

# Annual Report 2009





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# Preface

## Bank J.Van Breda & C° is different

**Bank J.Van Breda & C° is not a bank for everyone. On the contrary, our main asset is our in-depth specialisation. We aim to be the best advisory bank for businesses and the liberal professions, providing lifelong service for both private and professional needs. This is the focus of our entire organisation.**

We operate on the basis of our own unique approach, constantly keeping our clients' long-term interests in mind. We guarantee you personal service for the systematic accumulation and protection of your assets.

As your financial advisor, we stand out ever more clearly because of three crucial strengths. We are

**1 Specialised** Because we do nothing else besides dealing with people like you, we are thoroughly familiar with the needs and concerns of businesses and the liberal professions. We keep an eye on the financial balance between your business, your practice or your firm on the one hand and your private capital accumulation on the other. This means that we can make the difference at crucial points in your career.

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

**3 Proactive** We take the initiative – at the right time and without delay or needless fuss.

To fulfil these promises, a unique team stands ready to serve you. The staff members who look after your interests set great store by the following values:

**1 Honesty** We work exclusively with people of integrity who seek to live and work ethically both in their private and in their professional lives.

**2 Sense of Responsibility** If one of our staff members gives a piece of advice, they take your long-term needs into consideration. They make specific arrangements with you and they honour those commitments. That is their fundamental approach.

**3 Enthusiasm** You can feel the difference from the very first contact: here is a team ready to serve you with a positive attitude.



Our results show that our clients appreciate this approach. Bank J. Van Breda & C° has been a profitable but conservative niche-player for many years. Our bank is transparent and client-focused. We use client deposits to make loans to clients within the same target group: successful entrepreneurs and professionals, supplemented by car financing for individuals within this country.

We work to high ethical standards and consider ourselves responsible citizens. The bank was not in any way affected by the credit crisis. We have no subprime paper or other toxic products in our portfolio. Despite the economic crisis, amounts written off loans remained at an extremely low level in 2009 (0.09% of the average loan portfolio).

Clients clearly see us as a safe haven. The total capital invested by our clients increased further to 5,644 million euro (against 5,009 million euro on 31.12.08). The loan portfolio grew to 2,328 million euro (from 2,202 million euro on 31.12.08) Our bank's profit grew by 13% to 23.3 million euro, a fairly unique performance in the Belgian banking sector!

## Extensive specialisation is our strongest asset.

Profit is essential for the future of all businesses. But there is more. The success of our deliberate focus also increases our colleagues' pride in their profession. We feel at home in the world of SMEs. Our heart beats for the medical sector.

The feeling of doing meaningful work for interesting clients, in a company where people feel comfortable: this is what motivates us. And we try to pass on this positive feeling to you, the client.



**Carlo Henriksen**  
President of the  
Executive Committee  
Bank J. Van Breda & C°

# Report

from the Board of Directors  
to the General Meeting

Bank J.Van Breda & C° profits increase by 13%. Record growth in assets invested.

**As a result of prudent financial management and continued strong commercial performance, Bank J.Van Breda & C° earned a net profit of 23.3 million euro in 2009, an increase of 13% compared to 2008 and this in a difficult financial and commercial environment. Even compared to 2007, the period before the financial crisis, profit has grown by 4%.**

The strong trust of target group clients in the bank and its specialised investment services resulted in record growth of assets invested of 635 million to 5.6 billion euro (+13%).

The bank has a healthy liquidity position, which continues to evolve positively thanks to the influx of client deposits.

The healthy financial position of the bank may be attributed to the following factors:

- Bank J.Van Breda & C° is not affected by the **credit crisis** on the financial markets in any way whatsoever. Bank J.Van Breda & C° has no toxic products or own share positions in its portfolio. The bank invests solely in bonds, 96% of which are issued by European governments.
- Thanks to the increase in **equity** to 244 million euro, the already excellent solvency position was strengthened further. This is reflected in the very strong **core capital ratio** of 11.8% and a solvency ratio of 14.6%.
- The bank has a healthy **liquidity position**, which continues to evolve positively thanks to the influx of client deposits. The entire loan portfolio is financed by client deposits.
- Bank J.Van Breda & C° is totally **client-oriented**. The deposits received are used solely for credit facilities within the target group of successful local entrepreneurs and professionals, supplemented by vehicle financing for domestic private individuals. Despite the economic recession, the **loan**



**portfolio** grew by 6% and amounts written down remained at an exceptionally low level this year (0.09% of the average loan portfolio).

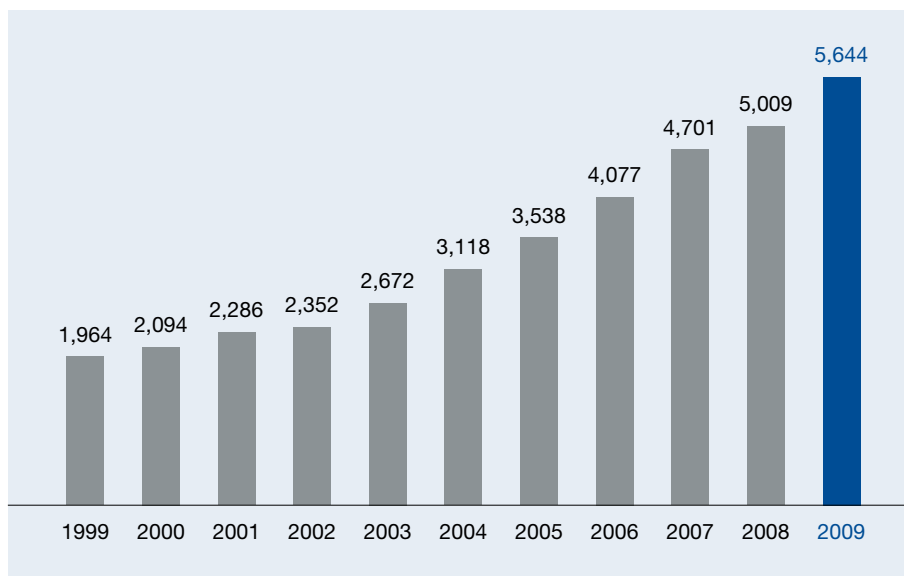
- **Assets invested** have grown by a record of 635 million to **5.6 billion euro (+ 13%)**.
- As a result of the growth in the volume of loans and deposits and the improvement in the interest rate environment, the **interest rate result** progressed by 16%. Net **commission income** fell by 6% because of the turbulent financial environment, which was less favourable to income from off-balance sheet investments. Overall banking revenues increased by 6%.
- Additional investment in commercial capacity, information technology and office accommodation resulted in costs increasing by 7%. The **cost-income ratio** remains unchanged at 60%, putting Bank J.Van Breda & C° among the best performing Belgian banks.

#### **TARGET GROUP BANKING: FOR ENTREPRENEURS AND THE LIBERAL PROFESSIONS ONLY**

Bank J.Van Breda & C° is a specialist advisory bank which exclusively targets entrepreneurs and the liberal professions. We help them systematically build up and protect their assets. With us they can count on personal, proactive advice. Both privately and professionally. Throughout their lives.

#### **Entrepreneurs and liberal professions work increasingly intensively with Bank J.Van Breda & C°**

The niche strategy whereby Bank J.Van Breda & C° focuses specifically on entrepreneurs and the liberal professions is confirming its success. The many entrepreneurs and professionals who have become clients in the past few years are entrusting an ever increasing share of their banking needs to us, in both their private and their professional affairs. This can be seen from the strong growth in the various product groups.



Total invested by clients (million euros)

**Assets invested** by clients grew in 2009 by a record amount of 635 million to 5.6 billion euro (+ 13%).

- Client deposits increased to 2,358 million euro (+6%), thanks to the confidence shown in the bank by its clients, and this in a highly competitive market environment, with a number of banks offering rates for deposit accounts that are considerably higher than the risk-free interest rate because of their liquidity position.
- Investments in off-balance sheet products increased by 18% to 3,285 million euro, thanks to additional investments and the increase in the value of share prices on the stock market.

#### Managed off-balance sheet investments more than 3.2 billion euro

In respect of **asset management**, at the end of 2009 Bank Delen had 1.668 billion euro under management for clients of Bank J.Van Breda & C° (against 1.349 billion euro in 2008, +24%).

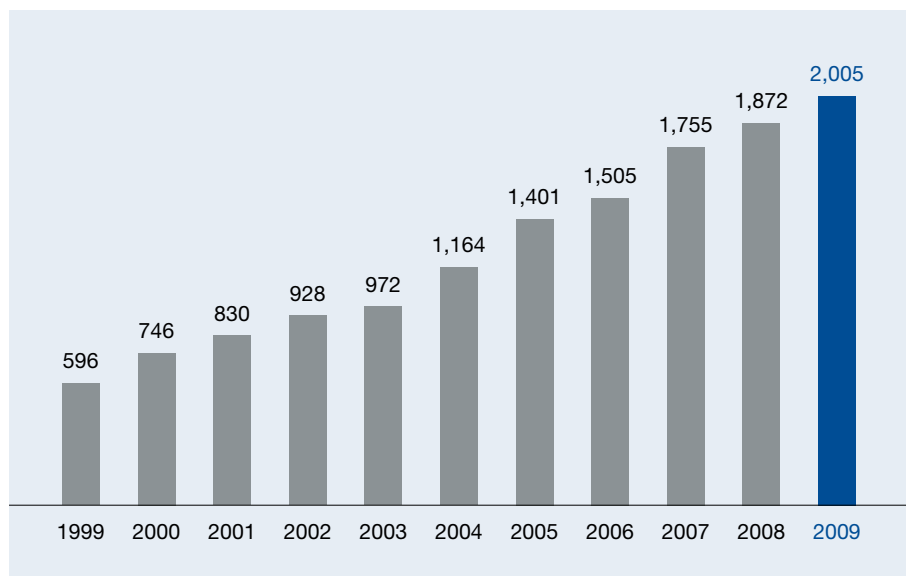
Because of the consistent investment strategy the portfolios benefited from the recovery in share prices. As in the past, the bond and liquidity segments of the portfolios remained invested exclusively in solvent debtors. As a result, the assets managed were not in the least affected by the write-downs on CDOs or other subprime securities.

This conservative investment strategy, coupled with its patrimonial consultancy services and being voted Best Private Banker in Belgium for the fourth year in a row, meant that 2009 continued to see a steady influx of new capital, from both existing and new clients.

**Insurance investment funds** grew again by over EUR 136 million to a volume of EUR 1,309 million. (+12%)

Outstanding reserves in **other insurance products** (mainly group insurance) rose by 29% to over EUR 140 million as at the end of the financial period.

The **investment funds** grew to an investment capital of 168 million euro (+8%).



Credit volume from target group banking (million euros)

In total, the volume of these investments in **off-balance sheet products** rose to 3,285 million euro (+18%).

Net commission income fell by 6% compared to the record year of 2008. The turbulent financial climate led to a wait-and-see attitude in investment management, with a significant part of the invested funds being placed on short-term deposit. This resulted in a reduction in commission on purchase and sale transactions. Furthermore, the wait-and-see attitude on the part of clients led to a reduction in initial charges for investment funds and insurance.

### Credit portfolio grows by 7%

In 2009 the **credit volume from target group banking** also increased further to more than 2 billion euro (2.005 billion or +7%). Loans to successful entrepreneurs and liberal professionals are based on long-term relationships, with the result that offering credit for well-considered and prudent investment and growth projects remains possible, even in a period of deep economic recession.

### VAN BREDA CAR FINANCE

Bank J. Van Breda & C° enjoys increasing renown as a specialist bank for entrepreneurs and the liberal professions. In addition, via our subsidiary Van Breda Car Finance we are active throughout Belgium in the vehicle financing and vehicle leasing sector. Van Breda Car Finance aims to be the best credit partner for customers of large, independent car dealers.

The entire organisation focuses on providing rapid credit solutions for passenger vehicles via the company's own website. Starting from its core values – fast, friendly & flexible – Car Finance supports local car dealers through the entire sales process: from quotation, processing applications and preparing credit contracts up to and including confirming payments on the dossier. In this way we make it easier for our partners to make sales, as they can extend their customer service to include credit.



Transformation margin (10 year interest rate - 3 month interest rate) Source: Bloomberg

## CONSOLIDATED ANNUAL RESULT

The consolidated annual result of Bank J. Van Breda & C° amounted to EUR 23.3 million.

### Banking revenues increase by 6%

Consolidated **banking revenues** increased by 5.1 million euro to 85 million euro (+6%).

- The **interest result** increased by 9.2 million euro (+16%) through volume growth in deposits (+6%) and loans (+6%) and due to a more favourable interest rate climate. The successive reductions in the ECB interest rate were translated into lower interest payments on short-term deposits while the re-pricing of long-term loans will arise largely in the future.
- On the other hand, the fall in interest rates resulted in deficits on **hedging instruments** that Bank J. Van Breda & C° uses to manage its interest rate risk. This is done with a combination of interest-rate swaps (which convert our variable interest-rate commitments into fixed commitments) and options for which the bank pays a premium. These options provide protection against a

rise in interest rates above given levels, but enable the bank to obtain cheaper financing in the event of a fall in the market interest rate. Because of the sharp reduction in market rates in 2009, these hedging instruments were reduced in value by 7 million euro. This is 4.2 million euro more than in 2008 when the cost of hedging instruments amounted to 2.8 million euro.

- Despite the increased volume of off-balance sheet investments (+18%) **net commission income** fell by 1.3 million euro compared to the record year of 2008 (-6%). In view of the turbulent financial climate, a more conservative approach was taken to the investment portfolios of the clients, in which a significant part of the funds invested were placed in short-term investments. This resulted in a reduction of commission on purchase and sale transactions and of initial charges for investment funds and insurance.

### Costs increased by 7%

**Costs** amounted to 50.9 million euro compared to 47.6 million in 2008. Bank J. Van Breda & C° continues to invest in commercial capacity, IT applications and improved office accommodation.

The increase in payroll costs of 7% is largely applicable to the indexation of salaries compared to the start of 2008. The higher net profit resulted in an increase in provisions for the share option plan through which staff participate in the profits.

IT costs accounted for the largest increase in non-payroll overheads. In addition the bank was faced with higher contributions to the deposit protection fund as a consequence of the crisis at the large banks.

The **cost-income ratio** remained unchanged at 60%, making Bank J.Van Breda & C° one of the highest performing Belgian banks.

#### Amounts written down on credit

The **amounts written down** and provisions for loans fell to 2 million euro compared with 4.1 million euro in 2008, and stood at 0.09% of the average loan portfolio, an exceptionally low level. The perseverance of a cautious credit policy and working with successful, prudent clients is continuing to deliver benefits.

#### Strong solvency

At the end of 2009 equity amounted to 244 million euro against 223 million euro at the end of 2008.

As at 31/12/09, 96% of the financial instruments portfolio of Bank J.Van Breda & C° consisted of government bonds and this portfolio is not affected by the credit crisis on the international financial markets at all. This means that, as in 2008, the equity was not affected by write-downs on financial instruments. On the contrary, the equity rose from EUR 223 million to EUR 244 million.

This means that the bank has adequate resources to continue to grow on the basis of its own strength, even in the event of unforeseen market circumstances.

- The **solvency ratio** increased to 14.6%, while the minimum requirement was 8%.
- The **core capital ratio** based on **net worth in the narrow sense (Core Tier 1)** amounted to 11.8%, compared to the minimum requirement of 4%.

#### RISK MANAGEMENT: ONGOING MONITORING AND CONTROL

Business risks are an inherent characteristic of a bank's normal activities. Compared with others in the same sector, however, Bank J.Van Breda & C° has always been a simple and transparent institution. Moreover, the bank displays great caution as regards assuming risks, engaging in ongoing risk monitoring and control. Historically, Bank J.Van Breda & C° has provided ample proof of its ability to manage risk.

The internal risk committee monitors the risks and risk positions of the institution and its subsidiaries on a structured basis. To this end, the risk committee gathers information from the various departments and activities.

The bank has adequate resources to continue to grow on the basis of its own strength, even in the event of unforeseen market circumstances.

<b>According to rating (Moody's)</b>		<b>According to sector</b>	
Aaa	64%	Governments	95,6%
Aa1	25,8%	Financials	3,9%
Aa2	7%	Rest	0,5%
A2	1,8%		
A3	0,9%		
No rating	0,5%		
<b>According to currency</b>		<b>According to remaining duration</b>	
EUR	100%	≤ 2010	29%
		2011 - 2013	56%
		2014 - 2017	14%
		> 2017	1%

Composition of investment portfolio as at 31/12/2009

### Credit risk

Our credit portfolio is very widely spread among a client base made up of local entrepreneurs and professionals who are known to the bank. The bank applies concentration limits per sector and maximum credit amounts per client. The credit portfolio is divided into risk categories, each of which is monitored in its own specific way. The Board of Directors receives a twice-yearly report on credit facilities in the highest risk category, "uncertain development".

In the context of Basel II, Bank J.Van Breda & C° has opted for the standardised approach.

Debts which become doubtful are transferred to the Litigation department. There are specific criteria for mandatory transfer when specific events arise with our clients, borrowers or guarantors. Write-offs were made on loans in the highest risk category, "uncertain", and on dubious debts.

### Credit risk of the investment portfolio

The risk profile of the investment portfolio has for many years consciously been kept very low. The bank invests only in bonds, 96% of which are issued by European governments.

The investment framework submitted annually to the Board of Directors for approval defines what can be invested in and what limits apply. The table below gives the composition of the investment portfolio according to rating, sector, currency and final maturity.

### Exchange rate risk

Because of the nature of its clients (Bank J.Van Breda & C° only operates in Belgium), the bank does not have material foreign currency positions.

### Market risk

As all our business is client-oriented and we do not engage in any market activities on our own behalf, our result is less sensitive to developments on the financial markets.

### Interest rate risk

The bank adopts a cautious policy regarding the interest rate risk, well within the standards set by the CBFA (Banking, Finance and Insurance Commission). In areas where the durations of assets and liabilities do not match sufficiently, the bank introduces hedging instruments to correct the balance. We do this with a combination of rate swaps (which convert our variable interest rate commitments into fixed commitments) and options (which provide protection against a rise in interest rates above given levels).

The interest rate risk is measured, among other things, using the Basis Point Value methodology. The decision was made to gradually reduce the interest rate risk during 2009.

The bank also carries out extensive interest gap analysis and a scenario analysis that takes account of changing market conditions, enabling the impact of stress-scenarios to be analysed.

### Liquidity risk

Commercial banking activities are the most important source of liquidity risk. This is the risk that the bank will have insufficient resources to meet its immediate commitments. The bank also consciously aims for a low risk profile in this domain.

The bank's healthy **liquidity position** improved further in 2009 as a result of client deposits. The entire loan portfolio is financed by client deposits. Furthermore, deposits for terms of a year or longer grew by 82% to more than 320 million euro, further strengthening the bank's liquidity position. Risk-averse investors who were frightened by the financial crisis, when looking at options for their long-term investments, are paying more attention than previously to the risk profile of the bank with which they entrust their savings. They feel reassured by the healthy financial position of Bank J. Van Breda & C°.

The bank's liquidity risk is monitored constantly by means of proactive treasury management, within the lines defined by Asset & Liability Management.

Our treasury surpluses increased considerably: during 2008 and also in 2009 the bank had a comfortable liquidity position, characterised by treasury surpluses.

For the purpose of liquidity management, the bank uses, among other things, liquidity reports, ratio analysis and volume prognoses in the short and long term. The bank also works with an internal liquidity ratio that compares the liquid assets and the available liquidity in the investment portfolio against short-term commitments. The ratios remain within the limits approved for Asset & Liability Management. New in 2009 was the 3-monthly calculation of two ratios laid down by the CBFA. The bank introduced these ratios in its monthly reporting and continues to remain within the norms defined by the CBFA.

The bank's healthy  
liquidity position improved  
further in 2009.

In millions of euros	≤ 1 month	1-3 months	3-12 months	1-5 years	5-10 years	> 10 years	Total
<b>Liquidity gap on 31/12/2009</b>							
Assets	399	140	432	1221	477	306	2975
Liabilities	810	436	511	838	52	327	2975
<b>Gap</b>	-411	-296	-80	383	425	-21	0
<b>Liquidity gap on 31/12/2008</b>							
Assets	511	131	294	1151	524	294	2905
Liabilities	1019	457	471	608	41	310	2905
<b>Gap</b>	-508	-326	-177	543	483	-16	

#### Liquidity gap

The table above gives the assets and liabilities grouped together per period of maturity. Thanks to a significant increase in deposits with a term of 1-5 years, the liquidity gap for periods of < 12 months was further reduced.

The table takes account of the assumptions made for products without maturity (for instance current and savings accounts). The bank operates assumptions that are in line with the CBFA guidelines.

Moreover, the bank has a substantial portfolio of high-quality bonds that can be used as a buffer to absorb liquidity fluctuations in the treasury position. At the end of 2009 this portfolio amounted to EUR 537 million. External institutional financing (interbank + securities placed with institutions) accounts for only 7.7% of the total assets. The bank's clients have always been its main source of financing: many thousands of local business people and professionals use Bank J.Van Breda & C° for their investments and their day-to-day activities. This provides the bank with a stable source of financing, with volumes spread over a large group of clients.

#### Solvency risk

The bank has adequate equity to continue to grow on the basis of its own strength, even in the event of unforeseen market circumstances.

Capital management at Bank J.Van Breda & C° is designed to ensure at all times that the bank complies with the statutory requirements and maintains a level of capitalisation that adequately matches the level of activity and the risks incurred. This means that the net worth must be sufficient to absorb any shock caused by credit losses, so that clients' savings deposits are not jeopardised at any time.

The jargon refers to two "tiers" when calculating the statutory net worth:

- **Core Tier 1 capital** includes paid-up capital, reserves, minority interests and the result of the financial period after deduction of the dividend payable, less negative reserve from the stocks available for sale, intangible assets and 50% of participating interests in other credit and financial

Net worth and solvency	2008	2009
Net worth	222.599	243.731
Net worth in the narrow sense (Core Tier 1) (1)	218.313	240.309
Additional net worth (tier 2)	52.375	56.790
Total net worth (2)	270.688	297.099
Weighted risk volume (3)	2.167.487	2.036.481
Risk asset ratio (RAR) (2)/(3)	12.5%	14,6%
Core capital ratio (Core Tier 1 ratio) (1)/(3)	10.1%	11,8%

#### Net worth and solvency

institutions that amount to over 10% of the capital.

- **Tier 2 capital** consists of a percentage of the subordinated debts less 50% of the participating interests in other credit and financial institutions that amount to over 10% of their capital.

The credit portfolio of the bank is “weighted”, in accordance with the standardised approach of Basel II. In 2009, for the first time, the bank reduced the risk weight of loans by taking collateral into account. The operational risk and the market risk are also weighted. The end result of this is the “Weighted risk volume”.

This can be used to calculate the ratios that are reported to the Banking, Finance and Insurance Commission and used as a benchmark in the markets.

#### Equity and solvency

- The **risk asset ratio** as reported to the Banking, Finance and Insurance Commission weighs the total net worth against the weighted risk volume. In 2009 this ratio

stood at 14,6%, compared with a minimum requirement of 8%.

- The **core capital ratio** weighs the net worth in the narrow sense (Core Tier 1) against the weighted risk volume. This ratio amounts to 11,8%, compared with a minimum requirement of 4%.

Both ratios increased in the year just ended, exclusively thanks to the profit the bank achieved in 2009. This enables Bank J.Van Breda & C° to comply with all legal standards without the need for any capital injection. The bank is comfortably above the thresholds that were de facto placed above the legal requirements by ratings bureaus and analysts amid the turbulence of the credit crisis.

#### Healthy financial leverage

In addition to the risk asset ratios on the basis of the weighted risk volume, the leverage ratio is also worth considering. This ratio sets the total assets of the bank against the net worth. With a ratio of assets to net worth of just 12.4 at the end of 2009 (compared to 13.2 at the end of 2008), Bank J.Van Breda & C° consciously maintains very limited and therefore

healthy leverage.

### Operational risk

As a specialised niche player, Bank J.Van Breda & C° benefits from its relatively small scale, flat structure and short lines of communication. Internal operational risks are managed, among other means, through

- **high standards of integrity:** honesty is of fundamental importance in our corporate culture, both for the organisation and for our individual members of staff
- **departmental charters:** the core values 'specialised', 'personal' and 'proactive' are guaranteed at the departmental level by means of departmental charters
- **front-line control:** the operational departments have a major responsibility in monitoring their own operating methods and the quality delivered
- **IT:** the main operating processes are computerised and have built-in process controls
- **disaster recovery plan:** the continuity of activities in the event of a disaster is regularly tested and improved.

### Income volatility risk

The income from client relations banking – the bank's main activity – is supplemented by specialised vendor activities for car dealers, which are carried out by the subsidiary Van Breda Car Finance.

Like other financial institutions, Bank J.Van Breda & C° is dependent on a profit contribution from the transformation margin between the short-term interest rate and the long-term interest rate. Thanks to volume increases and the use of hedging instruments, the bank has always been able to accommodate the reduction in interest income as a result of an unfavourable interest rate climate in the past. Furthermore, banking revenues in 2009 were made up of 25%

commission income (compared to 28% in 2008).

### Reputation risk

Bank J.Van Breda & C° has an impeccable reputation which it wishes to safeguard. Constant attention to integrity and discretion forms the guiding thread running through all our activities.

We advocate caution and balance for our clients, as well. This is reflected among other things in nuanced investment advice (with a view to spread, long-term planning and investment in quality securities), thorough advice on credit applications (with the emphasis on the quality of the company management, repayment ability and equity) and high standards in terms of acting correctly from a legal and tax point of view.

### Strategic risk

The activities of Bank J.Van Breda & C° are consistently managed and undertaken in accordance with the corporate mission. This corporate mission has formed the basis of the bank's positive results for years. The Executive Committee consistently tests all strategic decisions and market opportunities against this corporate mission.

The Board of Directors also constantly assesses this mission on its merits and regularly considers future opportunities and threats for the bank in a rapidly changing market environment.

### Autonomy of internal audit and risk policy

With a view to strict control of all operating risks, great value is attached to the autonomy of the internal audit unit, the compliance officer, the risk manager and the ombudswoman. The autonomy of the internal auditor is guaranteed by the opera-

In 2009, Bank J.Van Breda & C° became the first business in Belgium to obtain the “Fit Bedrijf” certificate.



Flemish Prime Minister Kris Peeters awarded Bank J.Van Breda & C° the title of first “Fit company” in Belgium.

tion of the Audit committee.

**TARGETED PERSONNEL POLICY**

In order to be the best client relations bank for entrepreneurs and liberal professionals, we pay a great deal of attention to our personnel policy. This starts with the recruitment of highly qualified **client-focused personnel**, who are committed to upholding the values of honesty, enthusiasm and a sense of responsibility.

At the end of 2009, the bank employed a total

of 399 staff. We look after relations with our clients from 41 locations, including 10 independent branches. At the end of 2009 there were 127 client relations managers working for Bank J.Van Breda & C°. In 1999 there were barely 60.

Our client-oriented approach is put into practice by a strong **commercial team**. In 2009, the percentage of staff in direct contact with clients amounted to 62% (expressed in full-time equivalents). This is combined with substantial and ongoing training efforts. We believe it is important to integrate people quickly and fully into our corporate culture.

Ensuring that clients are firmly established and **staff loyalty** go hand in hand. This is why Bank J.Van Breda & C° adopts a social policy focusing on staff retention. A results-oriented approach to work and participation in profit growth are supported by means of a broad-based share option plan. Openness, mutual commitment and job satisfaction are central to our corporate mission.

In August 2009, Bank J.Van Breda & C° became the first business in Belgium to obtain

In March 2010 Bank J.Van Breda & C° was named “Best Employer” on the basis of the survey conducted by the HRM Centre



at the Vlerick Leuven Ghent Management School, together with Vacature and the Great Place to Work Institute Europe.



**First paper-free bank, thanks to wireless working via the Internet**

the “Fit Bedrijf” certificate. This is a type of ‘ISO standard’ for physical exercise, issued by Het Gezonde Net België (The Belgian Healthy Network). In order to be awarded it, businesses must show that they encourage staff to get more exercise and to achieve objectively measured results. The bank was the first business that was successful on both points and was officially presented its award by Flemish Prime Minister Kris Peeters.

### **IT policy underpins strategy** **The first paperless bank**

On 26 October 2009 the first phase was launched of a **new IT project**. The application is based on wireless working and mobile technology with a ‘tablet-pc’ to which all client managers have access. This enables them – at the office as well as with the client – to illustrate advisory discussions with facts and numbers and to immediately deal with the resulting administration in a paperless manner. The bank is working to adapt all business processes to this way of working over a period of three to four years.

With this project Bank J.Van Breda & C° is

the first bank in Belgium to integrate wireless working in a **remote interactive project**, and the bank is pioneering paperless banking. This project was chosen as the 2nd best IT-project in Belgium by the trade journal Data News.

### **FUTURE-ORIENTED ACCOMMODATION**

Also in 2009 the bank’s new headquarters in the beautifully restored former Freight terminal at Ledeganckkaai in Antwerp were continuously used to receive clients and for events organised by the bank or by associations of entrepreneurs and professionals. All those who are invited react enthusiastically and experience the new headquarters as a beacon of ambition and faith in the future of the bank.

In terms of office accommodation, the offices in Lier and Turnhout moved in 2009 to stylish new premises. The offices in Antwerp Plantin, Hasselt and Kontich were extensively renovated. There are further plans for a number of branches to be renovated, extended or moved to new premises over the next few years, as well.

### **POSITIVE OUTLOOK**

Bank J.Van Breda & C° posted strong financial performance in 2009:

- Net profit increased by 13% to 23.3 million euro.
- Equity increased by 9% to 244 million euro.
- The liquidity and solvency position remained very healthy and even improved in 2009.

This puts the bank in a strong position to deal with an economic environment that could remain extremely challenging for a long period of time.

Obviously, the current uncertain climate makes it difficult to make profit forecasts. The current market situation in which a number of banks are paying significantly more than the risk-free interest rate for savings, needs to be taken into

account. Recovery from the deep economic recession could take a long time. The exceptionally low rate of write-downs on loans could be difficult to maintain, making the net profit trend difficult to predict. Nevertheless, barring unforeseen circumstances the bank expects to post a solid result once again in 2010, for a variety of reasons:

- The bank's **own portfolio** is **conservatively invested**. We have no subprime loans or other toxic products in portfolio. The bank traditionally invests not in shares but in bonds, of which 96% are European government bonds.
- For 2010 the bank is assuming that the increased volume of investments and loans will result in a further **increase in banking revenues**. The interest-rate climate is expected by the financial markets to remain relatively favourable. The write-offs on interest hedging instruments were particularly strong in 2009. From the point of view of diversification it remains responsible for investors to invest sufficiently for the long term, which will sustain commission income on purchase and sale transactions and support initial charges.
- With its strategy of asset management based on the **long-term interests of the client**, the bank has in recent years only been exposed to a limited extent to the volatility of the financial markets.
- The expected growth of banking revenues will help the **cost-efficiency** of the bank and supports additional investments in client management, IT and accommodation, in order to further strengthen the bank's capacity.
- The bank is sticking to its **careful credit policy**. The exceptionally low level of write-downs on loans (0.09% in 2009), could come under pressure in view of the depth of the recent economic recession. However, thanks to the prudent credit policy adopted

by Bank J.Van Breda & C<sup>o</sup>, write-downs on loans have been considerably lower than the market average for the past decade. We are assuming that our approach will continue to bear fruit in the future.

The confidence of the Board of Directors in the long-term potential of the bank's strategy has strengthened significantly since the start of the financial-economic crisis. The positive trend in the commercial results of the core activities of asset management for entrepreneurs and professionals as well as the very careful financial management of the bank speak for themselves. Although the year 2010 promises to be very challenging, these successes and the very healthy position of the bank form a sound basis for good financial growth in the long term.

*No significant events (positive or negative) occurred between the balance sheet date and the date on which the annual accounts were approved for publication by the Board of Directors.*

#### **Mark Leysen**

Chairman of the Board of Directors  
Bank J.Van Breda & C<sup>o</sup>

# Basic figures

## Bank J.Van Breda & C°

Bank J.Van Breda & C°	2005	2006	2007	2008	2009
<b>Staff</b>	380	403	399	403	399
<b>Results</b>					
Net profit after taxes	28.811 <sup>1</sup>	24.397	22.384	20.619	23.317
Profit growth	18% <sup>1</sup>	-15%	-8%	-8%	13%
<b>Balance sheet data</b>					
Total invested by clients	3.537.549	4.077.405	4.700.986	5.009.245	5.644.268
Client deposits <sup>2</sup>	1.466.944	1.660.475	1.899.356	2.221.400	2.358.533
Off-balance sheet products	2.070.705	2.416.930	2.801.630	2.787.845	3.285.735
Total private lending <sup>2</sup>	1.670.248	1.797.619	2.056.606	2.202.059	2.328.371
Equity	237.170	224.371	206.577	222.599	243.731
<b>Ratios</b>					
Cost / income ratio	51% <sup>1</sup>	57%	58%	60%	60%
Return on average equity (ROE)	13,2% <sup>1</sup>	10,6%	10,4%	9,6%	10%
Return on assets (ROA)	1,08% <sup>1</sup>	0,94%	0,85%	0,70%	0,77%
Write-downs on loans	0,10%	0,04%	0,13%	0,19%	0,09%
Core capital ratio (Core tier 1) <sup>3</sup>	10,0%	10,6%	9,5%	10,1%	11,8%
Risk asset ratio (RAR) <sup>3</sup>	14,4%	13,1%	11,8%	12,5%	14,6%

All data as at 31.12, with monetary amounts in thousands of EUR.

Bank J.Van Breda & C° NV consolidated with Leasing J.Van Breda & C° NV (up to and including 30/09/2005), Fingraf NV (up to and including 30/09/2005), Van Breda Car Finance NV, Beherman Vehicle Finance NV (liquidated since 7/10/2009), Beherman Vehicle Supply NV, Station Zuid NV and Fracav SA (from 13/3/2007 onwards) on the basis of the full consolidation method and with Power Lease NV (up to and including 11/12/2007), Finauto NV, Necadis Credit NV, Financieringsmaatschappij Definco NV, Antwerpse Financiële Handelsmaatschappij NV, Jaguar Finance Belgium NV (liquidated since 26/06/2007) and Informatica J.Van Breda & C° NV on the basis of the equity method.

<sup>1</sup> Figures and ratios for 2005 based on profit figures exclusive of capital gain of EUR 22,633,000 realised on the sale of Leasing J.Van Breda & C° NV.

<sup>2</sup> Client deposits and private lending up to and including 2005 excluding and from 2006 including interest due.

<sup>3</sup> Core capital ratio and risk asset ratio up to and including 2007 in accordance with Basel I standards, from 2008 onwards in accordance with Basel II standards (standardised approach).

# Group Delen

<b>Group Delen</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Staff</b>	168	168	210	215	214
<b>Results</b>					
Net profit after taxes	25.901	30.007	36.714	32.469	34.570
Profit growth	21%	16%	22%	-12%	6%
<b>Balance sheet data</b>					
Total invested by customers	7.471.537	8.416.378	12.125.735	10.342.784	13.242.868
Equity (group)	134.380	148.711	246.021	281.083	303.597
<b>Ratios</b>					
Cost income ratio	42,8%	43,3%	44,6%	46,1%	48,3%
Return on average equity (ROE)	20,5%	21,2%	18,6%	12,3%	11,8%

All data as at 31.12, with monetary amounts in thousands of EUR.

# Organisation chart

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

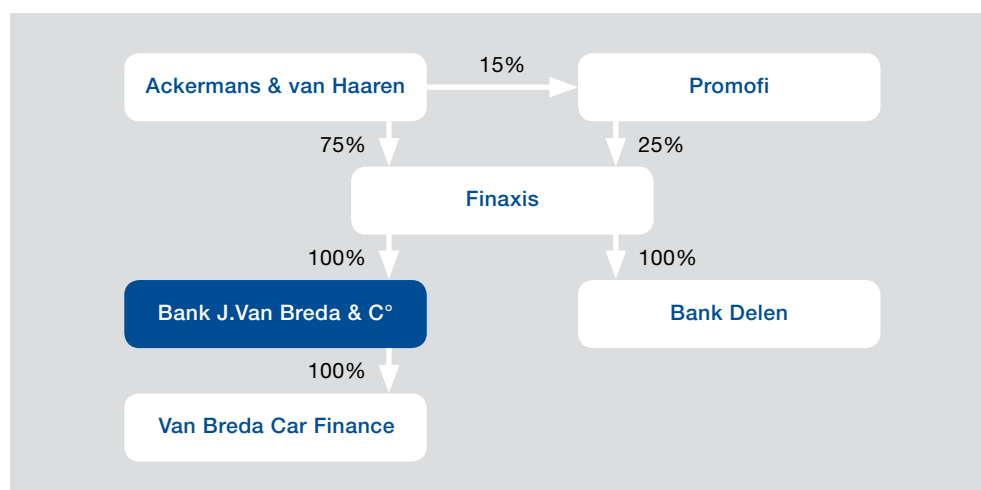
### Finaxis

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

The bank was founded in Lier in 1930 by Jos Van Breda and has maintained its individuality ever since. It is making every effort to retain its independence in the future.

Since 1998, the bank's shares have been established in the Finaxis holding company, along with those of Bank Delen, one of the largest independent asset managers in Belgium. Thanks to close cooperation, Bank J.Van Breda & C° also offers its clients the professional services of this renowned bank.

Ackermans & van Haaren, the reference shareholder, now owns 75% of the shares in Finaxis. Promofi holds 25% of the capital, as a result of which AvH, directly and indirectly through Promofi, controls 78.75% of Finaxis in total.





### Bank Delen

The Delen group, originally a stockbroker established in 1936, is now active via Bank Delen as an asset manager. In its offices in Antwerp, Ghent, Brussels, Hasselt, Liège, Rumbeke (Roeselare) and branches in Luxemburg and Geneva, the bank has 214 employees.

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

With over 13 billion euro in assets under management, Bank Delen has been selected as the best private bank in Belgium by the respected Euromoney magazine for 4 years in a row – 2007, 2008, 2009 and 2010.

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

### Ackermans & van Haaren

Ackermans & van Haaren is an independent, diversified group, listed on Euronext Brussels and included in the Bel 20.

Ackermans & van Haaren strives to achieve an even spread in its activities between 5 core sectors:

- **Contracting, dredging and concessions** (DEME, one of the world's largest dredging businesses and A.A. Van Laere, a leading contractor in Belgium).
- **Real Estate and related services** (Leasinvest Real Estate, a listed real estate investment company – Extensa, a large land and property developer operating mainly in Belgium, Luxemburg and Central Europe).
- **Financial services** (Bank Delen, one of Belgium's largest independent private asset managers, and Bank J. Van Breda & C°, a niche bank for entrepreneurs and the liberal professions).
- **Private equity** (Sofinim, one of Belgium's biggest venture capital providers – GIB, which is controlled jointly by AvH and the Nationale Portefeuille Maatschappij).
- **Energy and raw materials** (including palm oil producer Sipef, Henschel Engineering, Sagar Cements).

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

# Corporate governance

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

**Responsibility and transparency are key terms in the pursuit of high standards of corporate governance at Bank J.Van Breda & C°. To this end, we opt for a simple structure with a clear division of labour between executive and supervisory managers.**

## **Executive Committee**

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

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



The Executive Committee of Bank J.Van Breda & C° in the fully restored former ticket counter hall, now the patio and meeting area of our head office. FLTR Vic Pourbaix, Dirk Wouters, Carlo Henriksen and Peter Devlies.



Composition as at 1/2/2010: Carlo Henriksen (chairman), Peter Devlies (responsible for investments, cash transfers, cash and document processing), Vic Pourbaix (client relations manager), Dirk Wouters (ALM officer, credits and reporting).

### **Board of Directors**

The Board of Directors ratifies the strategy followed 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 that the bank runs and establish acceptable levels by defining clear tolerance levels and risk limits.

Composition as at 1/2/2010: Mark Leysen (chairman), Jan Suykens (vice chairman), Luc Bertrand, Piet Dejonghe, Jacques Delen, Peter Devlies, Paul De Winter, Carlo Henriksen, Vic Pourbaix, Pierre Sureda and Dirk Wouters (directors)

### **Remuneration Committee**

The remuneration committee settles the financial relations with the directors and determines the amount of their salary.

Composition as at 1/1/2010: Luc Bertrand, Mark Leysen

We promote high ethical norms and standards of integrity.

### Audit Committee

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

Composition as at 1/1/2010: Luc Bertrand, Mark Leysen, Jan Suykens

**Luc Bertrand** completed his studies as Commercial Engineer at the Catholic University of Leuven in 1974. He worked at the Bankers Trust Co in New York, Amsterdam and London until 1986 (Vice-President, North Europe Area Manager). In 1985 he became a director and in 1987 the administrative and financial manager of Ackermans & van Haaren NV. Since 1996 he has been serving as chairman of the Executive Committee of Ackermans & van Haaren NV. He is also chairman of Finaxis. He holds various executive positions within and outside the Ackermans & van Haaren group, and has also been appointed independent director at Schroders and ING Belgium.

**Mark Leysen** obtained a licentiate in Commercial and Consular Sciences. From 1986 he has been with the Van Breda group. At the moment he is business manager of Unibreda and holds various positions in the brokerage firm. He is also deputy chairman of Finaxis, chairman of the Board of Directors of Bank J. Van Breda & C° and chairman of the Board of Directors of Eos Risq.

**Jan Suykens** obtained his licentiate in Applied Economics (TEW) and thereafter received an MBA from Columbia University, New York. He began his career in the Corporate & Investment Banking department of Fortis Bank. Since 1990 he has been CFO and a member of the Executive Committee of Ackermans & van Haaren. He holds various positions within Ackermans & van Haaren and has also been appointed director of the insurance company Mercator Verzekeringen.

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

### 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 office network. This unit evaluates the effectiveness and efficiency of internal examinations and gives advice for improving performance.

Head of internal audit :  
Tine.Vansuetendael@bankvanbreda.be

- The **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.

ombudsvrouw@bankvanbreda.be  
Tel. 0800/93004, Fax 03/271.10.94

- **Governance** 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 subjected.

*Compliance* is concerned with managing risks to the bank's reputation. This involves supervising and promoting the rules relating to banking integrity. The integrity policy is focused primarily on the following areas: anti-money laundering measures, tax avoidance policy, transactions in financial instruments, insider trading, currency manipulation, privacy legislation, discretion, ethical codes, etc.

Credit risks, operational risks, interest 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 under control in an appropriate manner.

Governance Officer:  
Benny.Coninx@bankvanbreda.be

We keep risks under  
control in an  
appropriate manner.



# Consolidated financial statements

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

In a separate 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](http://www.bankvanbreda.be) under “Bedrijfsinfo/publicaties”.

**CONSOLIDATED PROFIT AND LOSS ACCOUNT (IN THOUSANDS EUR)**

	2008	2009
<b>I. Financial &amp; operating income and expenses</b>		
1. Net interest income	56.559	65.744
<i>Interest income</i>	<i>167.445</i>	<i>142.310</i>
<i>Interest expense</i>	<i>(110.886)</i>	<i>(76.567)</i>
2. Dividend income	57	302
3. Net fee and commission income	22.628	21.348
Cash receipts of fees and commissions	25.227	24.242
Cash payments of fees and commissions	(2.600)	(2.894)
4. Realised gains (losses) on financial assets & liabilities other than measured at fair value through profit or loss	(380)	960
5. Gains (losses) on financial assets and liabilities held for trading	(282)	(696)
6. Cash flow hedges	(2.053)	(6.292)
Cash flow hedges: net amount transferred to profit and loss	(1.335)	(5.692)
Cash flow hedges: non effective portion of changes in fair value	(718)	(600)
7. Exchange differences revaluations	1.771	1.666
8. Gains and losses on derecognition of assets other than held for sale	(1)	414
9. Other operating net income	1.562	1.523
Other operating income	1.636	1.602
Other operating expenses	(74)	(78)
<b>OVERALL INCOME</b>	<b>79.860</b>	<b>84.969</b>
<b>II. Administration costs</b>		
1. Staff expenses	(28.225)	(30.086)
2. General and administrative expenses	(17.134)	(18.274)
<b>III. Depreciation</b>		
1. Property, plant and equipment	(1.953)	(2.062)
2. Intangible assets	(302)	(278)
<b>IV. Provisions</b>	(10)	(167)
<b>COSTS</b>	<b>(47.625)</b>	<b>(50.867)</b>
<b>V. Impairment</b>		
1. Impairment losses on financial assets not measured at fair value through profit or loss Loans and receivables measured at amortised cost (including finance leases)	(4.082)	(1.978)
<b>VI. Share of the profit or loss of associates and joint ventures accounted for using the equity method</b>	65	169
<b>TOTAL PROFIT (LOSS) BEFORE TAX</b>	<b>28.219</b>	<b>32.294</b>
Tax expenses related to profit	(7.542)	(8.926)
<b>PROFIT FOR THE PERIOD</b>	<b>20.677</b>	<b>23.368</b>
Attributable to minority interest	(58)	(51)
<b>PROFIT FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK</b>	<b>20.619</b>	<b>23.317</b>

**CONSOLIDATED BALANCE SHEET: ASSETS (IN THOUSANDS EUR)**

	<b>2008</b>	<b>2009</b>
<b>I. Cash and cash balances with central banks</b>	155.755	62.204
<b>II. Loans and advances to banks</b>	38.030	35.036
<b>III. Financial assets</b>		
1. Financial assets held for trading	22.311	15.716
2. Financial assets available for sale	478.561	539.862
3. Loans and receivables (including finance leases)	2.202.059	2.328.371
4. Derivatives used for hedging	2.802	270
<b>IV. Tangible assets</b>		
1. Property, plant and equipment	29.944	29.581
<b>V. Goodwill and other intangible assets</b>	4.518	5.968
<b>VI. Investments in associates, subsidiaries and joint ventures using the equity method</b>	799	956
<b>VII. Tax assets</b>		
1. Current tax assets	1.320	229
2. Deferred tax assets	4.415	3.244
<b>VIII. Other assets</b>	3.304	4.165
<b>TOTAL ASSETS</b>	<b>2.943.818</b>	<b>3.025.601</b>

**CONSOLIDATED BALANCE SHEET: LIABILITIES (IN THOUSANDS EUR)**

	<b>2008</b>	<b>2009</b>
<b>I. Financial liabilities</b>		
1. Financial liabilities held for trading	8.187	9.112
2. Financial liabilities measured at amortised cost		
2.1. Deposits from credit institutions	275.910	251.922
2.2. Deposits from other than credit institutions	2.129.883	2.264.848
2.3. Debt certificates including bonds	195.072	134.090
2.4. Subordinated liabilities	73.671	80.758
3. Derivatives used for hedging	19.752	20.818
<b>II. Provisions</b>	1.039	1.206
<b>III. Tax liabilities</b>		
1. Current tax liabilities	4.251	5.246
2. Deferred tax liabilities	1.168	1.217
<b>IV. Other liabilities</b>	12.288	12.653
<b>TOTAL LIABILITIES</b>	<b>2.721.220</b>	<b>2.781.869</b>
<b>V. Issued capital</b>	17.500	17.500
<b>VI. Revaluation reserves</b>	(9.536)	(4.399)
<b>VII. Consolidated reserves</b>	214.162	229.250
<b>IX. Interim dividends</b>	387	1.316
<b>X. Minority interest</b>	86	64
<b>TOTAL EQUITY AND MINORITY INTEREST</b>	<b>222.599</b>	<b>243.732</b>
<b>TOTAL EQUITY (INCL. MINORITY INTEREST) AND LIABILITIES</b>	<b>2.943.818</b>	<b>3.025.601</b>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IN THOUSANDS EUR)**

	<b>2008</b>	<b>2009</b>
<b>Profit for the period</b>	20.677	23.368
Net change in fair value of available for sale assets	12.201	9.423
Net change in fair value of available for sale assets transferred to profit and loss	380	(960)
Tax on available for sale assets	(4.455)	(2.797)
<b>Other comprehensive income on available for sale assets, net of income tax</b>	<b>8.126</b>	<b>5.665</b>
Cash flow hedges: effective portion of changes in fair value	(20.620)	(6.492)
Cash flow hedges: changes in fair value transferred to profit and loss	1.335	5.692
Tax on cash flow hedges	6.555	272
<b>Other comprehensive income on cash flow hedges, net of income tax</b>	<b>(12.730)</b>	<b>(528)</b>
<b>Total other comprehensive income for the period, net of income tax</b>	<b>(4.604)</b>	<b>5.137</b>
<b>Total comprehensive income for the period</b>	<b>16.073</b>	<b>28.505</b>
Comprehensive income for the period attributable to minority interests	58	51
<b>Total comprehensive income for the period attributable to equity holders of the bank</b>	<b>16.015</b>	<b>28.455</b>

**STATEMENT OF CHANGES IN EQUITY (IN THOUSANDS EUR)**

	Share capital & share premium	Con-solidated reserves	Revaluation reserves				Share-based payment	Minority interest	Total equity
			Financial assets available for sale	Cash flow hedges	Subtotal	Total equity attributable to equity holders of the bank			
<b>OPENING BALANCE, 1 JANUARY 2008</b>	17.500	193.549	(7.768)	2.836	(4.932)	331	129	206.577	
Payment of dividend last financial year		(6)		-			(101)	(107)	
Profit of the financial year		20.619		-			58	20.677	
Changes in revaluation reserves			8.126	(12.730)	(4.604)			(4.604)	
Share based payment: contribution of mother company						56		56	
Other			-					-	
<b>CLOSING BALANCE, 31 DECEMBER 2008</b>	17.500	214.162	358	(9.894)	(9.536)	387	86	222.599	
<b>OPENING BALANCE, 1 JANUARY 2009</b>	17.500	214.162	358	(9.894)	(9.536)	387	86	222.599	
Payment of dividend last financial year		(8.227)		-			(56)	(8.283)	
Profit of the financial year		23.317		-			50	23.367	
Changes in revaluation reserves			5.665	(528)	5.137			5.137	
Share based payment: contribution of mother company						929		929	
Other		(2)					(16)	(18)	
<b>CLOSING BALANCE, 31 DECEMBER 2009</b>	17.500	229.250	6.023	(10.422)	(4.399)	1.316	64	243.732	

The capital of Bank J.Van Breda & C° is represented by 650,000 ordinary shares without par value (idem 2008). All shares are fully subscribed and paid in.

**CASH FLOW STATEMENT (IN THOUSANDS EUR)**

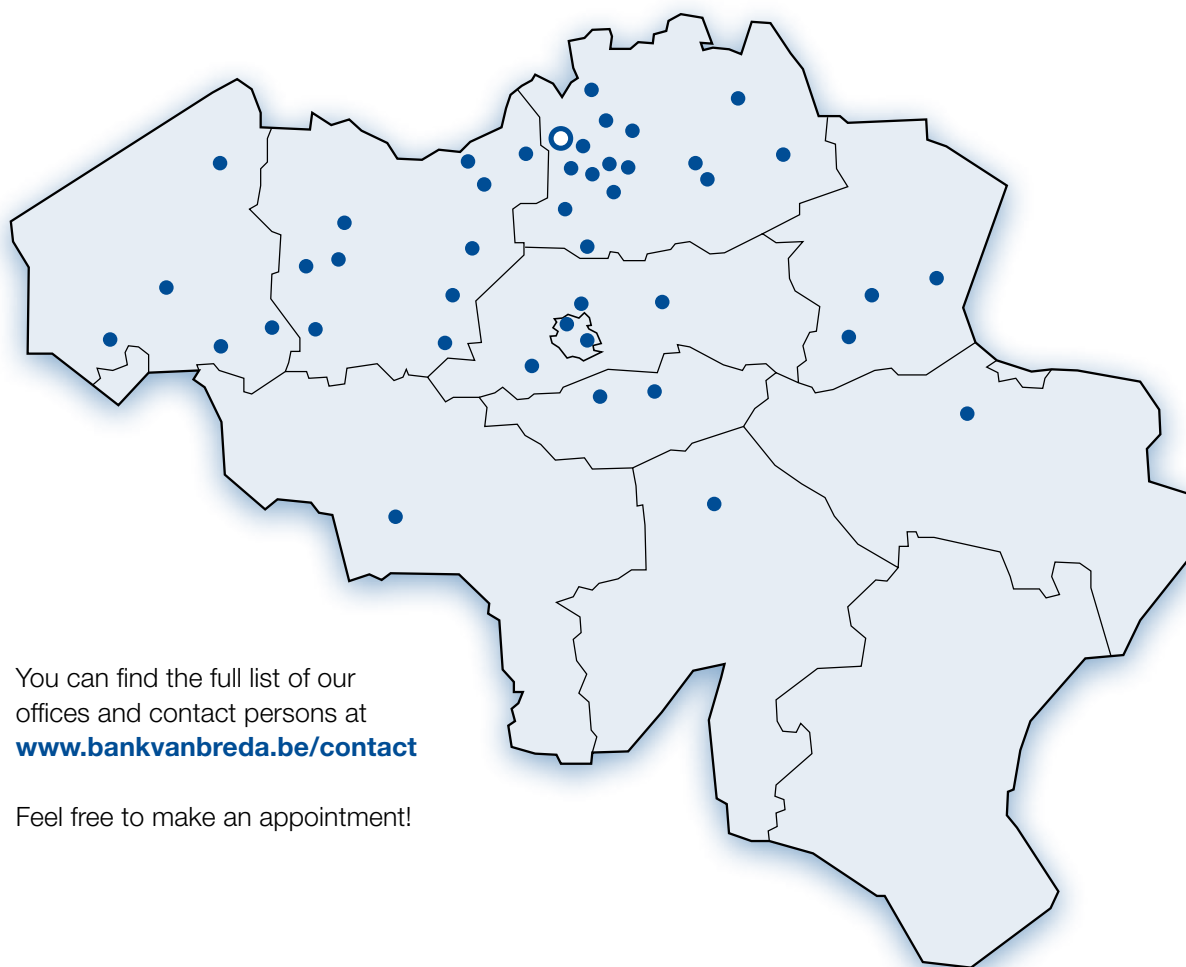
Indirect method	<b>2008</b>	<b>2009</b>
<b>Operating activities</b>		
<b>Net profit (loss) for the period</b>	20.619	23.317
<b>Adjustments to reconcile net profit or loss to net cash provided by operating activities</b>		
Current and deferred tax income, recognised in income statement	7.542	8.926
Current and deferred tax expenses, recognised in income statement	58	51
Minority interests included in group profit or loss	(4)	1
Unrealised foreign currency gains and losses		
<b>Investing and financing</b>		
Depreciation / amortisation	2.255	2.340
Gains and losses on sale of tangible assets	1	(414)
<b>Operating</b>		
Impairments	4.122	1.976
(Increase) decrease in provisions	10	167
Gains and losses on cash flow hedges	2.053	6.292
Gains and losses on financial assets and liabilities held for trading	286	696
Gains and losses on available for sale assets	1.358	5.644
Share based payment	57	929
Share of the profit or loss of associates and joint ventures accounted for using the equity method	(65)	(169)
Dividend receipts of associates and joint ventures accounted for using the equity method	17	13
Other adjustments	(11)	(239)
<b>Cash flow from operating profits before changes in operating assets and liabilities</b>	<b>38.298</b>	<b>49.529</b>
<b>(Increase) decrease in operating assets (excl. cash &amp; cash equivalents)</b>	<b>(158.047)</b>	<b>(184.076)</b>
(Increase) decrease in balances with central banks	(90)	90
(Increase) decrease in loans and advances to banks	88.039	(4.299)
(Increase) decrease in loans and receivables	(150.002)	(130.034)
(Increase) decrease in available for sale assets	(81.205)	(55.629)
(Increase) decrease in financial assets held for trading	(9.723)	4.656
(Increase) decrease in asset-derivates used for hedging	(1.980)	
(Increase) decrease in accrued income from financial assets	(3.277)	2.001
(Increase) decrease in other assets	191	(861)
<b>Increase (decrease) in operating liabilities (exl. cash &amp; cash equivalents)</b>	<b>279.342</b>	<b>46.072</b>
Increase (decrease) in deposits from credit institutions	(13.013)	(22.888)
Increase (decrease) in deposits from other than credit institutions	321.441	139.862
Increase (decrease) in debt certificates	(32.494)	(60.446)
Increase (decrease) in subordinated liabilities (excl. accrued interest)	1.361	(138)
Increase (decrease) in financial liabilities held for trading		(2.778)
Increase (decrease) in liability-derivates used for hedging		
Increase (decrease) in accrued expenses on financial instruments	5.022	(7.907)
Increase (decrease) in other liabilities	(2.976)	365
<b>Cash flow from operating activities</b>	<b>159.593</b>	<b>(88.475)</b>
Income tax (paid) refunded	(7.229)	(8.144)
<b>Net cash flow from operating activities</b>	<b>152.364</b>	<b>(96.619)</b>

**CASH FLOW STATEMENT (IN THOUSANDS EUR)**

Indirect method	<b>2008</b>	<b>2009</b>
<b>Investing activities</b>		
(Cash payments to acquire tangible assets)	(3.352)	(2.676)
Cash receipts from the sale of tangible assets	3	1.390
(Cash payments to acquire intangible assets)	(472)	(1.728)
Cash receipts from the sale of intangible assets		
(Cash payments for the investment in joint ventures, associates)		
(Cash payments for the investment in subsidiaries, net of cash acquired)		(18)
Cash receipts from the disposal of joint ventures, associates	1	
Cash receipts from the disposal of subsidiaries, net of cash disposed		
(Other cash payments related to investing activities)	(6)	(0)
Other cash receipts related to investing activities		
<b>Net cash flow from investing activities</b>	<b>(3.828)</b>	<b>(3.031)</b>
<b>Financing activities</b>		
(Dividends paid)	(107)	(8.283)
Cash proceeds from the issuance of subordinated liabilities	2.757	14.869
(Repayment of subordinated liabilities)	(1.221)	(7.596)
Other payments relating to financing activities		
(Other receipts relating to financing activities)		
<b>Net cash flow from financing activities</b>	<b>1.429</b>	<b>(1.009)</b>
Effect of exchange rate changes on cash and cash equivalents		
<b>Net increase in cash and cash equivalents</b>	<b>149.965</b>	<b>(100.660)</b>
<b>Cash and cash equivalents at beginning of the period *</b>	<b>18.224</b>	<b>168.189</b>
<b>Cash and cash equivalents at the end of the period *</b>	<b>168.189</b>	<b>67.529</b>
* Cash and cash equivalents are defined as: cash, credit balances with central banks, postal cheque and giro services and amounts receivable from credit institutions (call money and current accounts), less overdrafts with central banks and deposits to credit institutions (call money and current accounts).		
<b>Reconciliation of 'Cash and balances with central banks'(balance sheet) and 'Cash and cash equivalents' (cash flow statement)</b>	At the beginning of the period	At the end of the period
Cash and cash balances with central banks (assets)	155.755	62.204
- Accrued income from cash and cash balances with central banks	(57)	(27)
- Balances with central banks (monetary reserve)	(90)	-
+ Loans and advances to banks (call money and current accounts)	13.449	6.186
- Deposits from central banks (liabilities)		
- Deposits from credit institutions (call money and current accounts)	(869)	(834)
<b>Cash and cash equivalents</b>	<b>168.189</b>	<b>67.529</b>

# You are welcome at our bank

## Branches Bank J. Van Breda & C°



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

Feel free to make an appointment!



## REGISTERED OFFICE

### Bank J.Van Breda & C° NV

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2000 Antwerpen

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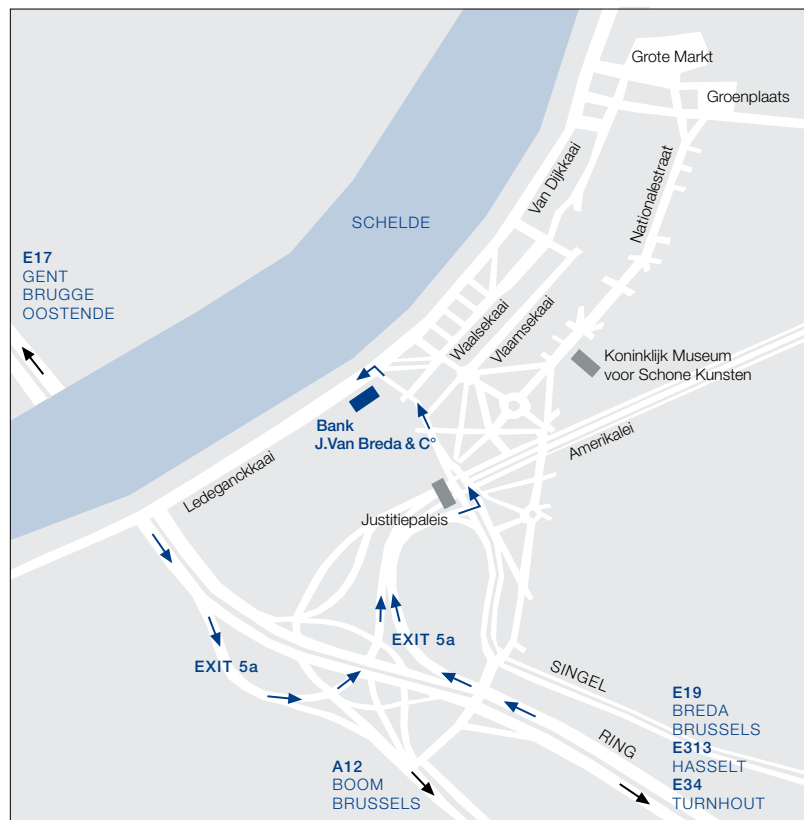
## VAN BREDA CAR FINANCE

### Van Breda Car Finance NV

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demande et sur internet:  
[www.banquevanbreda.be](http://www.banquevanbreda.be)





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



Bank J. Van Breda & C° is a specialist advisory bank which exclusively targets entrepreneurs and the liberal professions. We help you systematically build up and protect your assets.

Our clients can count on personal, proactive support from us, for both their private and professional assets, throughout their lives.

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