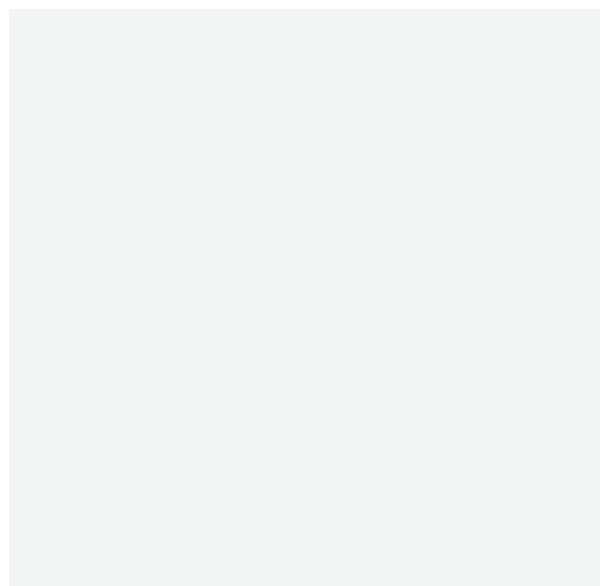
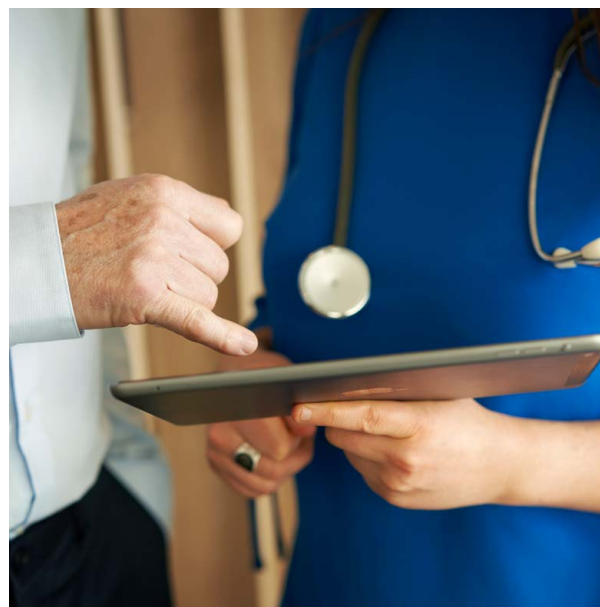


# ANNUAL REPORT

2019



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# 1. Basic figures



During my first years as an orthodontist, I was not thinking about later. Now I realize that it is important to cast a view towards the future. Setting up a company was a step in the right direction towards building up extra pension capital.

**Lutgart De Ridder**  
orthodontist



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# Bank J. Van Breda & Co consolidated

## BALANCE

**16.1 billion**

assets under management

**6.4 billion**

balance sheet total

**5.2 billion**

total credit portfolio

**573 million**

equity

## CLIENTS

**+55**

net promotor score

## SOCIETY

**15.5 million**

corporate tax

**9.8 million**

bank levies

## SOLVENCY

**13,1%**

core tier1 (minimum 8,5%)

**8,5%**

leverage (minimum 3%)

## BRANCHES

**30**

branches in Belgium

**20** in Flanders

**3** in Brussels

**7** in Wallonia

## STAFF

**484**

employees

**60**

hires in 2019

Certified  
**Great place to work 2020**

**95%**

employee satisfaction

## LIQUIDITY

**140%**

LCR (minimum 100%)

**124%**

NSFR (minimum 100%)

## SHARE-HOLDERS

**43,4 million**

net profit

**7,7%**

return on equity

**61%**

cost / income

**25%**

share

Bank J. Van Breda & Co in assets under management entrusted to Delen Private Bank



	2015	2016	2017	2018	2019
<b>Staff</b>	465	471	471	464	485
<b>Results (in million EUR)</b>					
Profit from the reporting period attributable to shareholders	40.5	37.7	39.1	42.2	43.4
<b>Bank levies</b>	4.9	8.2	8.4	8.9	9.8
<b>Balance sheet data</b>					
Total sales volume	15,066	16,672	18,272	19,066	21,300
Total invested by clients	11,134	12,449	13,743	14,269	16,067
Client deposits	3,969	4,246	4,566	4,877	5,416
Off-balance-sheet products	7,165	8,203	9,177	9,392	10,651
Lending to clients	3,932	4,223	4,529	4,797	5,233
Equity (group share)	502	518	539	550	573
<b>Ratios</b>					
Efficiency ratio (cost-income)	56%	59%	59%	61%	61%
Return on average equity (ROE)	8.3%	7.4%	7.4%	7.7%	7.7%
Return on assets (ROA)	0.9%	0.8%	0.7%	0.7%	0.7%
Impairments on loans <sup>1</sup>	0.01%	0.01%	0.04%	0.05%	0.02%
Solvency ratio (equity to assets)	9.5%	9.8%	8.9%	8.6%	8.5%
Core capital ratio (common equity tier 1)	14.5%	14.8%	14.2%	13.6%	13.1%
Risk weighted solvency ratio (RAR)	15.9%	15.8%	14.9%	15.0%	14.2%

All data as at 31.12; financial information in million EUR

1. As of 2018: excluding 0.01% expected credit losses (ECL) according to IFRS 9

## 2. Preface



It is important not only to look after your patients, but also to keep an eye on your own quality of life. Switch off now and then. That way, you will remain clear-headed enough to be able to give the best of yourself as a family doctor.

Christophe Dauge  
Family doctor



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## Bank J.Van Breda & C° in 2019: safe haven in an uneasy environment

### **It is no secret to anyone who follows the banking sector that the context today is turbulent.**

- The economic forecasts are uncertain, their impact unpredictable. The trade war between America and China, the seemingly never-ending story of Brexit, tensions in Hong Kong, long-standing conflicts in the Middle East and Africa, the rising Belgian budget deficit, the ongoing federal government negotiations.
- The low interest rate environment is weighing ever more heavily on the economy and is undermining the business model of the traditional banks. Interest margins continue to melt away, commission income appears to be crucial in order to remain profitable.
- Digitisation is still increasing and demands significant investments in order to meet changing consumer needs and meet the challenges of new, disruptive competitors.
- The regulatory framework is growing ever more complex and requires additional efforts.
- The climate crisis gives rise to new risks and demands new initiatives so that we as a bank can also make an active contribution to a more sustainable future.

### **Strong track record**

In this context as well, Bank J.Van Breda & C° remains a safe haven.

- The bank proved its stability and risk management during the financial crisis of 2007-2008. Even in that period, we remained profitable at all times, we never had to rely on state support, and never shook the confidence of our clients. On the contrary.
- Today we continue to use a rather classic financial model, whereby we reinvest the totality of deposits in credit to the Belgian economy, supplemented by a conservatively invested liquidity buffer.
- Thanks to a high level of equity, the bank has a strong buffer with which to stand up independently to any shocks caused by unexpected setbacks.
- We combine this proven sound risk management with innovative power, client-orientedness and relevance for our target groups.

### **Corporate social responsibility**

The future continues to be challenging. The classic challenges to the financial sector are once again rearing their heads in 2020.

- How can we help our clients to continue independently to accumulate and protect their capital in a lengthy period of low interest rates.
- How can we continue to finance the activities of entrepreneurs and liberal professionals with appropriate credit formulas, so that we keep on giving oxygen to the real economy?
- How do we guarantee them a safe payment system that is tailored to their specific needs in an environment in which cybercrime and money laundering cause a major challenge?

And all this is taking place in a rapidly changing market, with cost cutting, downsizing and a new wave of mergers and acquisitions, with innovative players and major social challenges.



## Successful growth model

We remain vigilant, but Bank Van Breda's business model seems to have been crisis-resistant in 2019 as well. Our growth once again outperformed the market, both in terms of assets under management and in lending. We continued to invest in people, IT and buildings, yet our profitability seems to have continued apace. Our profit came in at EUR 43.4 million (+3%): a new record. Our equity grew to 571 million, return on equity remained in line with that of the previous years at 7.7%. Thanks to our strong solvency and liquidity, we have confirmed our place as a stable bank and a safe haven.

## Our distinctive approach

What accounts for the difference? First of all, our specialisation. Our niche policy "For entrepreneurs and the professions only" continues to distinguish us in the market. That is possible only thanks to our wide-ranging knowledge of the world of our target group. We accompany them both professionally and privately throughout their lives. That translates into specific forms of advice, with which we seek to inspire them to make choices that respond to the most important questions they face during and after their career.

A proper balance between the personal and the digital approach is also a major asset. Market research shows time and again the importance of a personal bond between clients and their account manager. Personal advice remains irreplaceable. But at the same time, Bank Van Breda was an early adopter of iPads with its clients. Today the bank is cashless and paperless. VanBredaOnline was a pioneer in 2019 with instant payments. Bank de Kremer offers everyone the opportunity to draw up, independently and free of charge, a fully personalised overview of their assets and make forecasts for the future.

## Sustainability

First and foremost, you will find a strong team at our bank that combines a sense of responsibility and integrity with enthusiasm. Just like our shareholders, we focus on the long term. That means that "socially responsible entrepreneurship" is not just a buzzword, but an attitude that is already deeply rooted in our company culture. This forms the basis for devoting special attention in the future as well to what is known today as ESG: environmental, social and governance factors. Sustainability is, for us, not a separate slogan or fad, but a permanent element of our strategy.

## Confidence in the future

Though the environment remains turbulent, we nevertheless look forward to the future with great confidence. Our role as a safe haven, our added value in capital accumulation and protection, our high employee and client satisfaction, our strong reputation, the growing importance of integrity and healthy growth confirm our confidence. I am very proud of our team, with whom we have achieved this and look forward to the future. These are exciting times for all those who are working together on paving the way.



Dirk Wouters  
Chairman of the Executive Committee  
Bank JVan Breda & C°



### 3. Make the right financial choice



My husband and I lack sufficient time and knowledge to delve deeper into the wide range of investments on offer. The advice and guidance of Bank Van Breda gives us peace of mind.

Patricia Beeuwsaert  
joint business manager of the Express printing company



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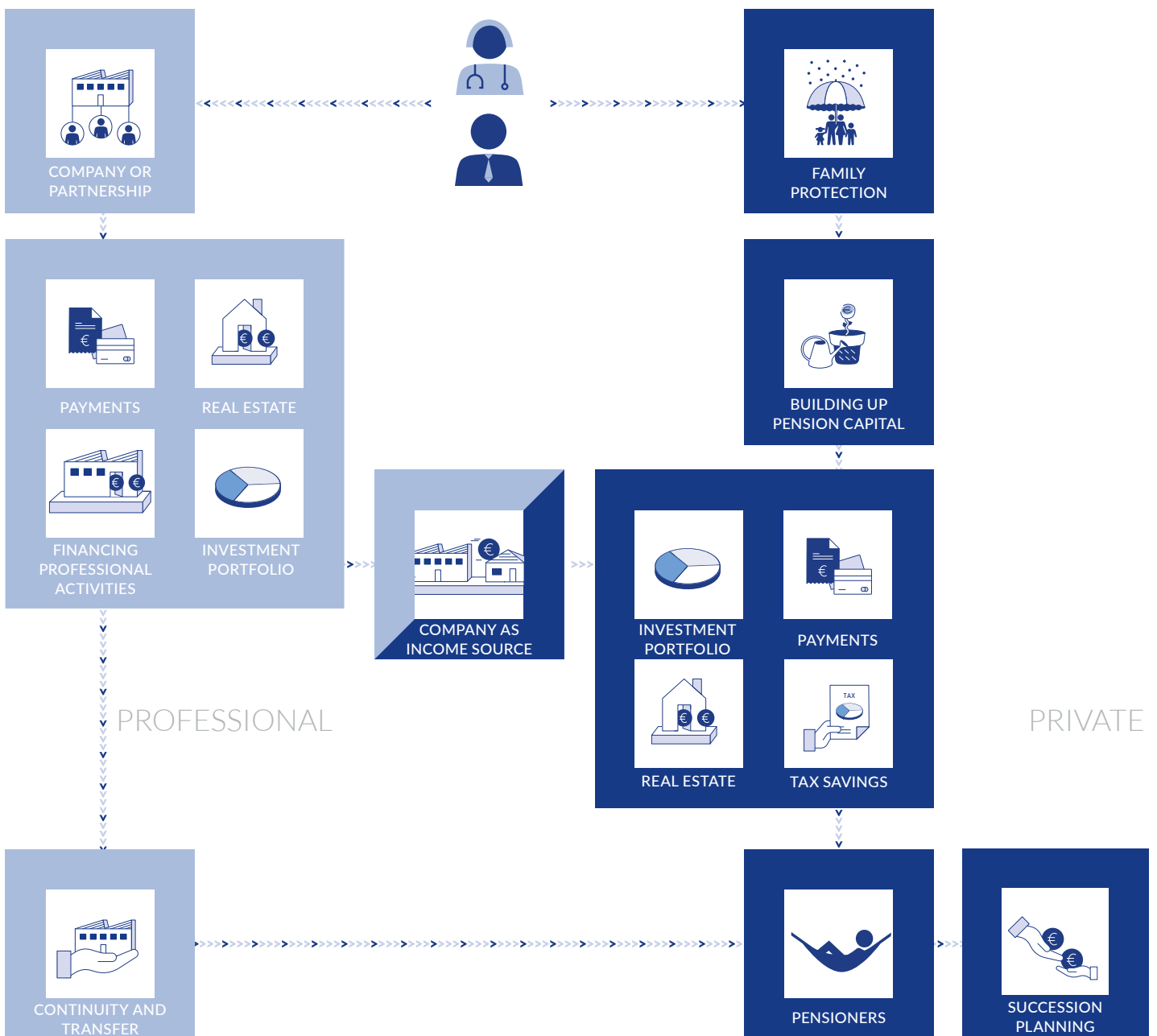


What keeps you awake at night? Our clients, liberal professionals and entrepreneurs, tell us about it every day. Twelve questions keep coming up. Every day, we succeed in helping them with targeted advice in this regard.

### Professional/private in balance

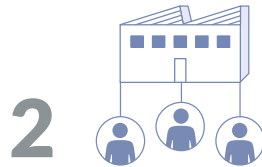
Balance is important. Not only in your private life but also financially. A rich company with a poor business manager or a poor company with a rich business manager? You would probably rather avoid those. We get clients to stop and think about the following:

how can I keep the assets in my company and my personal assets in balance? Good financial balance gives you peace of mind. That's why sound financial choices are important.





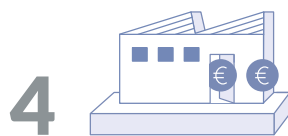
**HOW CAN I PROTECT MY FAMILY IF I GET SICK, HAVE AN ACCIDENT OR AM NO LONGER AROUND?**



**HOW DO I CHOOSE BETWEEN A COMPANY AND A PARTNERSHIP?**



**HOW SHOULD I ORGANISE MY PAYMENTS AND RECEIPTS?**



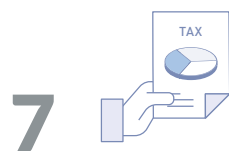
**HOW SHOULD I FINANCE MY PROFESSIONAL ACTIVITY?**



**HOW DO I BUY AND FINANCE MY REAL ESTATE?**



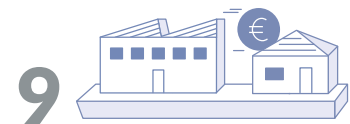
**HOW MUCH DO I NEED TO ENSURE A COMFORTABLE RETIREMENT LATER?**



**HOW DOES THE TAX REGIME HELP ME BUILD UP ASSETS?**



**HOW SHOULD I CONSTITUTE MY INVESTMENT PORTFOLIO?**



**HOW CAN I USE MY COMPANY AS A SOURCE OF INCOME?**



**WHAT SHOULD BECOME OF MY BUSINESS AFTER THE END OF MY PROFESSIONAL CAREER?**



**HOW CAN I RETIRE COMFORTABLY?**



**HOW DO I PLAN MY SUCCESSION?**

## 4. Milestones 2019



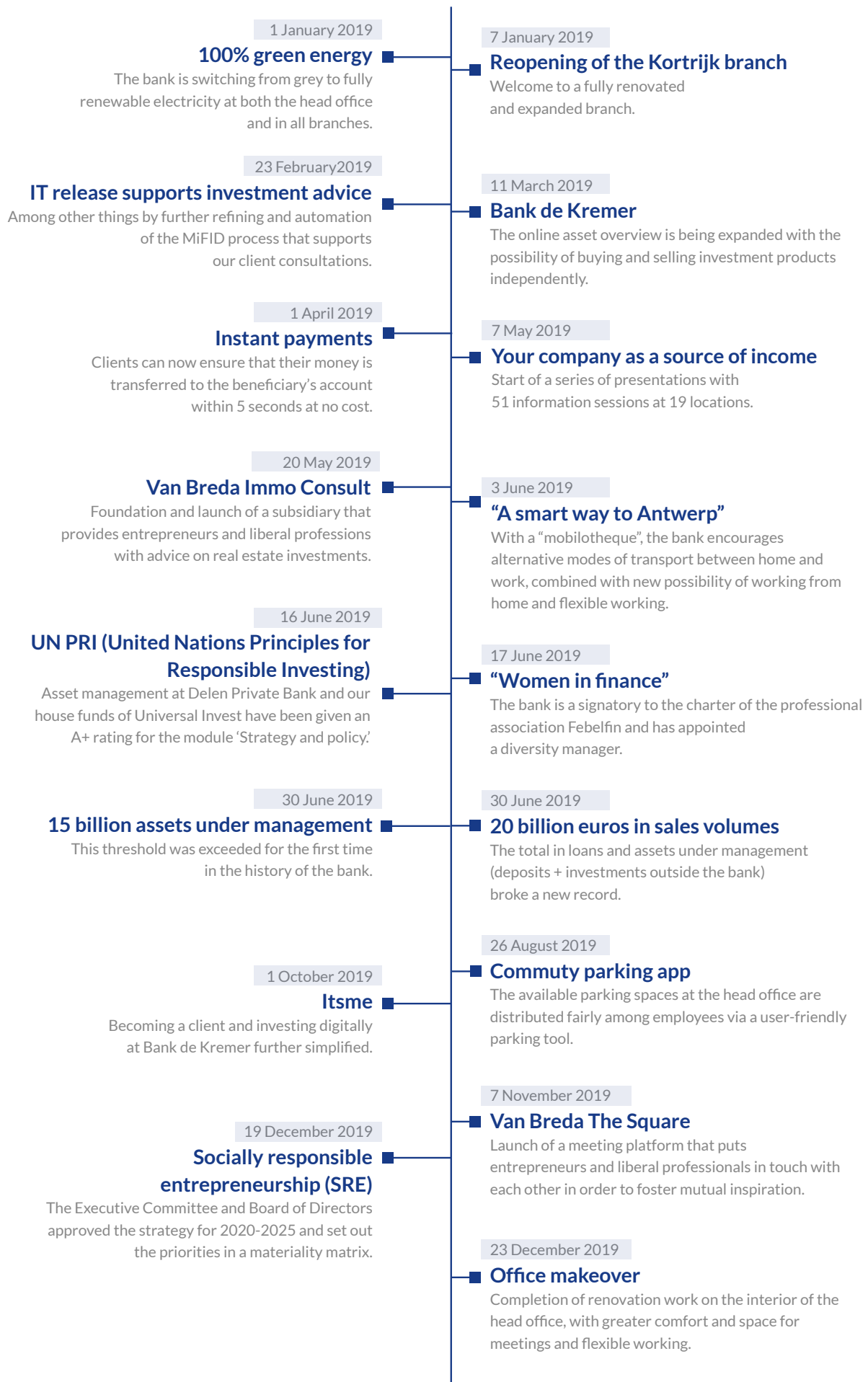
Asset accumulation was for a long time a distant dream.  
Until Bank Van Breda gave me the wake-up call I needed.

Patrick Bruylant  
chocolatier and director Meroso Foods



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## 5. Results 2019



Someone who starts working with us does not need to spend his or her entire career in the same spot. We want to offer our employees other opportunities. Because we are convinced that a happy employee is prepared to give their best.

Kristien and Sofie Geets,  
Managing Directors of Gero Wonen



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## 5.1 Strong sales performance Generate a record net profit of EUR 43.4 million

In 2019, Bank J.Van Breda & C° achieved record results. The consolidated net profit rose by 3% to EUR 43.4 million (EUR 42.2 million in 2018). Taxable income rose by 10%. This 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. Bank de Kremer celebrated its first birthday, but offers its clients more than 172 years of experience at Bank J.Van Breda & C° and Delen Private Bank.

The volume of sales (total invested by clients + loans extended) rose in 2019 by 12% to EUR 21.3 billion. Assets under management (total invested by clients) grew by EUR 1.8 billion to 16.1 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 digitisation. We also keep investing consistently in commercial capacity and in the renewal and upgrade of our branches.

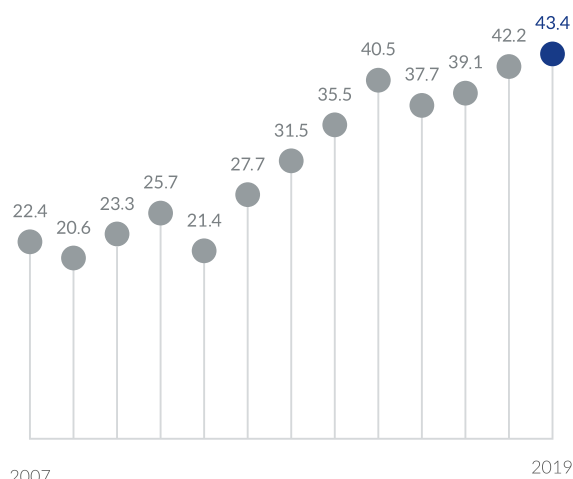
The growth in banking income and of costs keep pace (+4%) The resulting tax base rose by 10%. After a number of tax effects in 2018, the tax burden rose this year over 2018, and the after-tax income rose by only 3%.

The bank's equity rose to EUR 573 million, thus realising a return on equity (ROE) of 7.7%.

### Net profit rose to EUR 43.4 million

The consolidated net profit was EUR 43.4 million (+3% as compared to 2018). As in past years, the profit is based on strong underlying sales results.

**43.4 million EUR**  
Net profit after tax



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

### Sales volumes rose by 12%

Supported by the positive market trend, the total assets under management (on- and off-balance sheet) increased by EU 1.8 million, or 13%, to EUR 16.1 billion. The total loan portfolio rose by 9% to more than EUR 5.2 billion.

### Satisfied clients, satisfied employees

To the question "To what extent would you recommend Bank Van Breda to other entrepreneurs or liberal professions?" 61% of our clients responded with a score of 9 or 10 on a scale of one to ten ("promoters"). 33% gave a score of 7 or 8 ("passives") and 6% a score of 6 or less ("detractors"). This has given us a very nice Net Promoter Score (NPS) of 55 (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 & Co also enjoys high employee satisfaction. From the “Great Place to Work” survey of December 2019, we have seen that 95% of our employees consider the bank a very good organisation to work for. The bank was both certified and nominated for the title, and earned a fine third place (bronze) in the category of organisations with more than 500 employees. As the icing on the cake, the bank earned a special award for its efforts in the area of well-being.

### **Banking revenues rose by 4% thanks to the growth in off-balance sheet investments**

The consolidated banking revenues rose by 4% to EUR 150 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.

The interest income grew by 1% due to a growth in deposits and loans of 11% and 9% respectively. A strong result at a time of low interest rates, high competitive pressure on the interest rate margin and in light of the bank’s strategy of prioritising 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%. Off-balance sheet investments rose for the first time above 10 billion euros. These are spread over asset management (EUR 6,505 million, +16%), investment funds (EUR 1,226 million, +20%), insurance investments (EUR 1,923 million, +2%) and tax-exempt insurance products (EUR 997 million, + 11%).

### **Cost / income ratio 61%**

Costs have risen by 4% to EUR 91.7 million, chiefly as a result of the future-oriented investments in sales capacity. The cost / income ratio stood at 61%, just as in 2018. Bank J. Van Breda & Co is thus still one of the best performing Belgian banks.

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

A prudent credit policy has not, however, put a brake on our loan production, and the consolidated loan portfolio grew by 9%. Write-downs on loans represented 0.02% (excluding Expected Credit Losses) of the average loan portfolio, or EUR 1.0 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 140% and 124% respectively; far above the required minimum of 100%. The CET1 ratio was 13.1%. 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 550 million to EUR 573 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 8.5%, several times the required 3% that will be binding upon publication of the Capital Requirements Regulation 2 (CRR2).



**With a cost / income of 61%,  
Bank J. Van Breda & Co  
is among the highest  
performing Belgian banks.**





## 5.2 Bank J.Van Breda & C°

### For entrepreneurs and the professions only

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.

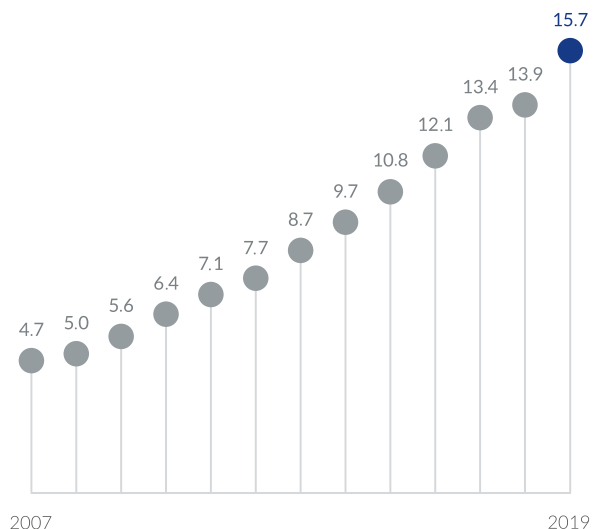
#### Assets under management rose by EUR 1.8 billion

In 2019, the steady growth in sales continued apace. Supported by a positive market trend, the total assets under management for entrepreneurs and liberal professions rose by EUR 1.8 billion to EUR 15.7 billion.

Despite a context of low interest income, client deposits grew by EUR 559 million (+12%) to a total volume of EUR 5.2 billion. This growth can be attributed almost entirely to current accounts and savings accounts.

The off-balance sheet investments grew by EUR 1.2 billion (+13%) to EUR 10.5 billion. Of that amount, EUR 6.5 billion was entrusted to Delen Private Bank for asset management.

**15.7 billion EUR**  
Total invested by entrepreneurs and members of the liberal professions



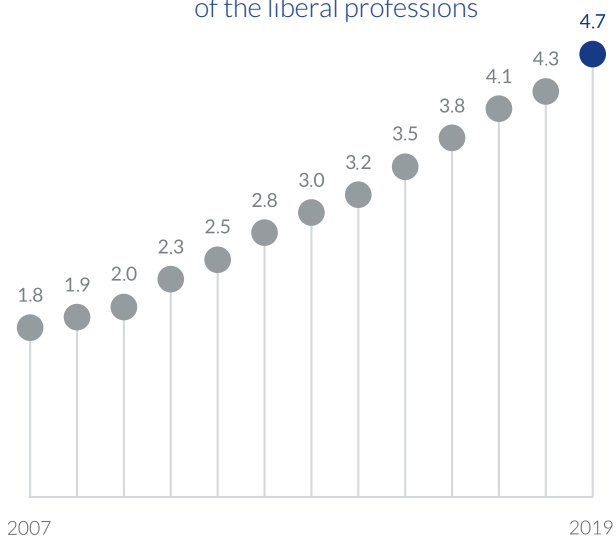
Total invested by entrepreneurs and members of the liberal professions Bank J.Van Breda & C° (in EUR billion)



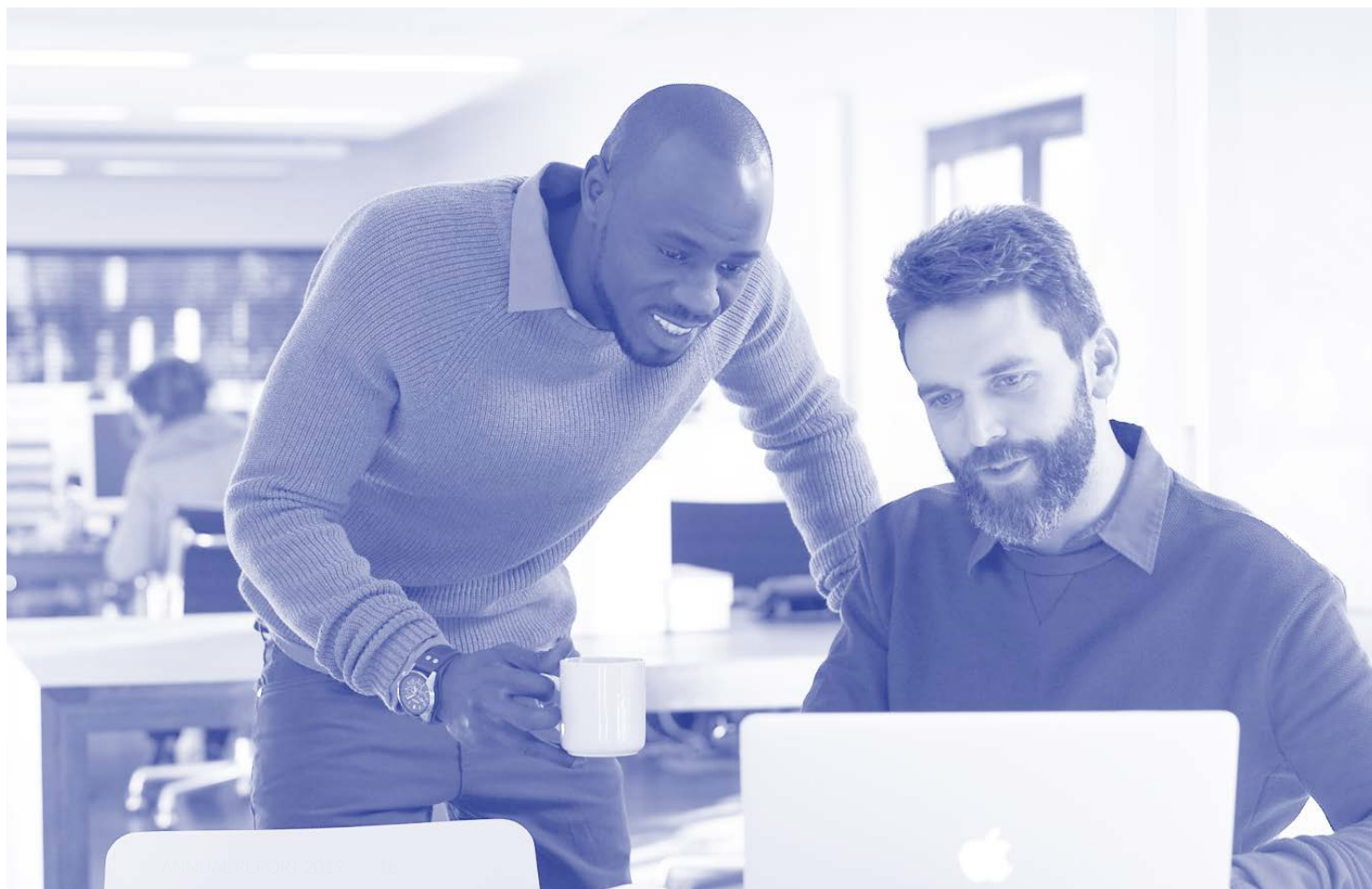
### Loan portfolio grew by 9%

Partly thanks to the better economic context and despite stiff competition, the volume of loans to entrepreneurs and liberal professionals grew by EUR 405 million (+9%) to a volume of EUR 4.7 billion.

**4.7 billion EUR**  
Volume of loans to entrepreneurs and members of the liberal professions



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





## 5.3 Bank de Kremer

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

Via a financial app for smartphones, Bank de Kremer is making 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 people in Flanders 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.

A financial app for smartphones makes asset  
management advice accessible to everyone



## 5.4 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 7%**

Until the summer, the market showed a slight fall in registrations. In the second half of the year, the market rebounded, ending the year at more or less the same level as in 2018. In the current stagnating automotive market, Van Breda Car Finance achieved strong sales performance in 2019. The new production volume rose by 7%. The portfolio grew by 11% to EUR 457 million.



In the current stagnating  
automotive market,  
Van Breda Car Finance achieved  
strong sales performance in 2019



## 5.5 Well equipped for the future

Bank J.Van Breda & C° posted strong financial results in 2019.

- The net profit amounted to EUR 43.4 million. The bank's equity (group share) rose to EUR 573 million.
- The liquidity and solvency ratios remain at a very solid level.

These results were achieved in a challenging economic context, characterised by slow growth in the eurozone. The interest rate environment will remain unfavourable in 2020 as well. Moreover, the European economy may also be impacted by the consequences of (geo)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.

- 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 depend partly on developments in the financial markets, interest rates and the competitive environment.
- The competition in the car financing and leasing market will likely continue, the consolidation trend in automobile distribution is continuing, 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 that is also available to clients of Bank J.Van Breda & C°, 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 outbreak of the coronavirus in early 2020 and the measures adopted in response may affect the financial results and valuation of some assets and liabilities. Although, Bank J Van Breda & C° has a solid track record of low risk costs – even in an economically turbulent environment – we cannot exclude the possibility that the results for 2020 may be affected. Based on the facts known at this time, we are not aware of any financial impact on the 2019 annual financial statements.

## 6. Corporate governance



We work hard, but at the same time we offer our employees the necessary time for relaxation. You can't keep things constantly at a frenetic pace. It is important for managers to be vigilant about this.

Yoeri Torfs  
manager director at the AML forwarder



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## 6.1 Executive Committee

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

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 01/01/2020:  
from left to right Véronique Léonard, Dirk Wouters (chairman),  
Marc Wijnants and Vic Pourbaix



## 6.2 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 01/01/2020:

from left to right

1<sup>st</sup> row: Jacques Delen, Véronique Léonard, Vic Pourbaix, Caroline Ven, René Havaux, Luc Bertrand

2<sup>nd</sup> row: Dirk Wouters, Jan Suykens (chairman), Marc Wijnants, Stefan Dierckx, Piet Dejonghe, Frank Verhaegen





## 6.3 Remuneration and Appointments Committee

The Remuneration and Appointments Committee advises the Board of Directors on the appointments and remuneration of directors and on the remuneration policy.

Composition as at 01/01/2020:

Stefan Dierckx, Jan Suykens and Frank Verhaegen

## 6.4 Risk Committee

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

Composition as at 01/01/2020:

Piet Dejonghe, Stefan Dierckx, Jan Suykens, Caroline Ven and Frank Verhaegen

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<sup>o</sup> (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.



## 6.5 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 01/01/2020:

Jan Suykens, Caroline Ven and Frank Verhaegen

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.

*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.

*Frank Verhaegen* obtained a Master's degree in law and in economics from the KU Leuven and took the High Performance Boards programme at IMD (Switzerland). He has held various positions as audit partner, was chairman of Deloitte Belgium and chairman of the Institute of Registered Auditors (IBR-IRE) recognised for financial institutions. Today he holds various directorships.



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



## 6.6 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 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)

## 7. Structure of the bank



Letting go of one's life work is not easy. The fact that I can hand over my business to my son makes letting go a bit more bearable.

My mom will continue to help me if I'm at a loss. What a treasure to have her by my side.

Marie-Françoise Barbay and Arnaud Lambert  
Pharmacists



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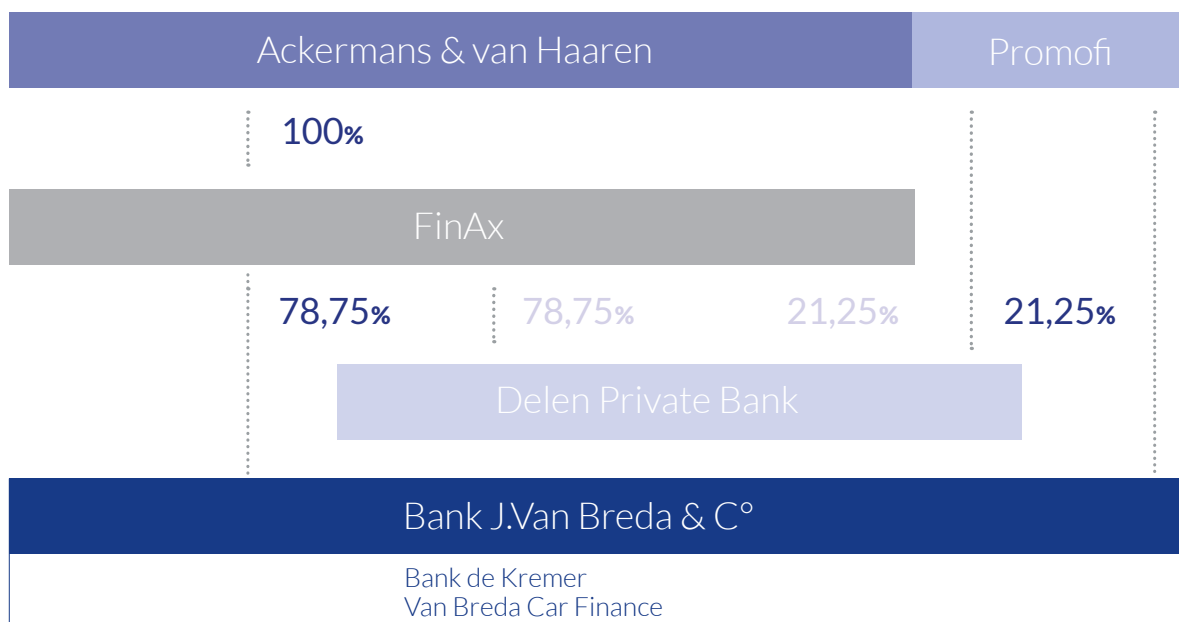
## 7.1 Belgian base

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

Bank J.Van Breda & C° is governed by two shareholder groups: the Delen family and the holding company Ackermans & van Haaren. Both parties are originally family firms and opted deliberately for a sustainable, active and stable shareholdership. Via their representation on the Board of Directors and the advisory committees, they ensure that the bank pursues a sustainable policy that focuses on the longer term.

Today, Ackermans & van Haaren is a reference shareholder in Finax, holding 78.75% of its shares. Via Promofi, the Delen family holds a 21.25% share of its capital.

Bank J.Van Breda & C° and Delen Private Bank are sister companies. Thanks to intensive collaboration, Bank J.Van Breda & C° also offers its clientele the professional services of that well-regarded house.





## 7.2 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)



ACKERMANS & VAN HAAREN



## 7.3 Delen Group

The Delen Group focuses on discretionary asset management and estate planning. Its story began in 1936 when André Delen set up a brokerage firm in Antwerp. Thanks to a balanced and carefully planned growth strategy, Delen grew into a respected niche player in private banking with activities in Belgium, Luxembourg, Switzerland, the Netherlands (Oyens & Van Eeghen) and the United Kingdom (JM Finn).

The group is based on two stable shareholders: the Delen family and - since 1992 - the Ackermans & van Haaren Group. In 1998, Bank J.Van Breda & C° entered the holding company - the start of a successful collaboration.

The Delen Group offers a personal service designed to protect and ensure the balanced growth of its clients' assets. It does so following the principles of responsible asset management: with a focus on the long term, clear solutions and respect for the environment, social responsibility and good governance (ESG). Delen Family Services, the new service that allows clients to track stock, analyse and plan his/her total assets, fits well with this philosophy.

The bank has 11 branches in Belgium: in Antwerp, Brussels, Ghent, Leuven, Liège, Hasselt, Kempen, Knokke, Roeselare, Namur and Waterloo. In the course of 2020, it will open a new branch in Waregem and in Antwerp North. At the end of 2019, the Delen Group had EUR 43.6 billion in assets under management on a consolidated basis.

Info: <https://www.delen.be/nl>

# DELEN

## PRIVATE BANK

	2015	2016	2017	2018	2019
Staff	641	657	676	709	718
<b>Results</b>					
Net profit after taxes	92,417	87,877	105,836	112,390	118,609
Profit growth	14%	-5%	20%	6%	6%
<b>Balance sheet data</b>					
Total invested by customers	36,884,917	37,769,779	40,544,926	37,712,549	43,564,970
Equity (group share)	582,554	621,204	678,792	742,927	809,625
<b>Ratios</b>					
Cost-income ratio	54.9%	57.8%	53.7%	55.3%	55.3%
Return on equity	16.8%	14.6%	16.3%	15.8%	15.3%

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

## 8. Corporate social responsibility



Keeping your agenda under control is a major challenge for a doctor. Patients like to determine our hours and working days. Daring to say 'no' is a big step. I experience that personally all year long.

Hendrik Cammu  
university professor and gynaecologist



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## 8.1 Our approach

Bank J.Van Breda & C° has opted to integrate its economic, social and environmental commitment systematically and explicitly into its company policy.

### Inclusive approach

From our origins as a family firm, CSR is something that has historically been given a strong foundation. Just like our client entrepreneurs, we have always opted, on the basis of common sense, for a long-term perspective. This is true not only for Bank J.Van Breda & C°, but also for our shareholders Ackermans & van Haaren and the group centred on the Jacques Delen family. Both are family firms with a strong local basis.

Corporate social responsibility is thus not a separate domain within the bank, but is woven into the overall strategy. That became particularly clear during the banking crisis, when Bank J.Van Breda & C° was not endangered at any time and was respected as a safe haven. That is also evident from our irreproachable reputation, our high client and employee satisfaction, and the importance we attach to integrity and ethics.

### Extra dimension

It would be wrong, however, for us to rest on our laurels. For that reason, with the active support of our shareholders, in 2019 we launched a critical examination of our activities specifically from the perspective of ESG. The abbreviation stands for criteria on the basis of which we put ourselves and our activities to the test. These are environmental, social & governance factors. The bank wishes to think more broadly than just about the interests of its shareholders. Client and employee satisfaction have always been among the top priorities. The concept of the “triple bottom line” means taking into account a broader approach to all stakeholders: people, profit & planet.

This exercise confirmed our strong starting position but also took stock of a number of domains where improvements could be made. This led us to decide henceforth not only to proceed intuitively but also to devote more proactive attention to CSR.



**Corporate social responsibility is not a separate domain within the bank, but is woven into the overall strategy.**



## Global framework

The starting point for our reflection is the United Nations' "Sustainable Development Goals" (SDGs): the goals that 192 countries, including Belgium, signed on to and wish to achieve by 2030. The aim is that companies, governments, NGOs as well as citizens work together to achieve these goals by 2030. Bank J.Van Breda & C° commits itself to make an active contribution in this regard.

The 17 goals and 169 specific aims include health and welfare, combating poverty, education and development. They combine efforts on behalf of economic growth with working for greater equality, peace and partnerships. Protecting our planet is a top priority, via the transition to clean energy, protection of water and the landscape, liveable cities, etc.

The power of the SDGs is in its total approach. As a bank, we do not have the same level of influence on each of these elements. We are a niche bank that is active only in Belgium. Based on our activities and specialisation, we think we can help support chiefly the following 3 goals: "Good health and well-being" (SDG 3), "decent work and economic growth" (SDG 8) and "peace, security and strong public services" (SDG 16).

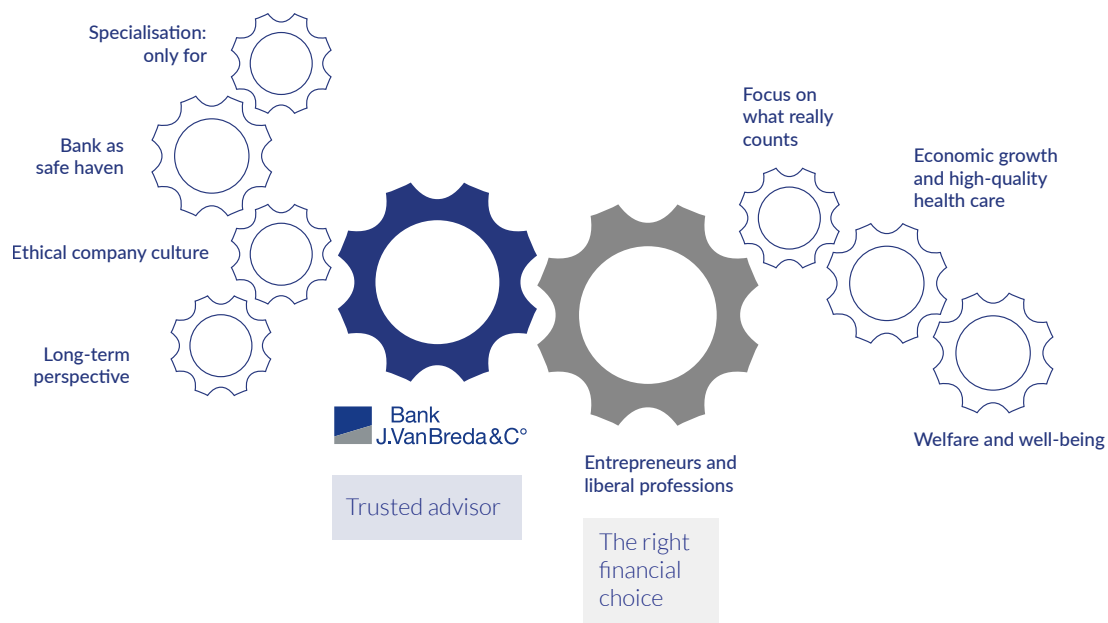


Our mission as a specialised bank is in line with these goals. As entrepreneurs and liberal professionals make the right financial choices, they can focus with peace of mind on their true aims. That is socially relevant, since entrepreneurs are the engine of our economy. They provide work and economic growth. Doctors contribute to the good health care for which Belgium is renowned, and its effects are spread far beyond the country's borders. Lawyers and notaries contribute to legal certainty, while accountants and auditors to financial transparency. Together, they make an important contribution to our welfare and well-being.





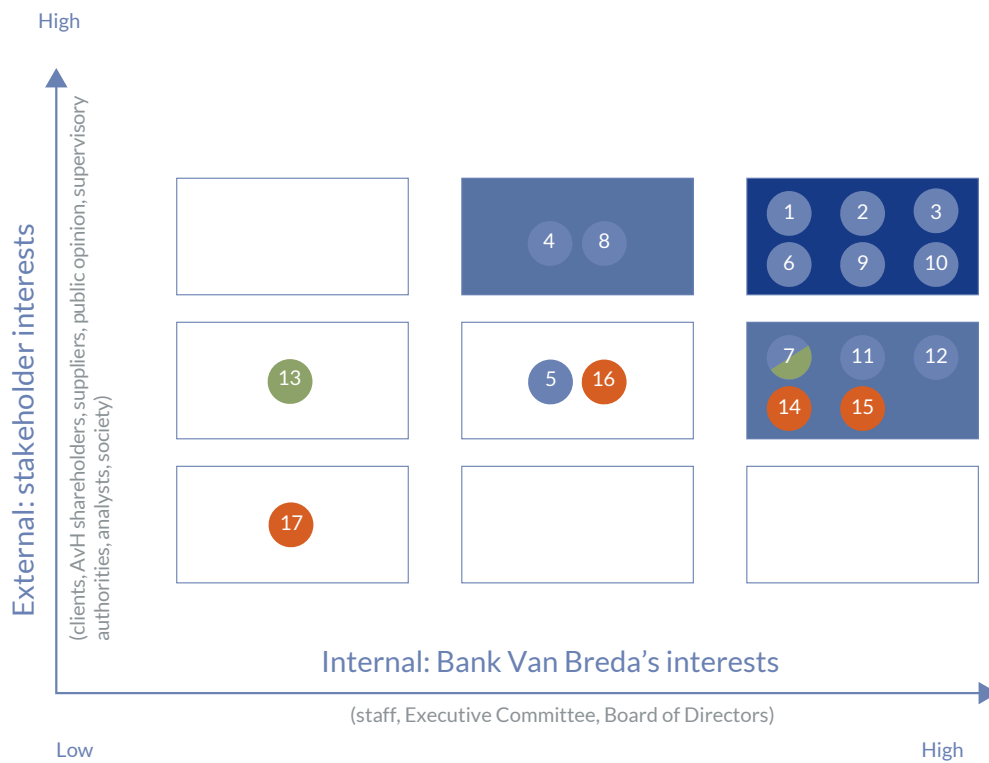
Illustrated schematically, we see this for Bank J.Van Breda & C° as follows:



Together, entrepreneurs and liberal professions make an important contribution to our welfare and well-being.



## MATERIALITY MATRIX



### Governance

- 1 **Safe haven** for clients (high net worth, solid liquidity position, prudent balance, careful risk management, long-term profitability)
- 2 **Capital accumulation** and protection for clients over the generations, with a balance between risk and return, maintaining one's standard of living both during and after one's active career, in good times and bad
- 3 **Integrity and ethics**, own values firmly rooted in the company culture
- 4 **True contribution** to welfare and well-being by investing all deposits in the local economy
- 5 **Ethical taxpayer**, based in Belgium
- 6 **High client satisfaction** thanks to client-orientedness, familiarity with their world, specialised advice, personal and proactive, quick response times, learning from complaints
- 7 **Responsible investing** and lending with a view to bankruptcy prevention, ESG criteria and respect for human rights
- 8 **Secure payments**
- 9 **Compliance** with the letter and the spirit of laws and regulations, prevention of bribery, money laundering, fraud and corruption
- 10 **Protection of privacy and data**
- 11 **Simplicity and transparency** in organisation, products, price setting and communication
- 12 **Innovative mindset** with the right mix of personal and digital

### Environment

- 13 **Limiting our environmental footprint**

### Social

- 14 **Attractive employer for new talent and lifelong learning**
- 15 **High personal satisfaction** (great place to work, fair remuneration policy, equal opportunity, attention to gender equality, good work/life balance, flexibility, accessibility, etc.)
- 16 **Openness to diversity**, among both clients and staff
- 17 **Patronage, social engagement and good neighbourliness**



## Materiality matrix shows the most important levers

Sustainability is a catch-all term. The SDGs show us a broad range of domains to which contributions can be made. In the case of a bank, not all levers are equally strong. For this reason, we discussed the priorities and laid down a strategic framework based on a materiality matrix.

All the elements in the matrix are important, and we as Bank J.Van Breda & C° can make a contribution chiefly to what is in the top right-hand corner. We see these domains as priorities, or 'material', for our bank. By exercising vigilance and further strengthening them, we as a bank make a significant contribution and support a sustainable future. We thus focus our leverage on those domains where we are able to make the greatest impact.

We set our priorities via both internal and external surveys. They were approved by the Executive Committee and the Board of Directors. The domains that are most important both internally and externally have been the object of particular attention for many years, and we manage them on the basis of the prudent person principle.

In a rapidly changing world, permanent monitoring remains important. Accents shift, new areas of attention and priorities arise. The importance of the environment, a view to diversity and broadly defined social engagement are on the rise. Where we fall short today or could do better (gap analysis), we are designing an action plan with clear objectives. We measure our development based on key performance indicators (KPIs).

We see our path to sustainability as an ongoing process. From now on, we report on our results and our progress systematically in each annual report. It is our firm ambition to further expand this reporting and make it even more concrete. Wherever possible, we refer to GRI reporting codes (Global Reporting Initiative), without necessarily aiming for completeness.

Would you like to exchange views with us? Do you have suggestions or new insights? Share them with our policy advisor for socially responsible entrepreneurship (SRE) via [Luk.Lammens@bankvanbreda.be](mailto:Luk.Lammens@bankvanbreda.be).



We focus our leverage on those domains where we are able to make the greatest impact.



## Overview: materiality matrix and SDGs

“Good health and well-being” (SDG 3); “Decent work and economic growth” (SDG 8) and “Peace, security and strong public services” (SDG 16) form the core of the contribution we as a bank can make. From the materiality matrix, we can also add initiatives that can have a wider impact and affect other domains as well. You can find an overview below.

### Governance

Safe haven	
Integrity and ethics	
Contribution to welfare and well-being	
Ethical taxpayer	
Responsible investments and lending	
Safe payment system	
Compliance with legislation and regulations	
Protection of privacy and data	
Innovative approach	
<b>Environment</b>	
Limiting the bank’s own environmental footprint	



## Social

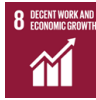
New talent and lifelong learning



Openness to diversity



Patronage, social engagement and good neighbourliness



In what follows, we go deeper into a number of important elements of the materiality matrix and clarify our approach and engagement.

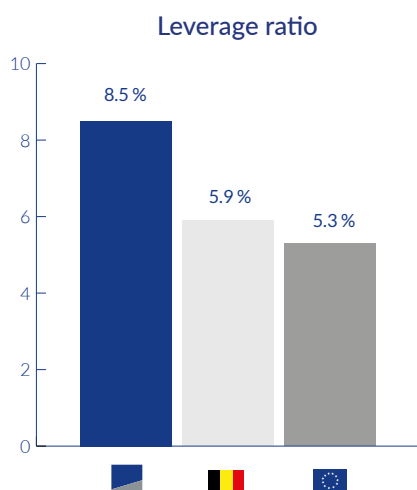
The SDGs show us a broad range of domains to which contributions can be made.



## 8.2 A bank that is a safe haven

A bank differs from other businesses by calling upon the savings of the community in which it is active. Socially responsible entrepreneurship thus means, first and foremost, that one takes a safe approach, without excessive risks. The bank may not endanger its clients' deposits at any time.

In essence, a bank converts client deposits into loans. Its "raw material" is savings that it attracts for short terms. In turn, it makes loans via various forms of credit, mainly over the long term. By attracting deposits from our target group in order to finance the needs of that same group, we stimulate the economy.



### 8.5%

#### Leverage ratio

This figure indicates how much equity Bank J.Van Breda & C° holds as a buffer as compared to its balance sheet total, in order to deal with any setbacks. The higher this figure, the stronger the buffer. By way of comparison: in 2018, the leverage ratio in the Belgian banking sector was 5.9%, while that of the European banking sector was 5.3%.

### 0.02%

#### Impairments on loans

(excl. expected credit losses)

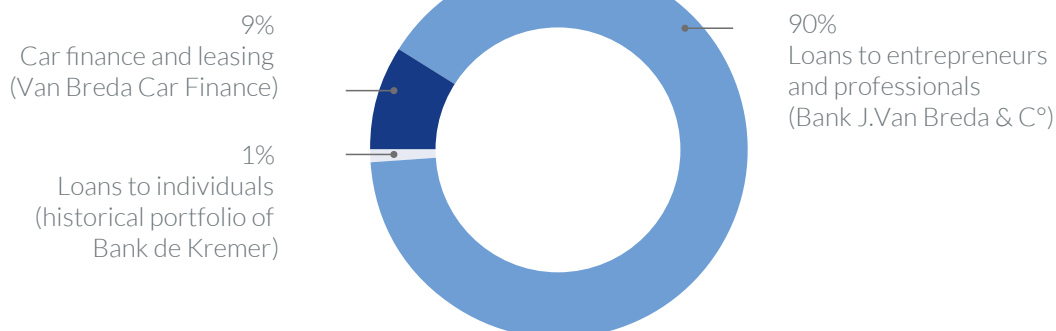
This figure indicates the factor by which the risk costs must rise before a bank would incur a loss. The lower the figure, the lower the risk profile and the more risk costs the profit can absorb.

### 97%

#### Loan to deposit ratio

Bank J.Van Breda & C° does not depend on the financial markets to finance its loan portfolio. Loans are made exclusively from deposits and equity.

### Positive impact on the economy







## High equity

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

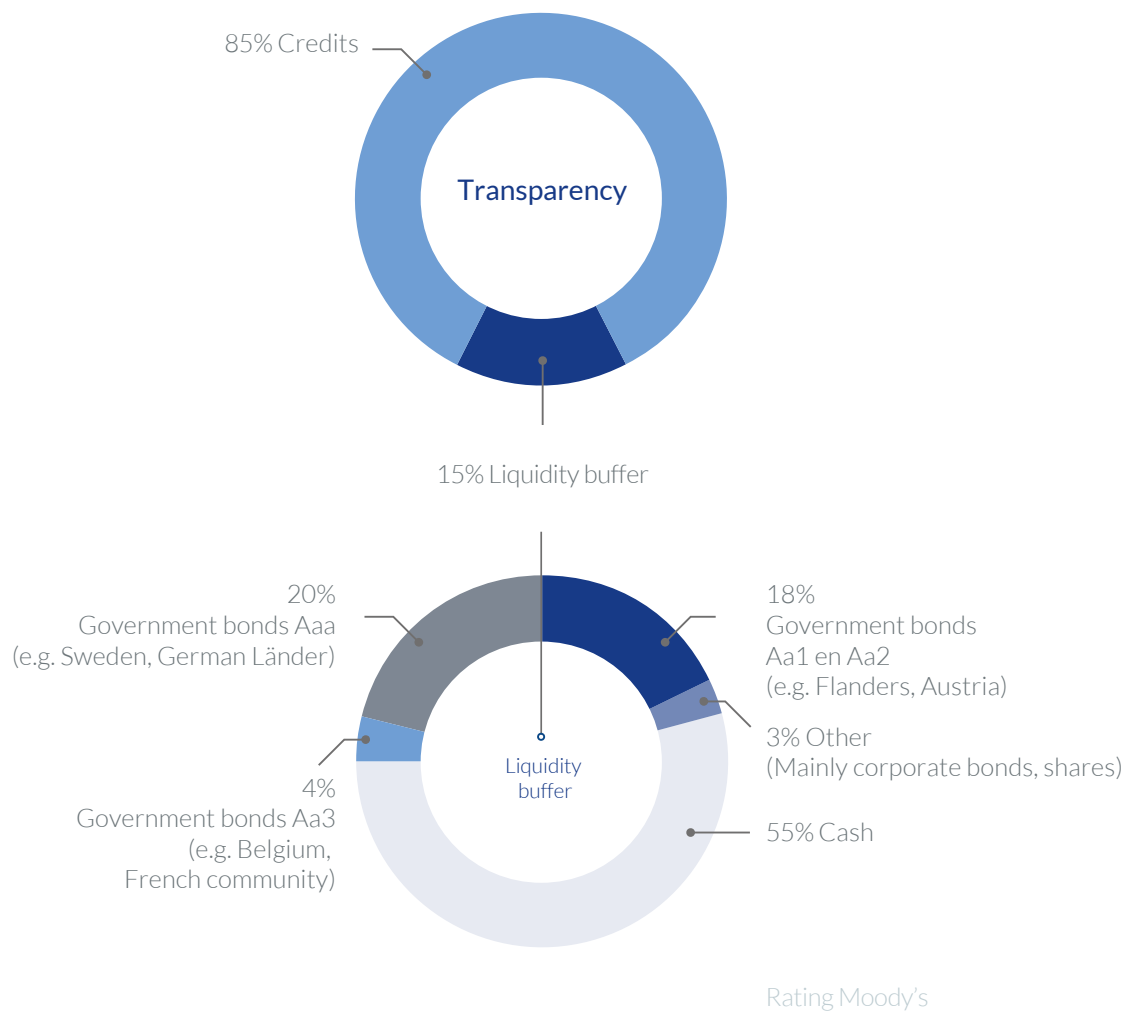
During the banking crisis and in times of turbulent financial markets, Bank J.Van Breda & C° continued to offer a safe haven. Thanks to our prudent policy, our equity was not affected at any time by the crisis. The bank has never received state support. Bank J.Van Breda & C° has a high level of equity. Solvency, expressed as equity to assets (leverage ratio), comes to 8.5%. This is a multiple of the 3% that the supervisors require and one of the highest in the Belgian banking sector.

## Safe liquidity buffer

The savings deposits received are divided into a credit portfolio (85%) and in a safe liquidity buffer (15%).

The bank invests for its own account exclusively in cash at the European Central Bank (ECB) and in an investment portfolio consisting mainly of government bonds.

As at 31/12/2019, only 3% of the liquidity buffer consisted of other securities. These are company bonds that we pre-screen based on the Ethix blacklist.





### **Client-driven activities**

The bank's results are overwhelmingly client-driven. We work with the entrepreneurs' and liberal professions' resources. Our activities are limited to the Belgian market.

We only sporadically call upon interbank deposits. The bank has no market room of its own. It has a very conservative policy for its portfolio and uses only financial instruments only to cover its risks, never to speculate.

### **Spread over tens of thousands of entrepreneurs and liberal professions**

SMEs constitute the economic fabric of our country. Liberal professions perform a crucial role in the areas of health and service provision. By caring for their diversity and independence, we spread risks widely. We work with internal concentration limits for each sector that are far below the regulatory standards. The chance that a default on a large loan may create a gap in the bank's buffers is thereby excluded.

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

Bank J.Van Breda & C° has never sustained a loss in the past 25 years. This stands as proof that we combine sustainability and profitability across all economic cycles. We are a growth company with a continuous trajectory over the long term, without extremes.

Return on equity has undergone few peaks or valleys. Profitability was never artificially high, and neither did it see any drastic falls.

### **Compliance with legislation and regulations. Combating bribery and corruption.**

As a bank, we are expected to work in line with strict standards and a strong commitment to comply with both the spirit and the letter of the law. We do so via a conscientious client acceptance policy and monitoring of compliance with Belgian and European legislation and regulations. In this way, we contribute to combating tax fraud and money laundering. Worldwide, this helps limit illegal flows of money and to eliminate bribery and corruption.

We implement new legislation consistently in all existing procedures. The compliance officer holds an independent function within the bank that oversees and promotes compliance with the rules relating to banking integrity. The bank's integrity policy concerns principally the following areas: anti-money laundering measures, tax avoidance prevention policy, transactions in financial instruments, insider trading, market manipulation, codes of ethics and so on.

Bank J.Van Breda & C° enjoys an irreproachable reputation and wishes to continue to do so.



## Protection of privacy and data

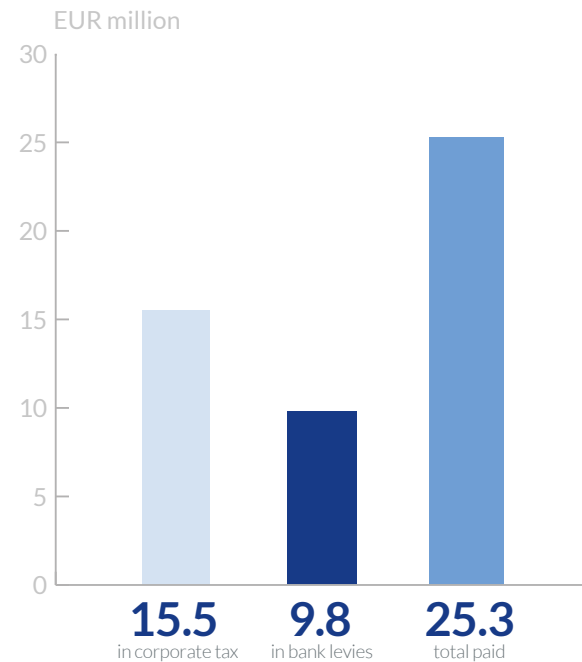
Privacy is coming under increasing pressure in our society. Cybercrime is a growing threat around the world. Our clients attach growing importance to protection of their personal data and respect for their privacy. In this context, we process and protect all data in line with the relevant legislation and regulations in an ethical and transparent manner. A few examples of the efforts we have made to prevent any leaks of the data of our clients, prospects, candidates or employees at all times:

- Our employees have access to personal data only where that is necessary in order to offer optimal service, within the confines of their tasks.
- In the case of parties outside the bank on whose services we call, we likewise see to it that they have access exclusively to limited personal data as required in order to perform their specific tasks. They, too, undertake to use your data in a safe and confidential manner.
- Under no circumstances do we sell personal data to external parties.
- We take appropriate technical and organisational measures to ensure that your data are protected against inappropriate access, loss or theft.
- The compliance officer helps ensure that legislation in this area is strictly followed and complied with. The information security manager sees to it that the bank's IT systems are protected in a professional manner. The services of external parties (including via 'ethical hacking') are regularly used to this end.
- Regular awareness campaigns are conducted among employees as well as clients, to ensure people remain vigilant for attempts at phishing, invoice or package fraud, hostage software, CEO or identity fraud, etc.
- We store personal data no longer than necessary for the reason for which they were gathered.
- Customers may view their personal data and have them corrected or deleted. They can oppose a given use of their personal data at any time.

## Ethical taxpayer in Belgium

Bank J.Van Breda & C<sup>o</sup> is active in Belgium only. The bank does not have any tax optimisation programmes abroad, and is well established as a local company and a good taxpayer. In 2019, we paid EUR 9.8 million in bank levies and 15.5 million in taxes, compared to a net profit of EUR 43.4 million.

### Taxes paid





## Simplicity and transparency in organisation, products, price setting and communication

The banking crisis has shown that focusing purely on expansion of scale can lead to irresponsible risk concentrations, lack of transparency and interdependence (“too big to fail”).

At Bank J.Van Breda & C<sup>o</sup>, we have opted to remain big in small niches. Our focus on entrepreneurs and liberal professions means that we compete on the basis of our added value: knowledge of our clients’ world, listening and making connections, personal contact and targeted advice.

Our clients experience this approach of a specialised niche player via

- A single contact person for both private and professional finances.
- Short communication lines between branches and the head office, quick response times
- Limited decision stress: our range of products and services provides everything but only what our clients need. We avoid needless complexity.
- Limited hierarchy: we have a flat organisational structure, with maximum 3 levels between an employee and the Executive Committee.
- Ordinary language: a solution or proposal is only good if both you and we understand it 100%.
- Entrepreneurship: we ask colleagues to treat others as they would like others to treat them.

## 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<sup>o</sup> 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<sup>o</sup> has provided ample proof of its capacity to manage risks.

The Risk Committee supervises the risks and risk positions of the bank and its divisions 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 the chapter “Risk management” of the consolidated financial statements. You can find these on

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



**We ask colleagues to treat others as they would like others to treat them.**



## 8.3 Clients are central

### Helping to make the right financial choices

We try to gain a better understanding of the financial challenges facing entrepreneurs and liberal professionals, and notice that a number of core questions keep coming back.

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

Over the years, the bank has refined and sharpened its answers and advice regarding these questions. Thus, we help our clients at important times in their career to make the right financial choices.

### Capital accumulation and protection

We wish to help entrepreneurs and liberal professions to build up capital as self-employed persons that is intended to enable them to lead comfortable lives once they retire from work. Assets that have been built up with great effort (often across several generations) deserve to be protected at all times in line with our clients' objectives and risk profile. With a prudent approach, we strive for consistent results without excessive fluctuations. We focus on market-level returns and costs.

**97%**

of the assets invested on the financial markets (off-balance sheet excluding Class 21 and tax-exempt investments) are the subject of wealth management via asset management, Universal Invest funds or AG Fund+

**98%**

of all investment transactions are preceded by investment advice (versus 2% execution only)

**64%**

of all client relations has a tax-exempt or non-tax-exempt investment plan over and above the traditional pension savings

A few examples that offer clients peace of mind and freedom from worry

- We wish to offer maximum security that investments on the financial markets enjoy a professional spread and guaranteed wealth management.
- Capital accumulation is done best via systematic and planned investment. Investment plans foster a reflex that has already been helpful to many clients.
- We do not advise any investment product without the client first having been offered a complete advisory process that starts out from his or her personal financial situation. The advice process involves checking whether an investment is suitable to a person's portfolio based on financial capacity, knowledge and experience, objective (available capital, pension or regular income) and risk appetite. We discuss the features of the product with each client with a view to the right mix of cash, protection and return.
- We follow up to see whether the portfolio composition of our clients fits their risk profile. We invite them for an advisory discussion when their portfolio begins to diverge significantly from their investment profile.



## First listen, then advise

Our goal is to ensure that clients make the right choices throughout their lives. This means that all advice must be sustainable: we want to be able to look each client in the eyes at all times. That is why we first listen to their needs, and take into account each person's life situation, and seek to gain insight into the entire context in which a person is active.

Hard selling does not fit into this vision. Our sales staff do not have any product targets. Collaboration with clients over the long term is the priority. We believe in close relationships with a trusted contact person. As a relationship banker, we deliberately strive for continuity and value a low staff turnover.

**+55**

Net Promoter Score for clients who have been with us longer than 2 years

**+55**

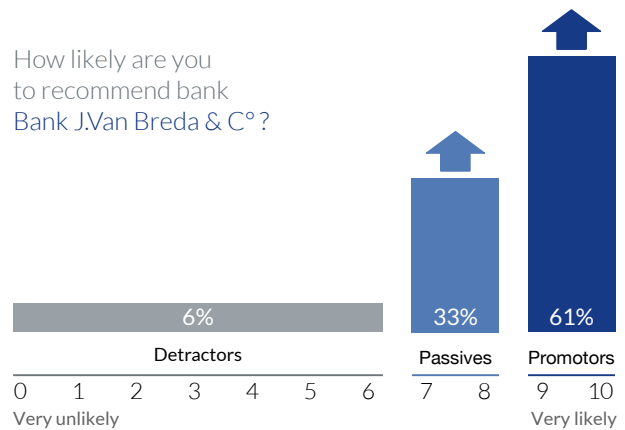
Net Promoter Score for new clients after 6 months

**365**

complaints and incidents registered and followed up at Bank J.Van Breda & C° in 2019, 2 complaints to Ombudsfijn

## High client satisfaction

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?", 61% give a score of 9 or 10 on a scale of one to ten ("promoters"), 33% respond with 7 or 8 ("passives") and 6% give a score of 6 or lower ("detractors"). The strict method of calculation of the Net Promoter Score results in a very fine score of 55 (promoters minus detractors). This is one of the best figures in the Belgian banking sector.



## Learning from complaints

We consider complaints to be opportunities. That is why we undertake to respond quickly to every complaint. In the first instance, this is the role of the account manager, who takes responsibility immediately. Our client satisfaction advisor guarantees a second opinion if someone is not satisfied with the solution proposed. She mediates and can take independent decisions. She reports any structural problems and suggestions directly to the Executive Committee. That makes for a continuous process of improvement.



## 8.4 Ethically responsible choices

### Integrity and ethics, our values rooted in the company culture

Responses from the survey of all employees in the biennial “Great place to Work” survey

**95% / 92%**

The Executive Committee / my direct line manager carries out his / her policy in an honest and ethically responsible manner.”

**86% / 89%**

“The Executive Committee / my line manager keeps his / her promises.”

Values make the difference. We believe that the ethical and moral values of our staff are decisive when it comes to the way in which the bank engages in contact with its clients and suppliers. That is why the attitude of all our employees are of key importance in recruitment, coaching and the governance of our bank.

From a culture and values survey we know that our staff emphasise 3 key values:

#### 1. Honesty

We work exclusively with honest people who wish to live and act with integrity in their private and their professional lives.

#### 2. Sense of responsibility

If our staff advise something, they take into account its effect over the long term. They make concrete agreements and fulfil their commitments. That is their basic attitude.

#### 3. Enthusiasm

Everyone can sense the difference at the first contact: this is a team with a positive attitude.

This approach underlies the success of Bank J.Van Breda & C° and we therefore value it highly. After all, we would like as many people as possible, both internally and externally, to recognize and appreciate our bank as a company with high ethical standards.

### Anti-discrimination

Bank J.Van Breda & C° does not tolerate any form of discrimination. We reject any difference in treatment based on sex, race, skin colour, origin, national or ethnic background, sexual orientation, civil status, birth, religion or belief, handicap or physical characteristic.

### Targeted client acceptance policy

The bank conducts a clear client acceptance policy and works actively to prevent and detect money laundering and terrorist financing. To this end, the bank closely examines all new clients.

Specifically, it uses

- The target group strategy at all times: “only for entrepreneurs and liberal professions”.
- Identification at a distance is prohibited: we get to know every new client personally.
- A strong code of ethics, that precludes any reputational risk and allows us to work only with respectable clients and partners.

It goes without saying that we refuse anyone who appears on the applicable sanction and embargo lists such as OFAC, UK HM Treasury, etc.

The bank does not have any foreign subsidiaries and refuses to have anything to do with tax havens.



## Sustainable lending and bankruptcy prevention

We do not give credit for credit's sake. Sound lending enables people to expand their business or practice or to invest in real estate. We avoid excessive lending, but are on the conservative side. That is why we assess each loan application critically and advise only those types of loans that are safe and manageable for the client. The client's repayment capacity, his or her professional integrity and the possibility of building up his or her own assets are the main criteria here. We maintain high standards regarding proper legal and tax dealings.

Every bankruptcy is a human and social drama that we wish absolutely to prevent. That is why we never give credit solely on the basis of guarantees. We prefer to risk disappointing a client by turning down a credit application than to grant a loan that we consider excessive or irresponsible.

Our credit portfolio focuses on a very specific niche of target group clients with an economic activity in Belgium: liberal professions, family SMEs and self-employed entrepreneurs, both for their private and their professional needs

Thanks to this focus and the Belgian legislation and regulations in the matter, we do not make loans for the following situations:

- breach of human rights and labour laws,
- production of fossil fuels such as coal, oil and gas or of unconventional oil and gas extraction such as tar sands or shale gas,
- breach of public health and environment such as contamination of ground water, industrial activities in protected natural areas.

We do not provide credit to companies active in arms manufacture, the tobacco industry or nuclear energy. SMEs that are active in the diamond sector in Belgium and the financing of gambling machines are also explicitly excluded.

## 70%

### Engagement scope

This percentage shows the ratio between the number of companies with which an engagement procedure is in progress via Hermes EOS and the total number of companies in the portfolio of Delen Private Bank.

## 22

### ESG-risicoscore

Sustainalytics analyses and rates companies which take account of ESG risks in investment decisions. The scale runs from 100 to 0. The lower the score, the fewer ESG risks incurred by the company. This figure reflects the weighted average ESG risk score of the portfolios at Delen Private Bank.

## 149

### Carbon emission intensity

#### (tonnes of CO<sub>2</sub> per euro in turnover)

This benchmark divides the carbon emissions by a company's turnover. If you take the weighted average of all companies in the portfolio, you get the carbon emission intensity at portfolio level. At Delen Private Bank, this amount is 149. By way of comparison: the worldwide reference index (MSCI World AC) is 179, that is, 20% higher.





## Share funds and asset management with responsible investments

Bank JVan Breda & C° does not manage any of its own investment funds. Our sister company, Delen Private Bank, specialises in asset management and also looks after the composition of the house funds we distribute. This involves a portfolio of more than EUR 26 million in total. For the purpose, we work with the fund manager Capfi Delen Asset Management (Cadelam), a subsidiary of Delen Private Bank.

The mission of Delen Private Bank is fundamentally sustainable in nature: protecting their clients' assets, ensuring that they grow and at the same time taking steps on behalf of a better world. Delen and Cadelam see their investment policy as an important source of leverage with a view to having a positive effect on human beings, the environment and society. But from a financial perspective as well, it is advisable to opt for future-oriented, thoughtful companies in the portfolio. To prevent the market value from going up in smoke as a result of sustainability problems, it makes sense to opt consciously to be an active shareholder and to work together for a sustainable policy.

### Basic principles

Delen Private Bank subscribes to the "Principles for Responsible Investment" supported by the United Nations (UN PRI). It takes as its starting point a cautious investment philosophy based on the prudent person principle. Focused on the long term, the emphasis is on sound understanding, protection and balanced growth.

This responsible investment policy has since 2017 been applied to all house funds and makes for a responsible portfolio composition following three steps: exclusion, engagement and integration.

### Exclusion

Companies that adopt a policy that does not match our sustainable values are not included in the portfolios under any circumstances.

- This has to do first of all with companies involved in the production of controversial weapons such as cluster munitions and anti-personnel mines. The financial supervisor the FSMA (Financial Services and Markets Authority) and the sectoral federation BEAMA (Belgian Asset Managers Association) look carefully to ensure that we respect this exclusion requirement, given that this is part of the Belgian regulatory framework.
- Companies that continually breach environmental, social and corporate governance standards are also excluded from the portfolios. Examples of these are companies that are a bit casual about the laws governing care for the climate, humane working conditions or the correct operation and independence of the board of directors.
- A decision to exclude a company is based on external research as well as internal analysis. Some six reference organisations, including the Norwegian Pension fund, conduct thorough sustainability research into a great many companies. If a majority of these reference organisations have objections on grounds of sustainability, we will not invest in shares or bonds of the company or government in question.

### Engagement

Companies with well informed and committed shareholders have a greater chance of generating good economic performance over the long term. Collaboration with Hermes EOS, an independent organisation specialising in engagement, makes it possible to enter into structured dialogue with the companies in which investments are made. Today they represent more than 700 billion in investments, and are thus in a position to make their mark.



#### Exclusion

As an investor, it is important to choose what does not belong in the portfolio.



#### Engagement

Active and constructive dialogue with the companies in which we hold an interest.



#### Integration

Inclusion of non-financial parameters in the investment process.



Hermes EOS has an independent team of experienced experts who can make a positive impact on company policy. They enter into dialogue on our behalf with the companies in which investments are made. The tone is firm but justified: positive and constructive to begin with, but critical if improvements are long in coming. Exercising voting rights at general meetings is another way to exert influence on improving the sustainability policy – or to resist certain decisions. Thus, Delen Private Bank, together with Hermes EOS, are part of ClimateAction100+. They urge the world's largest greenhouse gas emitters to take measures against climate change and to speed up clean energy transition.

In 2019, we worked intensively with 70% of the participating interests on more than 1000 sustainability topics. Climate aims were refined, anti-corruption measures in emerging markets strengthened, and more attention was paid to human rights in worldwide supply chains.



### Integration

Non-financial (ESG) parameters play an increasingly important role in the investment process. Specialised data make it possible to take ESG risks into consideration both in the investment selection and in portfolio monitoring. Qualitative and measurable sustainability data are needed for this purpose. They are not always easy to obtain. For this reason, we have since 2019 been working with the renowned research firm Sustainalytics.



Based on their data, all the specific non-financial risks of a company are analysed. For example, this way we look at whether the environmental risks are well managed and whether there are sufficient social controls on the suppliers. The involvement of companies in controversial sectors (such as weapons manufacturing) and the intrinsically sustainable aspect of business activities (such as the proportion of renewable sources in energy companies) are examined. In this way, a number of oil companies were removed from the portfolio in 2019 because they did not work quickly enough on the transition from fossil fuels to renewable energy.

Collaboration with Hermes EOS makes it possible to enter into structured dialogue with the companies in which investments are made.



## International recognition from the UN PRI

The UN Principles for Responsible Investment constitute a worldwide network that strives within the United Nations for a more sustainable financial system. Delen Private Bank and the fund manager Cadelam have subscribed to these principles since 2016.

This is not without obligations. Delen and Cadelam submit extensive annual reports to the UN PRI on the efforts made towards responsible investing. After a thorough evaluation, in 2019 they obtained the maximum rating of A+ for the “Strategy & Governance” module. This result is a fine recognition of the work done and serves as encouragement to continue along the established path.

The collaborative aspect of the UN PRI should not be underestimated: within the financial sector, investors can learn from each other and work together to take on social problems with firm resolve.



## Select partners

Delen Private Bank is our privileged partner, but we also call upon other, external asset managers in order to implement the building blocks of the strategy chosen by the client. They manage their contribution to the portfolios of our clients' investments in a transparent manner within the agreed formulas. For the purpose, we work with, among others, Baloise Insurance, AG Insurance, Vivium (brand name of P&V), Athora Belgium and Fidelity International.

We wish in the future to further test the investments made via these partners for their sustainability. This is a process for which we enter into dialogue with each of them in a more explicit and specific manner than in the past. In class 23 insurance products, we link the share component consistently with the house funds of Delen Private Bank, so that these are sure to reflect the method outlined above.



The governance of our house funds received the top score (A+) for the 'Strategy and Policy' module in 2019.



## 8.5 Sustainable employer

### Great place to work

Bank J.Van Breda & C° was nominated a "Great place to work Feb 2020 – Feb 2021".

**95%**

of the staff confirmed, in the survey in December 2019: "Generally speaking, I can say that this is a very good organisation to work for."

**3.1%**

staff turnover annually. This figure reflects how many employees voluntarily left the company in 2019.

**100%** of the staff receive a tax-friendly profit premium as from January 2020.

### High employee satisfaction

Happy people exude a positive energy, including in their work. And certainly in their contacts with clients. That is why, as a n employer, we encourage people to work within their talent zone and offer a framework that ensures personal growth and development.

To monitor this, we take part every 2 years in an international internal survey organised by "Great place to work" in collaboration with The Vlerick Management School. This process holds up a mirror that helps identify any weaknesses in our staff policy and to further reinforce our strong points.

The bank was both certified and nominated for the title, and earned a fine third place (bronze) in the category of organisations with more than 500 employees. As the icing on the cake, the bank earned a special award for its efforts in the area of well-being. To the statement "Generally speaking, I can say that this is a very good organisation to work for", 95% of the employees replied positively in the most recent survey in December 2019.

Our aim is to make progress each year in terms of credibility, respect, honesty, pride and team spirit, in order to continue to be among the best employers within and outside the financial sector.





## Attractive employer for new talent and lifelong learning

**60**

hires in 2019 (42 in 2018)

**30 hours or 4.1 days**

training and continuing education / FTE

**3.2%**

of all staff costs go to training and continuing education

**100%** of staff members know their training needs are discussed annually during a staff review in the presence of the line manager, the relevant HR business partner and the appropriate member of the Executive Committee

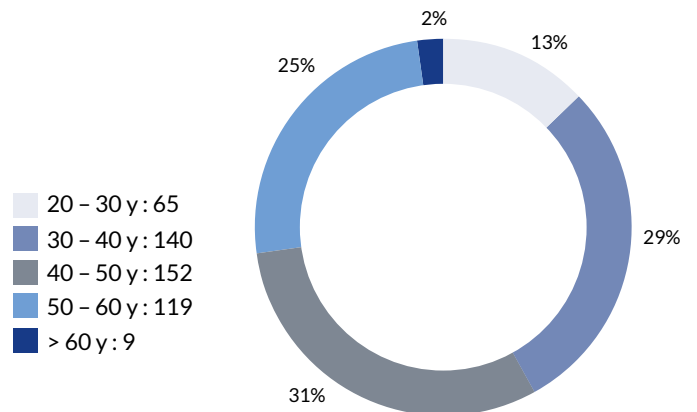
In "the war for talent", we wish to remain competitive with the major banks and other players in the financial and intellectual sector so as to attract highly trained individuals with strong skills. This is necessary in order to guarantee that the scarcity in suitable people does not at any time hinder our growth.

## Openness to diversity

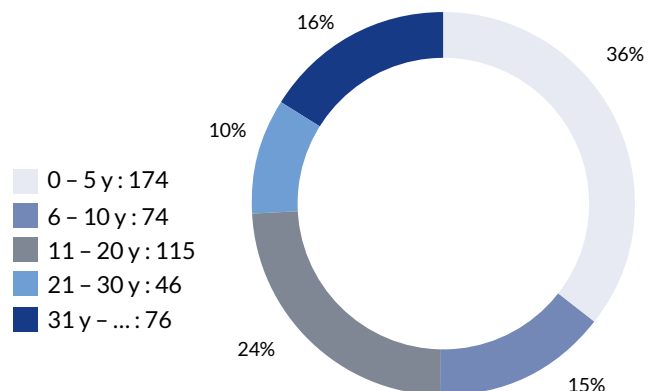
In the "Great Place to Work" survey, employees replied in December 2019: "People are treated fairly here, regardless of their ethnic origin or religious belief (**99%**), gender (**95%**) or sexual orientation (**98%**).

Number of employees: 485 in 2019 (464 in 2018)

### Breakdown by age

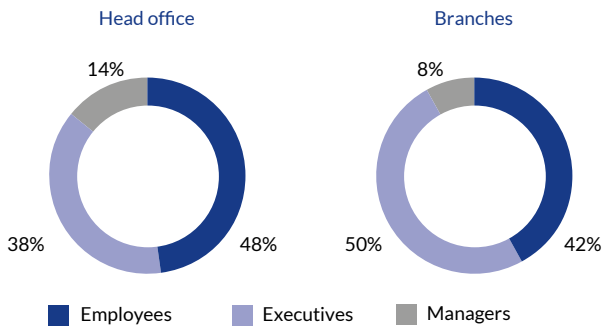


### Breakdown by seniority

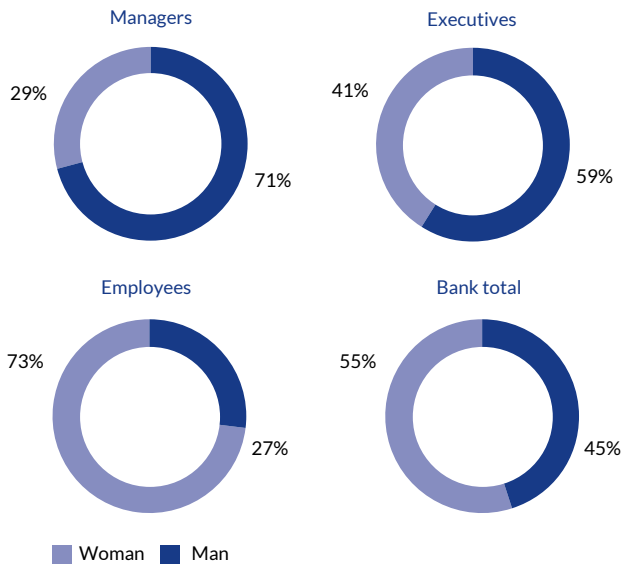




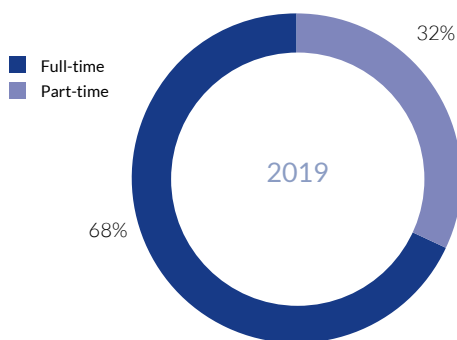
### Breakdown by status



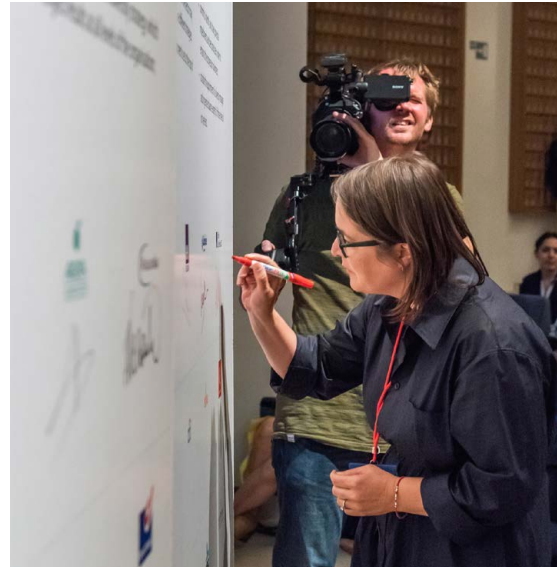
### Men-women by status



### Full-time – part-time



We reject all forms of discrimination and are open to everyone with talent and a positive attitude. In 2019, the bank signed the “Women in Finance” charter drawn up by the professional association Febelfin, and a diversity manager was appointed.



*Ann De Wit signed, on behalf of Bank J.Van Breda & C°, the “Women in Finance charter – Photo Hugo Lefèvre.*

A diverse Board of Directors pays attention to differences in background, gender and professional skills that are relevant for Bank J.Van Breda & C°. The Remuneration and Appointments Committee assesses candidates based on their merit and applies objective criteria in the process. Based on the current number of directors, we strive for a representation of the underrepresented sex within the Board of Directors of 2 people (10 men and 2 women as at 1/1/2020) and within the Executive Committee of 1 person (3 men and 1 woman as at 1/1/2020).

If the number of directors of the underrepresented sex should be lower than this goal, then the Board of Directors aims to achieve that aim again within a period of 3 years.



## Extensive share option plan replaced by profit premium

Commitment to clients and employee confidence go hand in hand. That is why Bank J.Van Breda & C° has an HR policy that focuses on each employee who wishes to take full part in working on the corporate mission and to keep looking for challenges that fit their talents. Results-oriented work and participation in the growth in profits are supported by a broad share option plan with a maturity period of between 4 and 8 years, in which each employee can participate. As from 2019, this plan has been replaced, via a collective labour agreement, by an annual profit premium.

The bank's remuneration policy is in accord with the sustainable growth that we aim for and with the long-term interests of our clients. The remuneration policy ensures that there is no incentive to take undue risks.

The commitment of the bank to preventing conflicts of interest is described in the code of ethics for the staff, members of the Executive Committee and members of the Board of Directors.

## An eye on everyone's health

People are not meant to sit all day long in an office. That is why we promote movement and a healthy lifestyle.

- At the head office, everyone can make use of its own fitness room free of charge. Those who work at a branch receive financial support to join a local sports club.
- Fruit is available free of charge at all our offices. At lunchtime, there is free soup available at the head office (the leftovers go to "Moeders voor moeders"). Soft drinks are not provided; water and sparkling water are available, filtered, from the tap.
- An internal working group ("Happy team") is involved in the joint creation of various initiatives, and organises excursions, jogging, bike tours, introduction to yoga, presentations on the importance of rest and sleep, etc.
- We make every effort to enhance each person's resilience. Where needed, employees can call upon a coach to help prevent stress or burn-out. If things go wrong in spite of it all, we provide accompaniment and a reintegration process.
- We are also attentive to maintaining a fine work/life balance. Various forms of working from home or at a distance are possible. Flexible working hours and formulas for part-time work, unpaid leave and sabbaticals are available.





## 8.6 Limiting our impact on the environment

**3,210**

tonnes CO2 emissions for the bank  
(2018 figure)

**6.67** tonnes CO2 emissions / FTE  
(2018 figure)

**100% green energy**

at all branches and at the head office

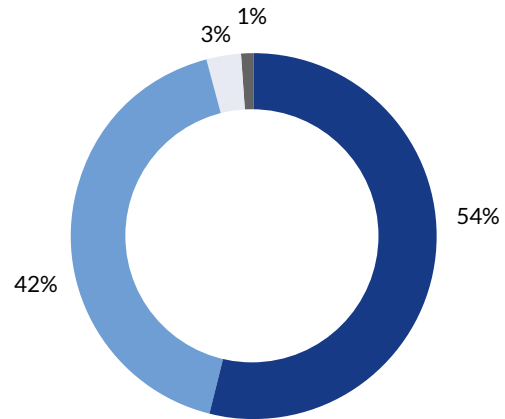
**+59% km by bike**

Based on the bike benefits paid



In addition to the policy aspects regarding the environment for loans and investment funds, there is also significant scope for limiting our own environmental footprint in the relations with clients and at company level. An 'Eco' working group is serving as a pioneer in this regard, and is investigating which measures are needed to make the bank a CO2 neutral company.

### CO2 emissions



- Mobility (48% company cars + 6% home-workplace commute)
- Buildings (36% gas, electricity, oil + 6% coolants)
- Waste (3%)
- Materials (1%)

Carbon footprint of Bank J.Van Breda & C° (Study by CO2 Logic, June 2018)

There is significant scope for limiting our own environmental footprint in the relations with clients and at company level.





## Reducing emissions by 25% by 2025

In 2018, in cooperation with CO2 Logic, a first “carbon footprint study” was carried out to measure the bank’s impact on the climate. This study served as an impetus to develop a long-term vision for limiting our harmful emissions and ultimately for becoming climate neutral.

Via a concrete action plan, the bank undertakes to reduce its own emissions by at least 25% by 2025. This can be done via measures governing energy use, company cars, coolants, commuting, paper use, waste, etc. combined with investments in climate projects in the Global South. As from 2020, the bank wishes to measure its achievements by means of KPIs that are defined with a view to achieving its goals in terms of reduction.

It is almost impossible for a company to reduce CO2 emissions to zero. Therefore, the bank plans to offset the remaining emissions by contributing financially to climate projects in Belgium or other parts of the world. By 2025, Bank J.Van Breda & C° wishes to be certified climate neutral.

## Recent initiatives

- Starting in 2019, the bank switched all branches and the head office over to green energy, generated via renewable energy sources or coming from high-quality total energy power plants.
- We have played on the digital card and are pioneers as a “paperless bank”. The remaining paper was collected separately.
- Clients can sign their documents online, thereby saving a lot of unnecessary travel.
- In terms of mobility, efforts are made to bring about a change in behaviour. We encourage a balanced combination of flexible working at the head office and local branches with working from home and by video conference.
- In 2019, we started a collaboration with ‘A smart way to Antwerp’. Via the “mobilothèque”, colleagues are given an opportunity to try out alternative modes of transport such as bike shares, electric bikes, the tram, bus, train and the bus boat on the Schelde.
- The bank encourages the use of bikes for commuting to work by means of a bike benefit (increased in 2019) and the provision of showers, changing rooms, covered bike parking lots and company bikes. In 2019, the bike benefit was also offered to employees with a company car, to encourage them also to use the bike regularly.
- The bank wishes to adapt its policy in order to render its automotive fleet greener. In 2020, we will seek with the suppliers how we can draw up a plan that takes account of our climate goals, the needs of our users and the most recent insights into environmentally friendly cars. We provide charging stations for electric and hybrid cars where this is pertinent.
- Disposable and plastic cups for one-time use have been replaced by durable cups and glasses. Filtered water and sparkling water comes from the tap at all branches.
- Arrangements have been made with printers and suppliers to ensure that our paper henceforth comes exclusively from sustainable managed forests (FSC or PEFC certified).
- For the bank, computers and screens that are obsolete but still perfectly usable will be donated to Close the Gap: an NGO that checks over used IT equipment and makes it available free of charge to schools, medical and social projects. This way, we prevent IT waste and support development projects to bridge the digital gap.
- Both the building management system and the central cooling unit of the head office were replaced in the course of 2019, leading to considerable savings in terms of electricity use.
- In new buildings and when renovating existing branches, we look at how energy use and CO2 emissions can be limited. In 2020, we converted the last branch in our possession still heated with oil to a more environmentally friendly installation using natural gas.
- For branches to be built as from 2020, we have planned for a combination of solar panels, heat pumps and bore hole technology combined with the most recent techniques of insulation, lighting, cooling and heating. Rain water is collected separately and used for WCs and irrigation.



## 8.7 Socially engaged

**85%**

of deposits are reinvested in the real Belgian economy (deposits by clients are converted into loans to entrepreneurs, liberal professions and individuals).

**15%**

of deposits serve as liquidity buffer, invested chiefly in government bonds.

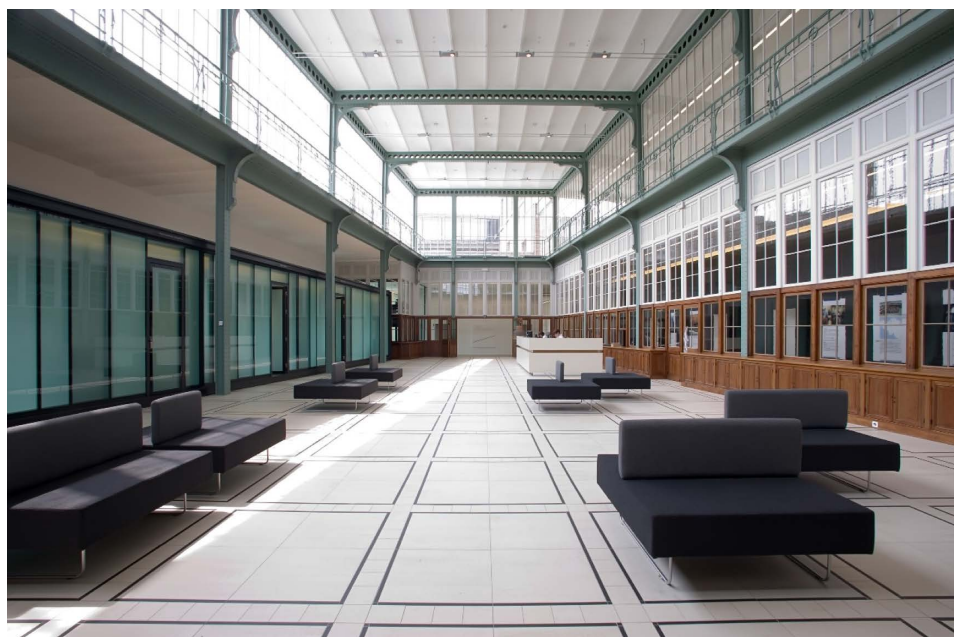
### Good neighbour, listed monument

The head office of Bank J.Van Breda & C° is situated in the former freight station of Antwerpen-Zuid on the Ledeganckkaai on the Schelde River. This site was once the hub of the Antwerp port, but in 1998 it was abandoned by the Belgian railways. The building, with its monumental ticket hall, was designated a listed monument in 1996, but nevertheless fell into disrepair.

### Contribution to welfare and well-being

All the savings that Bank J.Van Breda & C° attracts from its target group is invested in the real economy. Most deposits are converted into loans. This is socially relevant, as in this way we stimulate entrepreneurship and independent initiatives. Entrepreneurs are the engine of our economy. Liberal professions provide health care, legal certainty and financial transparency. By relieving them of financial cares, they can devote all their efforts to their professional passion. Together, they thus make an important contribution to our welfare and well-being.

By giving it a new use, we have saved this part of our historical maritime heritage for future generations. With support from the Flemish Region and from the city and province of Antwerp, all historical parts were restored to their original condition. Since then, we have welcomed thousands of clients and interest parties to the building. City guides have free access to the former ticket hall and the garden. We regularly participate in the Heritage Days or Architectural Open Day. Doing so offers us the opportunity to do something for the society that helped us realise this project.





## Financial literacy

In order to make the right financial choices, clients need to have clear insight into their options. Not every client has sufficient financial knowledge, however, even if they have a university education. Therefore we offer regular presentations to guide doctors and pharmacists through the financial world.

## Structural support as a patron to 2 good causes

We work daily with successful entrepreneurs and liberal professionals, but we know that success is far from self-evident. For this reason, we support 2 initiatives with which our clients feel a close affinity.

We have chosen 2 organisations that are not so well known among the general public and that find it more difficult to obtain resources:

- **Medics Without Vacation** facilitates some 400 doctors and nurses each year to spend two or three weeks of their holidays treating patients in African hospitals and training and offering continuing education to local health care providers. We have been sponsoring Medics Without Vacation since 2009.
- **Entrepreneurs Without Borders** is an organisation that seeks, via reforestation and halting desertification, to improve the well-being of people in the Sahel belt. We have been a structural sponsor since 2015.

In addition to structural sponsorships, we also support spontaneous initiatives in which staff members choose to be involved (e.g. 'Moeders voor moeders', Iridium cancer network, Rett Syndrome Association).



**ARTSENZONDERVAKANTIE**  
MEDECINS SANS VACANCES  
MEDICSWITHOUT VACATION  
KENNIS GENEEST

## 9. Corporate mission



At Bank Van Breda I'm not just a number but a flesh-and-blood person.  
I have felt that to be the case at every conversation over the past 35 years.

Tony Puls  
Otorhinolaryngologist, facial and throat surgeon



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## 9.1 A specialist advisory bank for entrepreneurs and the liberal professions

### For entrepreneurs and the liberal professions only

Entrepreneurs are the engine of our economy. Liberal professions provide health care, legal certainty and financial transparency. Together, they thus make an important contribution to our welfare and well-being.

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. Extensive specialisation is our strongest asset. Our entire organisation rests on that.

### The best advisory bank

We assist our clients 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.

We analyse their situation, together define their long-term objectives and advise them in financial matters. Doing so provides insight and helps clients make the right financial choices. As a result, they can focus with peace of mind on their real ambitions.

### Unique approach

In so doing, we follow our own, unique approach: specialised, personal and proactive. We strive to merit the trust of our clients at all times. We listen to the people we advise, prioritize solutions in our thinking, and avoid one-sided product sales. We offer a financial overview, a strategic sounding board and systematic monitoring.

Thus we consistently keep our eye on each person's long-term interest. Sustainable solutions take priority, with respect for balance among our stakeholders, clients, colleagues and shareholders. We wish to grow our market share thanks to clients who actively recommend us to family members and acquaintances.



## Driven by values

Honesty, responsibility and enthusiasm are the foundation of a strong company culture, with values that all our colleagues exude in both word and deed.

- Recognising the needs and wishes of our clients, in every position and at all times.
- Taking the initiative firmly in hand and creating scope for new ideas and projects.
- Thinking and acting as you would do for your own business.
- Contributing flexibly and actively to change and to keeping up with technological advances.
- Meeting specific arrangements and promises.
- Working together as a team and giving priority to the interests of the entire organization.
- Simple: plain but with class, clear and matter of fact.
- Constantly reviewing our service and our treatment of clients, reporting mistakes in order to learn from them.

As an employer, Bank J.Van Breda & C° is committed to:

- Autonomy, space and equal opportunity to keep on learning and developing yourself to the maximum.
- A pragmatic approach.
- Integrity, collegiality and pleasure.
- Clear objectives.
- Valuing professionalism, expertise and dedication.
- The possibility of making mistakes, learning and starting afresh.
- Accompanying clients at the professional and, where needed, personal level.
- Open and direct communication.
- Feedback and dialogue: we see every colleague as the architect of his or her own career.



## 10. Consolidated financial statements



A second pair of eyes can often give you a clearer view of things. Thanks to Bank Van Breda, I have taken the right decision several times.

Benedikte Lion  
Pharmacist



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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

	2018	2019
<b>I. Financial and operating income</b>		
1. Interest income, of which	76,033	76,916
Interest received	100,875	101,513
Interest paid	-24,841	-24,597
2. Dividends received	701	1,350
3. Fees and commissions, of which	64,131	69,131
Fees and commissions received	65,426	69,839
Fees and commissions paid	-1,295	-707
4. Realised profit (loss) on financial assets at fair value through other comprehensive income (OCI)	509	444
5. Profit (loss) on financial instruments in the trading portfolio	-114	-118
6. Profit (loss) on cash flow hedging	-203	-111
7. Profit (loss) on fair value hedges	307	-552
8. Profit (loss) from foreign exchange trading	944	1,022
9. Realised profit (loss) on other assets	-28	294
10. Other operating income and costs, of which	1,479	1,189
Other operating income	1,726	1,194
Other operating costs	-247	-5
Banking profit	<b>143,759</b>	<b>149,565</b>
<b>II. Administrative costs</b>		
1. Payroll costs	-42,415	-45,788
2. General and administrative costs	-27,732	-26,949
<b>III. Bank levies</b>	-8,905	-9,784
<b>IV. Depreciation and amortisation</b>		
1. Tangible fixed assets	-2,954	-6,427
2. Intangible assets	-1,491	-1,280
<b>V. Provisions</b>	-4,246	-1,438
Banking costs	<b>-87,744</b>	<b>-91,667</b>
<b>VI. Impairment losses</b>		
1. On financial assets at fair value through other comprehensive income (OCI)	3	6
2. On financial assets measured at amortised cost	-3,014	-1,372
<b>VII. Share in the result of associated companies consolidated using the equity method</b>	4	2
<b>VIII. Write-off debt excluded partners of ABK bank</b>	716	2,400
Profit before tax	<b>53,724</b>	<b>58,935</b>
Taxes on profit	-11,465	-15,465
Profit for the period	<b>42,260</b>	<b>43,470</b>
Profit attributable to minority interests	95	108
Profit attributable to shareholders of the company	<b>42,165</b>	<b>43,362</b>

(in thousand euro)



# Consolidated statement of comprehensive income

	2018	2019
Profit for the period	42,260	43,470
Other comprehensive income that can later be transferred to the income statement	233	2,554
Debt instruments at fair value through other comprehensive income (OCI)		
Changes in fair value	641	3,589
Transfers to the income statement (desinvestments)	-509	-444
Changes in provisions for expected credit losses (ECL)	-3	-6
Tax	-38	-664
Other comprehensive income on debt instruments at fair value through other comprehensive income, after tax	90	2,475
Cash flow hedges		
Effective portion of changes in fair value		
Transfers to the income statement (shutdowns)	203	111
Tax	-60	-33
Other comprehensive income on cash flow hedges, after tax	143	78
Other comprehensive income that will never be transferred to the income statement	-228	1,515
Equity instruments at fair value through other comprehensive income (OCI)		
Changes in fair value	-156	3,714
Tax	0	-950
Other comprehensive income on equity instruments at fair value through other comprehensive income, after tax	-156	2,764
Defined benefit plans		
Actuarial gains and losses	-102	-1,698
Tax	30	448
Actuarial gains and losses on defined benefit plans, after tax	-72	-1,249
Total other comprehensive income for the period, after tax	5	4,068
Total comprehensive income for the period	42,265	47,539
Comprehensive income for the period attributable to minority interests	95	108
Total comprehensive income for the period attributable to shareholders of the company	42,170	47,431

(in thousand euro)



## Consolidated balance sheet: assets

	2018	2019
I. Cash and cash balances with central banks	361,676	472,594
II. Loans and advances to banks	127,693	141,307
of which collateral for derivatives	30,451	62,108
III. Financial assets		
1. Financial assets held for trading	191	158
2. Financial assets at fair value through other comprehensive income (OCI)	457,129	424,597
of which debt instruments	456,813	420,628
of which equity instruments	315	3,969
3. Financial assets measured at amortised cost	4,797,177	5,232,649
of which debt instruments	0	0
of which loans and advances to customers	4,797,177	5,232,649
4. Fair value hedging: changes in the fair value of the hedged portfolio	12,085	38,599
5. Derivatives used for hedging	1,281	384
IV. Tax assets		
1. Current tax assets	3,452	0
2. Deferred tax assets	2,662	1,614
V. Other assets	10,259	14,767
VI. Tangible assets		
1. Property, plant and equipment	44,401	52,061
VII. Goodwill and other intangible assets	1,528	1,680
VIII. Investments in associates, subsidiaries and joint ventures using the equity method	485	487
<b>Total assets</b>	<b>5,820,019</b>	<b>6,380,896</b>

(in thousand euro)



## Consolidated balance sheet: equity and liabilities

	2018	2019
I. Financial liabilities		
1. Financial liabilities held for trading	622	310
2. Financial liabilities measured at amortised cost		
2.1. Deposits from credit institutions	27,634	27,825
2.2. Deposits from customers	4,827,074	5,380,496
2.3. Debt certificates	275,208	241,367
2.4. Subordinated liabilities	90,246	76,003
3. Derivatives used for hedging	14,971	41,324
II. Provisions	12,623	14,117
III. Tax liabilities		
1. Current tax liabilities	4	1,253
2. Deferred tax liabilities	0	0
IV. Other liabilities	21,695	24,705
Total liabilities	5,270,078	5,807,398
V. Issued capital	17,500	17,500
VI. Consolidated reserves	530,375	548,600
VII. Revaluation reserves	1,925	7,243
VIII. Minority interests	141	155
Total equity	549,942	573,498
Total equity and liabilities	5,820,019	6,380,896

(in thousand euro)



## Consolidated statement of changes in equity

	Consolidated reserves					Revaluation reserves				Total equity attributable to equity holders of the bank	Minority interests	Total equity
	Share capital & share premium	Consolidated reserves	Defined benefit plans actuarial gains and losses	Share-based payments	Subtotal	FVOCI Debt instruments	FVOCI Equity instruments	Cash flow hedges	Subtotal			
Opening balance, 1 January 2018	17,500	510,457	440	5,233	516,130	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
Profit of the financial year		42,165			42,165					42,165	95	42,260
Other comprehensive income			-72		-72	90	-156	143	77	5		5
Share-based payments: contribution of mother company				-484	-484					-484		-484
Other		617		-617	0					0		0
Closing balance, 31 December 2018	17,500	525,875	368	4,132	530,375	1,884	132	-90	1,925	549,800	141	549,942
Impact of transition to IFRS 16		-252			-252					-252		-252
Opening balance, 1 January 2019	17,500	525,622	368	4,132	530,122	1,884	132	-90	1,925	549,548	141	549,689
Payment of dividend last financial year		-25,350			-25,350					-25,350	-95	-25,445
Profit of the financial year		43,362			43,362					43,362	108	43,470
Other comprehensive income			-1,249		-1,249	2,475	2,764	78	5,318	4,068		4,068
Share based payments: contribution of mother company				1,714	1,714					1,714		1,714
Other		1,081		-1,081	0					0		0
Closing balance, 31 December 2019	17,500	544,716	-881	4,765	548,600	4,359	2,896	-12	7,243	573,343	155	573,498

(in thousand euro)



# Consolidated cash flow statement

	2018	2019
OPERATING ACTIVITIES		
Net profit (loss) for the period	42,165	43,362
Adjustments to reconcile net profit or loss to net cash provided by operating activities		
Current and deferred tax expenses recognised in income statement	11,465	15,465
Minority interests	95	108
Share in the result of associated companies consolidated using the equity method	-4	-2
Dividend receipts from associated companies consolidated using the equity method	12	0
Investing and financing activities		
Depreciation / amortisation	4,446	7,708
Interest on lease liabilities	0	64
Gains and losses on sale of tangible assets	0	-294
Gains and losses on sale of other financial assets	28	0
Write-off of debt to excluded partners of ABK bank	-716	-2,400
Operating activities		
Impairments	3,148	1,522
Increase (decrease) in provisions	4,304	1,000
Gains and losses on cash flow hedges	203	111
Gains and losses on fair value hedges	-307	552
Gains and losses on financial assets and liabilities held for trading	114	118
Gains and losses on financial assets in the investment portfolio	99	132
Share-based payments	-484	2,107
Other adjustments	707	-266
Cash flow from operating profits before changes in operating assets and liabilities	65,274	69,287
(Increase) decrease in operating assets (excl. cash & cash equivalents)		
(Increase) decrease in balances with central banks	-51,645	-95,038
(Increase) decrease in loans and advances to banks	-12,138	-34,982
(Increase) decrease in loans and advances to customers	-275,658	-436,820
(Increase) decrease in financial assets in the investment portfolio	-31,050	39,271
(Increase) decrease in financial assets held for trading		
(Increase) decrease in accrued income from financial assets	1,705	-260
(Increase) decrease in other assets	-1,627	-4,240
Increase (decrease) in operating liabilities (excl. cash & cash equivalents)		
Increase (decrease) in deposits from credit institutions	-236	8
Increase (decrease) in deposits from customers	326,846	554,828
Increase (decrease) in debt certificates	22,094	-33,842
Increase (decrease) in subordinated liabilities (excl. accrued interest)	-566	-1,563
Increase (decrease) in financial liabilities held for trading		
Increase (decrease) in accrued expenses on financial instruments	-2,371	-1,661
Increase (decrease) in other liabilities	826	-906
Cash flow from operating activities	41,456	54,084
Income tax (paid) refunded	-13,476	-10,830
Net cash flow from operating activities	27,980	43,255

(in thousand euro)



## Consolidated cash flow statement

	2018	2019
INVESTING ACTIVITIES		
Cash payments to acquire tangible assets	-5,777	-6,892
Cash receipts from the sale of tangible assets	0	362
Cash payments to acquire intangible assets	-89	-1,432
Cash payments for the investment in subsidiaries, net of cash acquired	-289	0
Cash receipts from subsidiaries	119	0
Other cash payments relating to investing activities	-236	-269
<b>Other receipts relating to investing activities</b>	<b>-6,273</b>	<b>-8,230</b>
FINANCING ACTIVITIES		
Dividends paid	-27,782	-25,445
Cash proceeds from the issuance of subordinated liabilities	39,900	0
Repayment of subordinated liabilities	-9,387	-12,405
Repayment of lease liabilities	0	-2,820
Interest paid on lease liabilities	0	-64
<b>Net cash flow from financing activities</b>	<b>2,730</b>	<b>-40,733</b>
Increase of cash and cash equivalents through business combinations		
<b>Net increase in cash and cash equivalents</b>	<b>24,437</b>	<b>-5,709</b>
Cash and cash equivalents at beginning of the period*	41,975	66,412
<b>Cash and cash equivalents at the end of the period *</b>	<b>66,412</b>	<b>60,703</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).

### Reconciliation of 'Cash and balances with central banks'(balance sheet) and 'Cash and cash equivalents' (cash flow statement)

Cash and cash balances with central banks (assets)	361,676	472,594
- Balances with central banks (monetary reserve)	-359,683	-454,720
+ Loans and advances to banks (call money and current accounts)	74,677	53,298
- Deposits from credit institutions (call money and current accounts)	-10,258	-10,469
<b>Cash and cash equivalents</b>	<b>66,412</b>	<b>60,703</b>

(in thousand euro)

# 11. GRI index



Offering people not only the physical but also the emotional support they need is what it's all about. Day in, day out.

Benjamin De Becker  
cardiologist in training

↑  
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Where possible, Bank J.Van Breda & C° refers for its sustainability reporting to the general disclosures of the international GRI standard as described on [www.globalreporting.org/standards](http://www.globalreporting.org/standards). The bank strives to make significant progress in this area each year.

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## 12. You are welcome at our bank



As managing director, you spend all day within the company bubble. So it makes sense that over time there are things you no longer see. Our advisory board, made up of external members, often gives me a clearer idea of what is going on at our company.

Walter Dox  
Managing Director of Dox Acoustics



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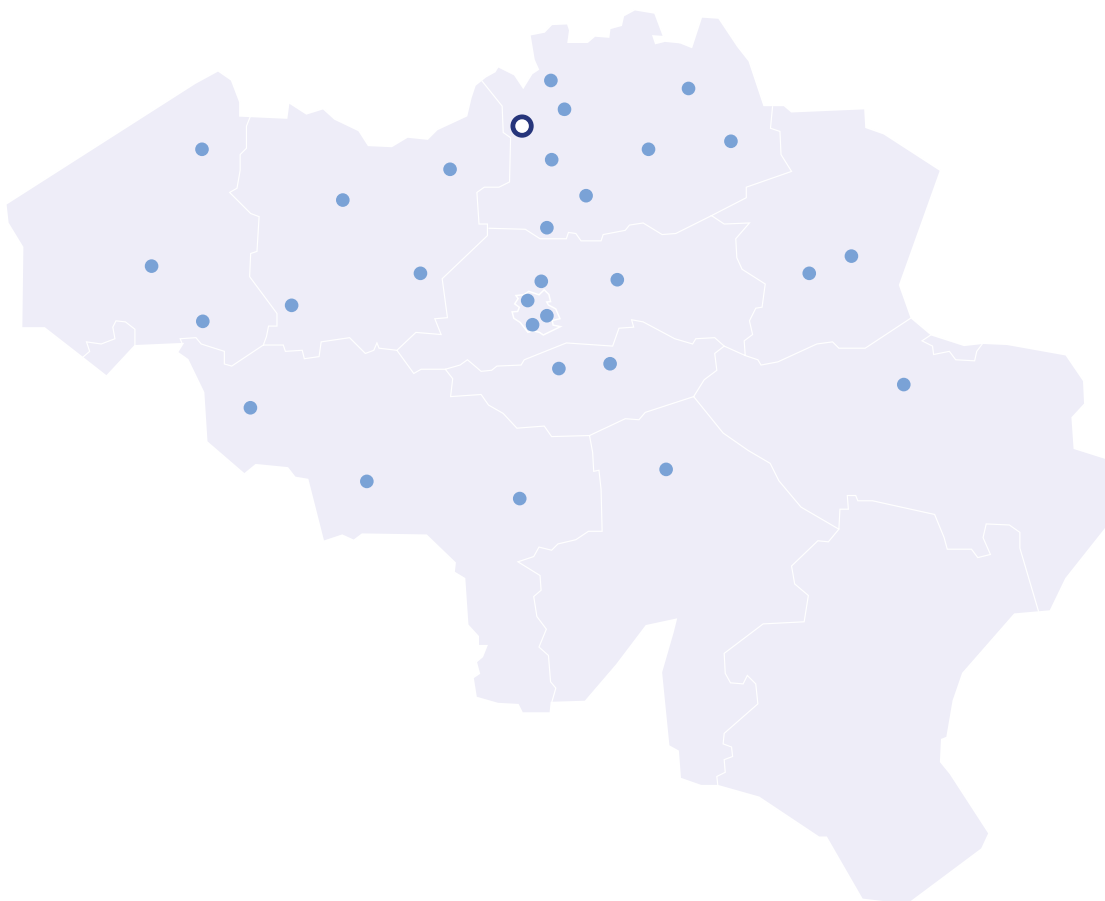




## Branches

You can find the full list of our offices and contact persons at <https://www.bankvanbreda.be/contact/>

Feel free to make an appointment!



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



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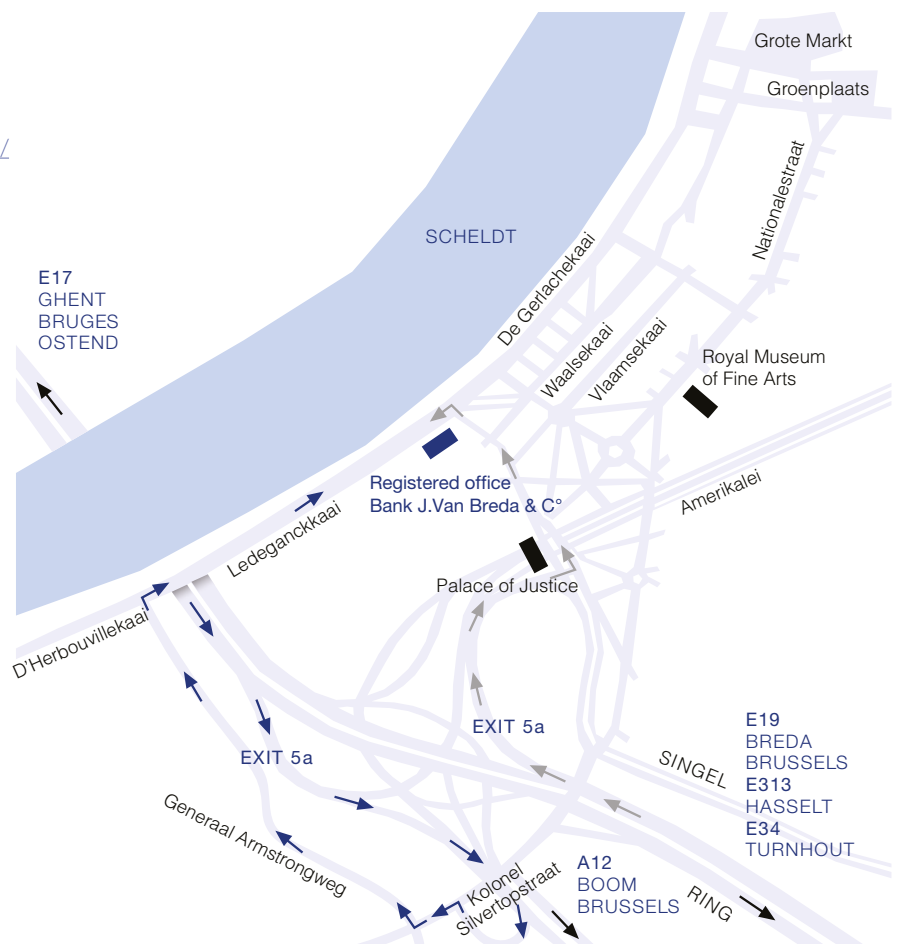
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