (e.g. "Mothers for mothers", Iridium cancer network, the Dageraad home for children, the Tondeldoos children's fund, De Hagewinde residential home, the Rett Syndrome Association).

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# 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/publicaties/financiële-informatie](http://www.bankvanbreda.be/publicaties/financiële-informatie)

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## Consolidated profit and loss account

	2017	2018
<b>I. Financial and operating income</b>		
1. Interest income, of which	79,100	78,940
Interest received	104,970	103,781
Interest paid	-25,869	-24,841
2. Dividends received	2,637	701
3. Fees and commissions, of which	55,637	61,224
Fees and commissions received	57,813	62,519
Fees and commissions paid	-2,176	-1,295
4. Realised profit (loss) on financial assets available for sale	1,441	
5. Realised profit (loss) on financial assets at fair value through other comprehensive income (OCI)		509
6. Profit (loss) on financial instruments in the trading portfolio	-218	-114
7. Profit (loss) on cash flow hedging, of which	-318	-203
Profit (loss) transferred from equity on hedging instruments	-318	-203
Ineffective portion of changes in fair value of hedging instruments	0	0
8. Profit (loss) on fair value hedges	451	307
9. Profit (loss) from foreign exchange trading	1,142	944
10. Realised profit (loss) on other assets	1	-28
11. Other operating income and costs, of which	1,507	1,479
Other operating income	1,535	1,726
Other operating costs	-27	-247
Banking profit	141,380	143,759
<b>II. Administrative costs</b>		
1. Payroll costs	-43,473	-42,415
2. General and administrative costs	-24,973	-27,732
<b>III. Bank levies</b>	-8,407	-8,905
<b>IV. Depreciation and amortisation</b>		
1. Tangible fixed assets	-2,763	-2,954
2. Intangible assets	-2,486	-1,491
<b>V. Provisions</b>	-1,491	-4,246
Banking costs	-83,592	-87,744
<b>VI. Impairment losses</b>		
1. On financial assets available for sale	0	
2. On financial assets at fair value through other comprehensive income (OCI)		3
3. On loans and receivables (including financial leasing)	-1,660	
4. On financial assets measured at amortised cost		-3,014
5. On goodwill	0	0
<b>VII. Share in the result of associated companies consolidated using the equity method</b>	358	4
<b>VIII. Write-off debt excluded partners of ABK bank</b>	1,154	716
Profit before tax	57,640	53,724
Taxes on profit	-18,486	-11,465
Profit for the period	39,154	42,260
Profit attributable to minority interests	73	95
Profit attributable to shareholders of the company	39,081	42,165

(in thousand euro)

# Consolidated statement of comprehensive income

	2017	2018
Profit for the period	39,154	42,260
Other comprehensive income that can later be transferred to the income statement	-2,483	233
Assets available for sale		
Changes in fair value	-2,629	
Transfers to the income statement (desinvestments)	-1,441	
Transfers to the income statement (impairment losses)	0	
Tax	1,393	
Other comprehensive income on assets available for sale, after tax	-2,678	0
Debt instruments at fair value through other comprehensive income (OCI)		
Changes in fair value		641
Transfers to the income statement (desinvestments)		-509
Changes in provisions for expected credit losses (ECL)		-3
Tax		-38
Other comprehensive income on debt instruments at fair value through other comprehensive income, after tax		90
Cash flow hedges		
Effective portion of changes in fair value		
Transfers to the income statement (shutdowns)	318	203
Tax	-123	-60
Other comprehensive income on cash flow hedges, after tax	195	143
Other comprehensive income that will never be transferred to the income statement	0	-228
Equity instruments at fair value through other comprehensive income (OCI)		
Changes in fair value		-156
Tax		
Other comprehensive income on equity instruments at fair value through other comprehensive income, after tax	0	-156
Defined benefit plans		
Actuarial gains and losses	-42	-102
Tax	42	30
Actuarial gains and losses on defined benefit plans, after tax	0	-72
Total other comprehensive income for the period, after tax	-2,484	5
Total comprehensive income for the period	36,671	42,265
Comprehensive income for the period attributable to minority interest	73	95
Total comprehensive income for the period attributable to equity holders of the bank	36,597	42,170

(in thousand euro)

## Consolidated balance sheet: assets

	2017	2018
I. Cash and cash balances with central banks	311,756	361,676
II. Loans and advances to banks	88,863	127,693
<i>of which collateral as commitment for derivatives</i>	21,741	30,853
III. Financial assets		
1. Financial assets held for trading	410	191
2. Financial assets available for sale	427,712	
3. Financial assets at fair value through other comprehensive income (OCI)		457,129
<i>of which debt instruments</i>		456,813
<i>of which equity instruments</i>		315
4. Loans and receivables (including financial leasing)	4,528,679	
5. Financial assets measured at amortised cost		4,797,177
<i>of which debt instruments</i>		0
<i>of which loans and receivables to customers</i>		4,797,177
6. Fair value hedging: changes in the fair value of the hedged portfolio	3,952	12,085
7. Derivatives used for hedging	3,650	1,281
IV. Tax assets		
1. Current tax assets	4,757	3,452
2. Deferred tax assets	735	2,662
V. Other assets	8,396	10,259
VI. Tangible assets		
1. Property, plant and equipment	41,578	44,401
VII. Goodwill and other intangible assets	2,930	1,528
VIII. Investments in associates, subsidiaries and joint ventures using the equity method	1,220	485
<b>Total assets</b>	<b>5,424,639</b>	<b>5,820,019</b>

(in thousand euro)

## Consolidated balance sheet: equity and liabilities

	2017	2018
<b>I. Financial liabilities</b>		
1. Financial liabilities held for trading	127	622
2. Financial liabilities measured at amortised cost		
2.1. Deposits from credit institutions	27,458	27,634
2.2. Deposits from other than credit institutions	4,505,512	4,827,074
2.3. Debt certificates	253,114	275,208
2.4. Subordinated liabilities	60,265	90,246
3. Derivatives used for hedging	9,245	14,971
<b>II. Provisions</b>	7,873	12,623
<b>III. Tax liabilities</b>		
1. Current tax liabilities	2,286	4
2. Deferred tax liabilities	0	0
<b>IV. Other liabilities</b>	19,920	21,695
<b>Total liabilities</b>	4,885,801	5,270,078
<b>V. Issued capital</b>	17,500	17,500
<b>VI. Consolidated reserves</b>	519,393	530,375
<b>VII. Revaluation reserves</b>	1,824	1,925
<b>VIII. Minorities interests</b>	120	141
<b>Total equity</b>	538,838	549,942
<b>Total equity and liabilities</b>	5,424,639	5,820,019

(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	IAS 39 Financial assets available for sale	IFRS 9 Fair value through other comprehensive income - Debt instruments	IFRS 9 - Fair value through other comprehensive income - Equity instruments	Cash flow hedges	Subtotal			
Opening balance, 1 January 2017	17,500	491,910	440	4,099	496,449	4,736	0	0	-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	0	0	-233	1,824	538,718	120	538,838
Impact of transition to IFRS 9		-3,263			-3,263	-2,058	1,794	288		24	-3,239		-3,239
Opening balance, 1 January 2018	17,500	510,457	440	5,233	516,130	0	1,794	288	-233	1,848	535,479	120	535,599
Payment of dividend last financial year		-27,365			-27,365						-27,365	-73	-27,438
Payment of interim dividend					0						0		0
Profit of the financial year		42,165			42,165						42,165	95	42,260
Changes in revaluation reserves			-72		-72		90	-156	143	77	5		5
Share based payment: contribution of mother company				-484	-484						-484		-484
Other (mainly change in scope of consolidation interest%)		617		-617	0						0		0
Closing balance, 31 December 2018	17,500	525,875	368	4,132	530,375	0	1,884	132	-90	1,925	549,800	141	549,942

(in thousand euro)

# Consolidated cash flow statement

	2017	2018
OPERATING ACTIVITIES		
Net profit (loss) for the period	39,081	42,165
Adjustments to reconcile net profit or loss to net cash provided by operating activities		
Current and deferred tax expenses recognised in income statement	18,486	11,465
Minority interests	73	95
Share in the result of associated companies consolidated using the equity method	-358	-4
Dividend receipts from associated companies consolidated using the equity method	209	12
Investing and financing		
Depreciation / amortisation	5,248	4,446
Gains and losses on sale of tangible assets	-1	28
Write-down on loans excluded partners of ABK bank	-1.154	-716
Operating		
Impairments	1,751	3,148
(Increase) decrease in provisions	1,615	4,304
Gains and losses on cash flow hedges	318	203
Gains and losses on fair value hedges	-451	-307
Gains and losses on financial assets and liabilities held for trading	218	114
Gains and losses on available for sale assets	5,105	99
Share based payment	1,420	-484
Other adjustments	-173	707
Cash flow from operating profits before changes in operating assets and liabilities	71,388	65,274
(Increase) decrease in operating assets (excl. cash & cash equivalents)		
(Increase) decrease in balances with central banks	-273,045	-51,645
(Increase) decrease in loans and advances to banks	5,095	-12,138
(Increase) decrease in loans and receivables	-307,180	-275,658
(Increase) decrease in available for sale assets	142,836	-31,050
(Increase) decrease in financial assets held for trading		
(Increase) decrease in accrued income from financial assets	2,411	1,705
(Increase) decrease in other assets	-844	-1,627
Increase (decrease) in operating liabilities (excl. cash & cash equivalents)		
Increase (decrease) in deposits from credit institutions	2,261	-236
Increase (decrease) in deposits from other than credit institutions	330,210	326,846
Increase (decrease) in debt certificates	91,421	22,094
Increase (decrease) in subordinated liabilities (excl. accrued interest)	409	-566
Increase (decrease) in financial liabilities held for trading		
Increase (decrease) in accrued expenses on financial instruments	-4,696	-2,371
Increase (decrease) in other liabilities	1,126	826
Cash flow from operating activities	61,390	41,456
Income tax (paid) refunded	-16,230	-13,476
Net cash flow from operating activities	45,160	27,980

(in thousand euro)

# Consolidated cash flow statement

	2017	2018
INVESTING ACTIVITIES		
(Cash payments to acquire tangible assets)	-4,287	-5,777
Cash receipts from the sale of tangible assets	0	0
(Cash payments to acquire intangible assets)	-238	-89
(Cash payments for the investment in subsidiaries, net of cash acquired)	0	-289
Cash receipts from subsidiaries	0	119
(Other cash payments relating to investing activities)	-195	-236
(Other receipts relating to investing activities)		
<b>Net cash flow from investing activities</b>	<b>-4,720</b>	<b>-6,273</b>
FINANCING ACTIVITIES		
(Dividends paid)	-17,628	-27,782
Cash proceeds from the issuance of subordinated liabilities	0	39,900
(Repayment of subordinated liabilities)	-5,794	-9,387
(Other payments relating to financing activities)	-20	0
(Other receipts relating to financing activities)	1	0
<b>Net cash flow from financing activities</b>	<b>-23,441</b>	<b>2,730</b>
Increase of cash and cash equivalents through business combinations		
<b>Net increase in cash and cash equivalents</b>	<b>16,999</b>	<b>24,437</b>
Cash and cash equivalents at beginning of the period*	24,976	41,975
<b>Cash and cash equivalents at the end of the period *</b>	<b>41,975</b>	<b>66,412</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)	311,756	361,676
- Accrued income from cash and cash balances with central banks	0	
- Balances with central banks (monetary reserve)	-308,038	-359,683
+ Loans and advances to banks (call money and current accounts)	48,123	74,677
- Deposits from central banks (liabilities)	0	0
- Deposits from credit institutions (call money and current accounts)	-9,866	-10,258
<b>Cash and cash equivalents</b>	<b>41,975</b>	<b>66,412</b>

(in thousand euro)

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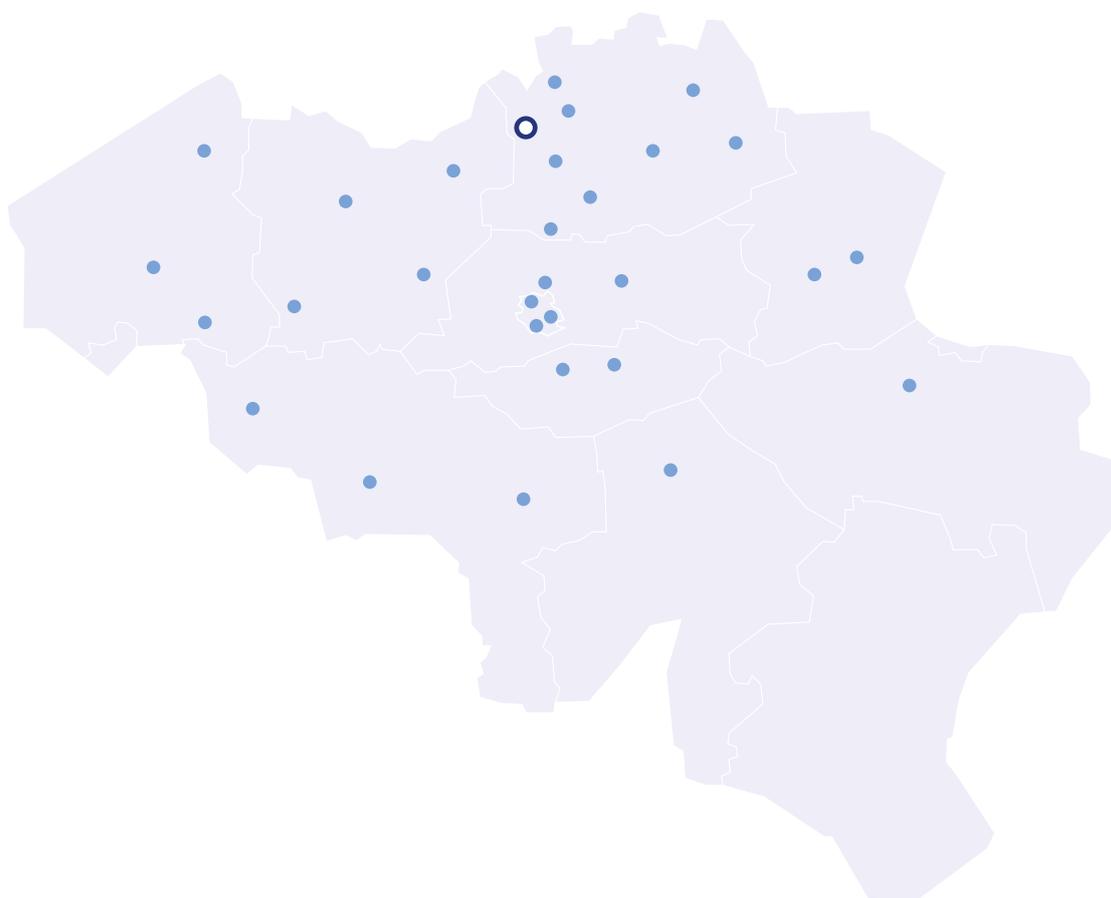


## Branches

### Bank J.Van Breda & C°

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

Feel free to make an appointment!



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



## Registered office

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BIC JVBABE 22

### Bank de Kremer

A division of Bank J.Van Breda & C°

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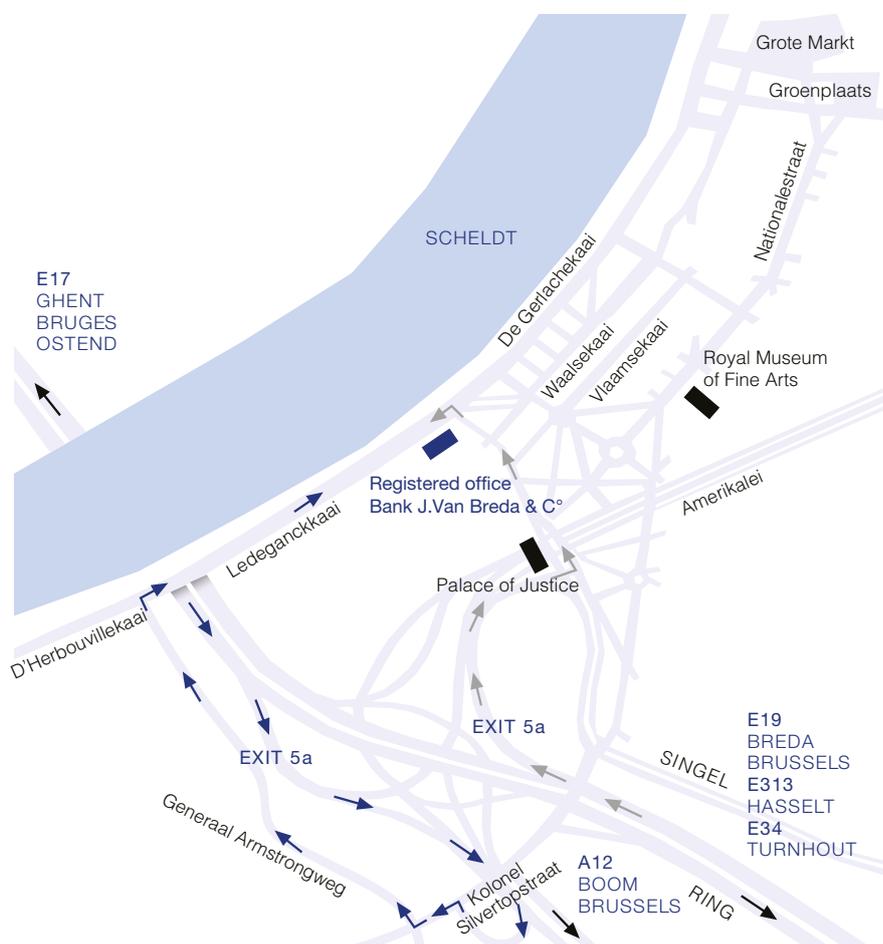
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The former Antwerp-Zuid freight depot has been completely restored and is now the headquarters of Bank J.Van Breda & C°.



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