DELEN

PRIVATE BANK

ANNUAL REPORT 2015

Contents

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PRIVATE BANK

2015: a year of transition?

Preface

Major trends of 2015

2015 was an exceptionally volatile year: after getting off to a good start in the first quarter, the markets nosedived in the summer before staging a recovery in the final quarter. These movements reflect the uncertainty associated with a new stage in the global economic cycle: a slowdown of growth in China and the emerging markets, falling commodity prices and the first move towards monetary tightening in the United States (US).

Under these exceptionally difficult and volatile circumstances our management was able to achieve portfolio performances of 2.6% to 4.6%, depending on the risk profile. European equities, US dollar investments and high-yield bonds in particular contributed to the results, with other equities and currencies and short-term investments making a neutral contribution.

China and the emerging markets

In response to the crisis of 2008 China launched an economic stimulus programme that caused the debt burden to spiral. This enabled the country to maintain growth levels of 8-10% and made it the sole motor of the global economy, directly but also indirectly through the import of commodities. Such levels of growth are not sustainable in the long term and from 2014 the first signs of weakening started to emerge. These included a rise in the overall (private and public) debt-to-GDP ratio in China from 120% to 300%. As long as China's monetary reserves were growing, this was not a cause for worry. However, from mid-2015 that was no longer the case, with capital outflow having accelerated to a rate of over 100 billion US dollars per month. As a result, reserves have already fallen by more than 20% (from 3.9 trillion to 3.2 trillion US dollars). The Chinese central bank issued a confusing response in an attempt to combat both the downward trend and the associated rout in the equity markets: from their high on 19 June 2015 the markets dropped nearly 50% by the end of January 2016. Industrial production fell, which was fortunately offset by an increase in services, which now account for over 50% of China's GDP. However, this was no help to the emerging markets that export to China.

Oil and commodities

The fall in oil prices that commenced in 2014 continued throughout the whole of 2015, threatening to unbalance the budgets of oil-producing countries. For the first time their sovereign funds sold assets – mainly listed ones – to offset declining state revenues (more than 46 billion US dollars in 2015). The fall in oil prices was mainly due to increased production in the US, but also in the Middle East, where Saudi Arabia decided to abandon production limits. Iran is once again free to sell its oil on the open market and just recently the US lifted the ban on energy exports. All this has resulted in an oversupply that could remain for years.

Another consequence is that exploration investment is being put on hold, which should eventually result in a more balanced supply (with the associated risk of sudden price increases). In principle the positive effects of falling energy prices on consumption outweigh the negative effects on the revenues of producing countries, thus boosting the global economy. And yet that is not how markets are responding at present: every time the oil price falls it pulls the markets down with it, due to concerns about the disruption caused by such rapid price falls as well as concerns that consumers will opt to hold on to this 'energy gift' rather than invest it.

Other commodities are following the same trend, although here the cause is clearly a decline in demand rather than overproduction, as is the case for oil.

The global economy

The global importance of the emerging markets has increased, especially since the crisis of 2008, which did not affect them initially. They account for 70% of global growth, despite growth having declined steadily over the past five years, apart from in India.

Growth in the US remained strong in 2015 at 2.4%, despite the strong dollar weighing on exports. Europe once again saw slightly stronger growth of 1.5% (led by Germany, but also helped by Ireland and Spain). All things considered a disappointing figure in light of a set of favourable factors for the Eurozone such as the weak euro, falling energy prices and rock-bottom interest rates. There is one glimmer of hope for Europe: whereas growth was initially driven by exports, domestic consumption is now overtaking sluggish demand from abroad. Overall global growth is slowing to around 3% and is expected to remain weak in the medium term.

Graph: oil prices - Brent in 2015

Source: Bloomberg

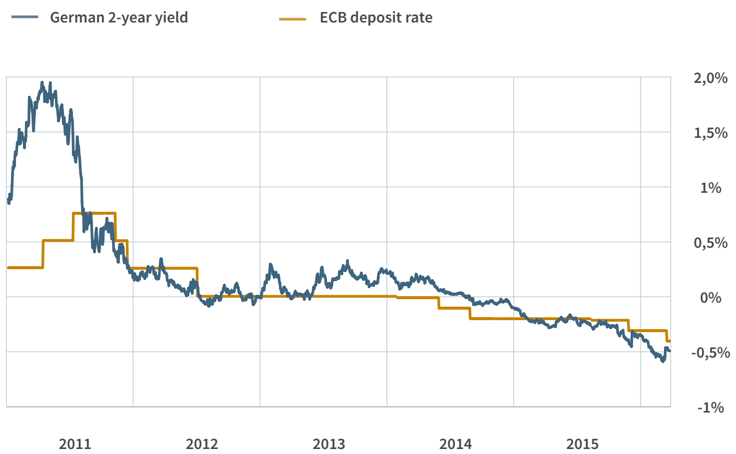
Monetary policy

The crisis of 2008 caused great monetary and financial turmoil and it was the central banks that endeavoured to turn the tide. They had the courage to act (The Courage to Act incidentally being the title of the memoir of former Federal Reserve (Fed) chairman Ben Bernanke) and took drastic measures that had never been tried out on such a scale before: negative interest rates, strong balance sheet expansion, purchase of long-term government bonds... The measures proved efficient enough to prevent a monetary implosion, but were insufficient to revive the economy and fan inflation, which is still hovering around zero.

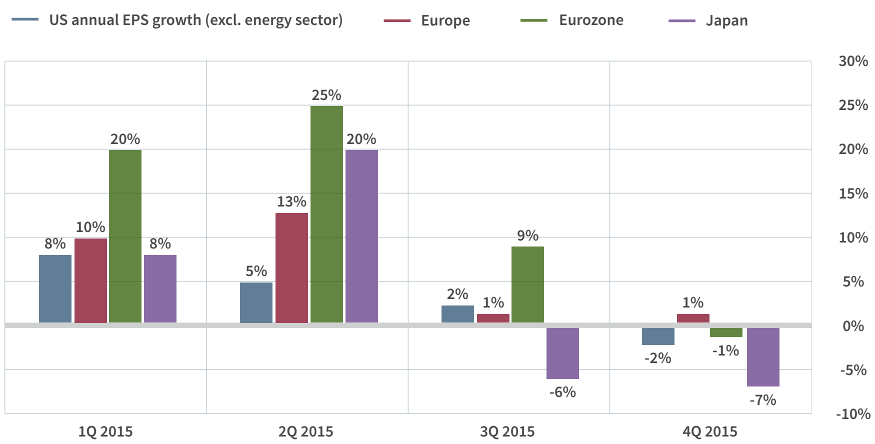
The central banks are currently faced with two pressing questions: (1) how to avoid losing their credibility by pursuing their extreme policy for too long, and (2) how to abandon this policy now that the markets have become addicted to it.

The Fed already has to deal with this second question. With the US economy doing pretty well and unemployment being low, the time has come to think about monetary tightening. For the whole of 2015 the Fed dragged its feet, causing great uncertainty in the markets. Only in December did it finally decide to raise short-term interest rates by 0.25%. Since then it has been heavily criticised, given that great uncertainty once again surrounds the economy and the stock markets fell heavily in the early part of 2016. Nevertheless there is a

Graph : German 2-year yield vs. ECB deposit rate



Graph: Increase in earnings per share (EPS) excl. energy sector in Q1, Q2 and Q3 2015



Source : Bloomberg, J.P. Morgan

good chance that the Fed will be as quick to raise interest rates.

The first question concerns the European Central Bank (ECB), as well as other central banks that continue to pursue an aggressive monetary policy (easing), i.e. Japan, the UK and China. With inflation stubbornly fluctuating around zero and an economy that refuses to pick up, these central banks are still pursuing extreme measures (will they have the courage to go for an interest rate of -1% or more?), but it would seem that the markets have lost their faith. The governor of the Swiss central bank recently expressed concerns over prolonging these measures, which would appear to be losing their effectiveness: inflation is not going up, growth is disappointing, the banks are not extending more loans, and borrowers do not want to borrow, even though it has never been so cheap.

Currently 39% of European government bonds offer a negative yield (70% of German and 50% of Belgian government bonds). In Germany the yield is negative up to 9 years, and this is the case in Japan up to 10! This obviously presents a problematic situation for investors, especially insurers, pension funds and banks. It is prompting serious economists (Oxford Economics) to publish peculiar research reports on how much space is required to store cash in order to avoid the drain of negative interest rates: to store 1 billion worth of dollars you need 11.3 m^3 for dollars, 21.2 m^3 for pound sterling, but only 2.7 m^3 for euros and 1.5 m^3 for Swiss francs... For yens you need 16 m^3, which explains the explosive demand for safes in Japan!

The markets

2015 saw a sharp increase in market volatility: a very strong start in the first quarter, stagnation during the second quarter due to the crisis in Greece (which has since been resolved for the time being), a sudden downturn during the third quarter on the back of the slowdown in Chinese growth, recovery in November thanks to reassuring reports regarding the resilience of the developed economies, renewed decline in December due to the collapse of oil and other commodity prices.

Stock markets were clearly under pressure in the emerging countries (-11.32% in Asia excluding Japan) and developed negatively in the US (-0.73% for the S&P500) and the UK (FTSE -4.93%).

Indices in Europe (+3.85% for the Eurostoxx 50) and Japan (Nikkei +9.07 %) remained in positive territory. The performances on these markets were due to a stagnation of corporate results in the US (+0.10%) and a decline in the emerging markets (-1.30%), while corporate results in Europe improved (+10.5% in the Eu¬rozone), helped by the weak euro (-10.22%). Corporate results excluding energy posted stronger gains, as illustrated by the right-hand chart above.

Equity markets continued to be underpinned by P/E ratios (18.6 in the US, 15 in Europe, 11.8 in the emerging markets) and dividend yields (3.7% in Europe, 2.15% in the US).

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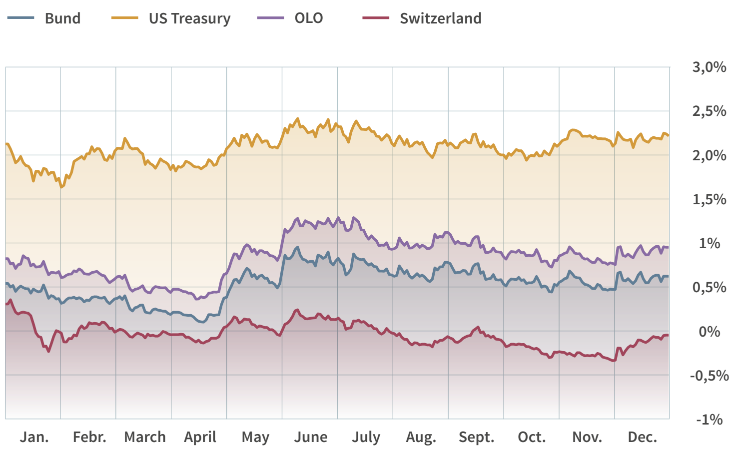
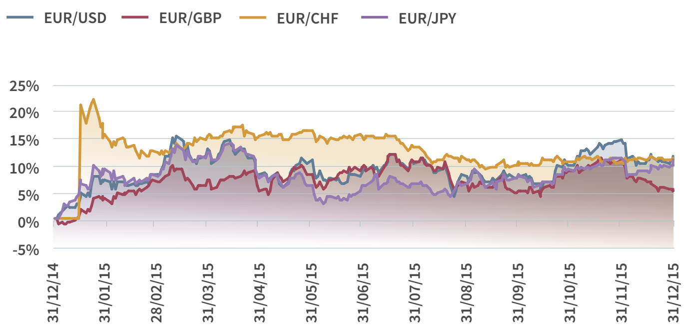
2015 saw a sharp increase in market volatility.

Graph : Evolution of 10-year government bonds (%)



Graph : Evolution of euro vs. other currencies



After all, these ratios are comparable to the interest rates on long-term government bonds, which remain very low in Europe despite rising very slightly in 2016: +0.63% in Germany, +0.97% in Belgium, -0.06% in Switzerland. In the US they are slightly higher: 2.27% on the 10-year bond.

The development for US government bonds was negative, with a sudden rise in the default rate, especially in the energy sector (which represents 20% of the high-yield bond market).

The liquidation of three high-yield bond funds in the US exacerbated the decline in the sector (-3.49% for the year). High-yield bonds were also hit in Europe, but to a much lesser extent: after fluctuations of +/- 5% they closed the year in positive territory with a gain of 0.30%.

In the forex market the US dollar was once again the big winner in 2015, with the currency rising 11.42% against the euro in spite of the euro's temporary recovery in November. The euro fell against sterling (-5.09%) and the yen (-9.81%), as well as losing 9.54% against the Swiss franc.

Commodities had another dismal year in 2015. Oil fell 34.97% in the course of the year, while the general commodity index lost 23.35%.

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> In the forex market the US dollar was once again the big winner in 2015.

Outlook for 2016

Market developments in the first weeks of 2016 did not augur well for the year, with equity markets losing 5% to 10% and oil prices sliding further.

So what is causing such turmoil? The cooling of the Chinese economy remains a factor, as are the slowdown in global trade and the difficulties in commodity-producing countries. Add to this an unstable political climate: the potential destabilisation of Europe as a result of the UK referendum, the migrant crisis and the weakened position of Angela Merkel; the rivalry between Shiites and Sunnis; China's growing political and military power; the US elections and burgeoning populism.

The central banks, which repeatedly rushed to the aid of the financial markets, appear to have reached the end of their tether. They are losing their credibility and their actions and statements appear to have increasingly less of a lasting positive impact. Moreover negative interest rates are increasingly seen as a form of capital tax rather than a monetary policy tool.

That all looks very bleak, so where is the upswing going to come from?

Firstly from the resilience of the developed economies, which are supported by the confidence of their consumers. Secondly from the stabilisation of commodity prices, which will depend on supply adjustments. And lastly from the resolution of the aforementioned political issues, because the markets do not like uncertainty. After all, valuations of financial assets (with the exception of emerging market government bonds) are not excessive, given the level of interest rates. As soon as the situation appears to have stabilised, investors will have to take positions again in assets that yield positive returns.

And these are the assets that we focus on: primarily European equities, emerging markets equities (provided valuations are sufficiently attractive), and well diversified, higher-yielding bonds by sound issuers. However, the current uncertainty obliges us to keep investment levels moderate and to maintain sufficient liquidity to be able to take advantage of the expected volatility in 2016.

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Commodities had another dismal year in 2015.

Chairmen

Two chairmen share their views

"Eerst en vooral willen we de klanten hartelijk danken voor hun vertrouwen.

2015 was a year of assured continuity for Delen Private Bank. Our clients' trust translated into clear growth figures that are perfectly in line with the trend witnessed in 2014. Many new employees were hired in order to manage this growth effectively. And our clients enjoyed our events, which encourages us to continue on our chosen path.

Against an economic backdrop of marginal interest rates and increased volatility Delen Private Bank was able to generate positive returns on an annual basis. Jacques Delen, president of the Board of Directors, and Paul De Winter, CEO of Delen Private Bank, look back on 2015.

Growth in asset management

"First and foremost we want to thank our clients for their trust because trust is crucial in periods of high volatility," said Jacques Delen. "Our clients' trust is exceptionally strong. The outflow of assets hit an all-time low and our existing clients accounted for half of the total inflow in 2015. This is testament to our clients' enthusiasm for our consistent strategy. The simplicity and transparency of our steadfast management is clearly being rewarded. The inflow of assets amply exceeded expectations, with existing clients being responsible for half of the inflow and new clients for the other half. We are seeing a clear rise in the number of new clients at our various regional offices, reinforcing our belief in the further expansion of our regional network."

Growth in staff

This growth has not gone by unnoticed in the market. The number of unsolicited job applications from within the industry also increased and was an excellent starting point for us to expand our workforce by 10%. Our unambiguous strategy is appealing. Many new commercial staff members joined the organisation, while the IT team was significantly expanded. This is enabling the bank to move its online communications into a higher gear. Within our transparent approach we aim to improve our interactivity through digital communications. "We have noticed clear demand from our clients to be able to log in using their smartphone and to communicate with our staff through digital channels. So we are now piloting our app that we will upgrade further in 2016. However, this in no way implies that our personal contact with clients will drop. On the contrary: digital communications will enable us to better streamline the administration in order to free up more time for more quality contact with our clients," Jacques Delen said.

"De digitale communicatie zal ons toelaten de administratie nog beter te stroomlijnen om meer tijd te kunnen vrijmaken voor meer kwalitatief contact met onze klanten.

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Gezien de toenemende volatiliteit op de markten schenkt Delen extra aandacht aan inkomsten genererende beleggingen.

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Dichter bij huis zien we eveneens een duidelijke groei bij onze regionale kantoren.

Market opportunities in the Netherlands; regional office planned in Leuven

Paul De Winter: "After the acquisition of JM Finn & Co in the United Kingdom our focus shifted to the Netherlands. The Netherlands is a highly fragmented market with many asset managers operating alongside one dominant player. The acquisition of Oyens & Van Eeghen was quite logical. With its offices in Amsterdam and 's-Hertogenbosch, the company is a good fit with the Delen philosophy. The acquisition was finalised in December 2015. We have already started to integrate the Delen asset management model to ensure a strong basis for substantiated, regular growth in the Netherlands. The cooperation is going well and the teams are extremely enthusiastic."

"Closer to home we are also seeing clear growth at our regional offices. Delen Private Bank is traditionally strong in the Antwerp region and is now also an established fixture in Brussels. Antwerp and Brussels are now consolidating markets. At the same time our consistent, transparent and straightforward approach combined with direct and open relationships also scores extremely well regionally. In line with these dynamics we renovated our offices in Hasselt and Luxembourg in 2015. Furthermore, in view of our growth in the Leuven region we recently purchased a building along the prestigious Bondgenotenlaan. The office will open its doors at the end of 2017 after the necessary renovation and conversion activities have been completed."

Securing income in volatile markets

Due to increasing market volatility Delen is focusing more on income-generating investments. This vision contributed to the good results achieved in 2015 and will be continued in 2016. Paul De Winter explained: "Due to market developments a greater emphasis in part of the portfolio was placed on income. European stocks that offer dividend yields of 3-4%, hybrid bonds with yields of 5-6% and a selection of dividend futures (with yields of 6-7%) give us a healthy mix for our portfolios that enable us to maximise risk control, certainty and yields in a balanced way in the current economic circumstances." Therefore Delen Private Bank looks to the future with optimism. Our strong conviction in our model also means that our staff and senior management invest their assets in the bank's

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Het recente partnership met Interieur Kortrijk zal in oktober velen inspireren.

funds. Our unique and stable family structure is certainly an extra incentive for this.

Finger on the pulse of wealth management consultancy

Jacques Delen: "Our employees are extremely focused when it comes to wealth management advice. These days we are confronted with a multitude of legislative changes. Many new rules were introduced with regard to both property law and auditing and tax matters. This, along with increasing regional differences (between Flanders, Brussels and Wallonia) calls for the increased attention of our wealth management advisors. Thanks in part to our active involvement and presence in different sector organisations we have a clear perspective of matters and, if necessary, are able to inform the clients in question promptly of any impact on their asset situation."

Delen inspires

Our centralised model that we have implemented for many years now puts Delen Private Bank in a prime position in terms of cost structure. And clients can only benefit from us having the best possible grip on costs. It enables us to appeal to a wide target group of new and potential clients, and we are noticing that our client base is getting younger and growing among entrepreneurs.

Our events, too, are appealing to many clients. For example, we had the honour of welcoming more than 10,000 clients to our stand at the BRAFA art fair. And our recent partnership with Interieur Kortrijk will inspire many in October, along with the numerous local events organised by our regional offices. And our client's children are made aware of asset management via junior classes, which have proved to be quite successful. Providing our clients with more comfort and enjoyment in life through our asset management services is and will continue to be our ambition. We enjoy welcoming them into what some already call the 'Delen community'.

Our commitment

A direct and open relationship. Even our directors maintain daily contact with clients.
Simplicity, balance and transparency in our analyses, advice and choices.
Solid investment management and reasoned estate planning advice.
Respect for and full compliance with fiscal regulations.
Creating a comfortable environment for all our clients.
An informal atmosphere with a sense of warmth and integrity.

Key figures and prospects

Key figures in 2015

Delen Investments continues to grow and reached a new record level of assets under management of 36.9 billion euros on 31 December 2015. All offices of the group contributed towards this 12.2% growth compared to assets under management of 32.9 billion euros at the end of 2014. The key figures for the last three years show how the group has successfully continued to apply its strategy, providing its clients with the best service.

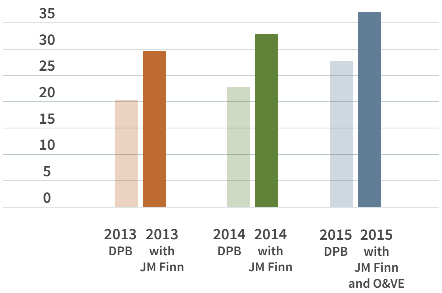
Delen Investments focuses on discretionary management (74% of the assets managed at Delen Private Bank) and relies on an efficient organisation in order to guarantee best-in-class service with a team of loyal and experienced employees.

Delen Private Bank applied its traditional investment principles in 2015 in order to enable its clients' assets, within the bounds of their risk profile, to benefit from market opportunities.

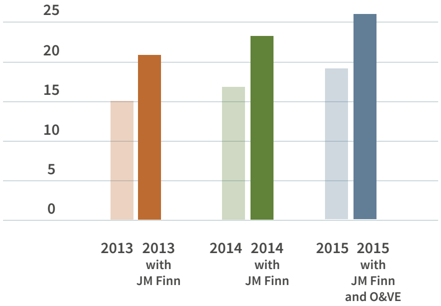
Delen Investments experienced further growth in revenue and net profit as a result of the increase in assets under management. The contribution of JM Finn & Co towards Delen Investments' consolidated net profit amounted to 5.5 million euros in 2015. Delen Investments' cost-income ratio of 55% is proof of its effective organisation.

Thanks to continued growth and positive markets, Delen Investments finds itself in a favourable position for 2016.

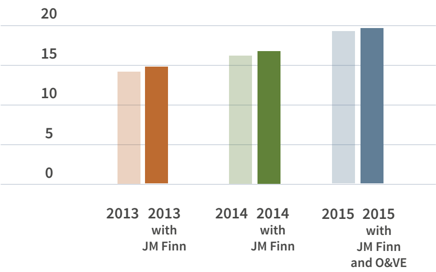
Assets under management (€ billion)



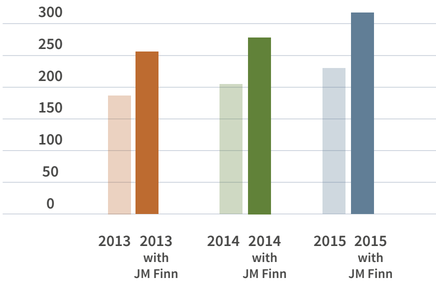
Of which discretionary (€ billion)



Of which Delen Group investment funds (€ billion)

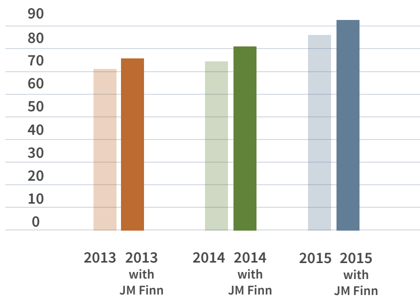


Gross operating income (€ billion)

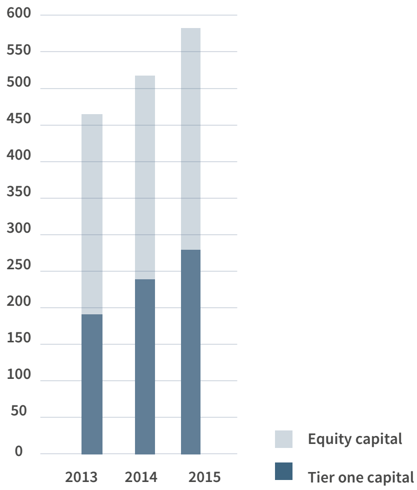


Cost-income ratio (%)

Net profit (share of the group) (€ million



Equity capital (€ million)

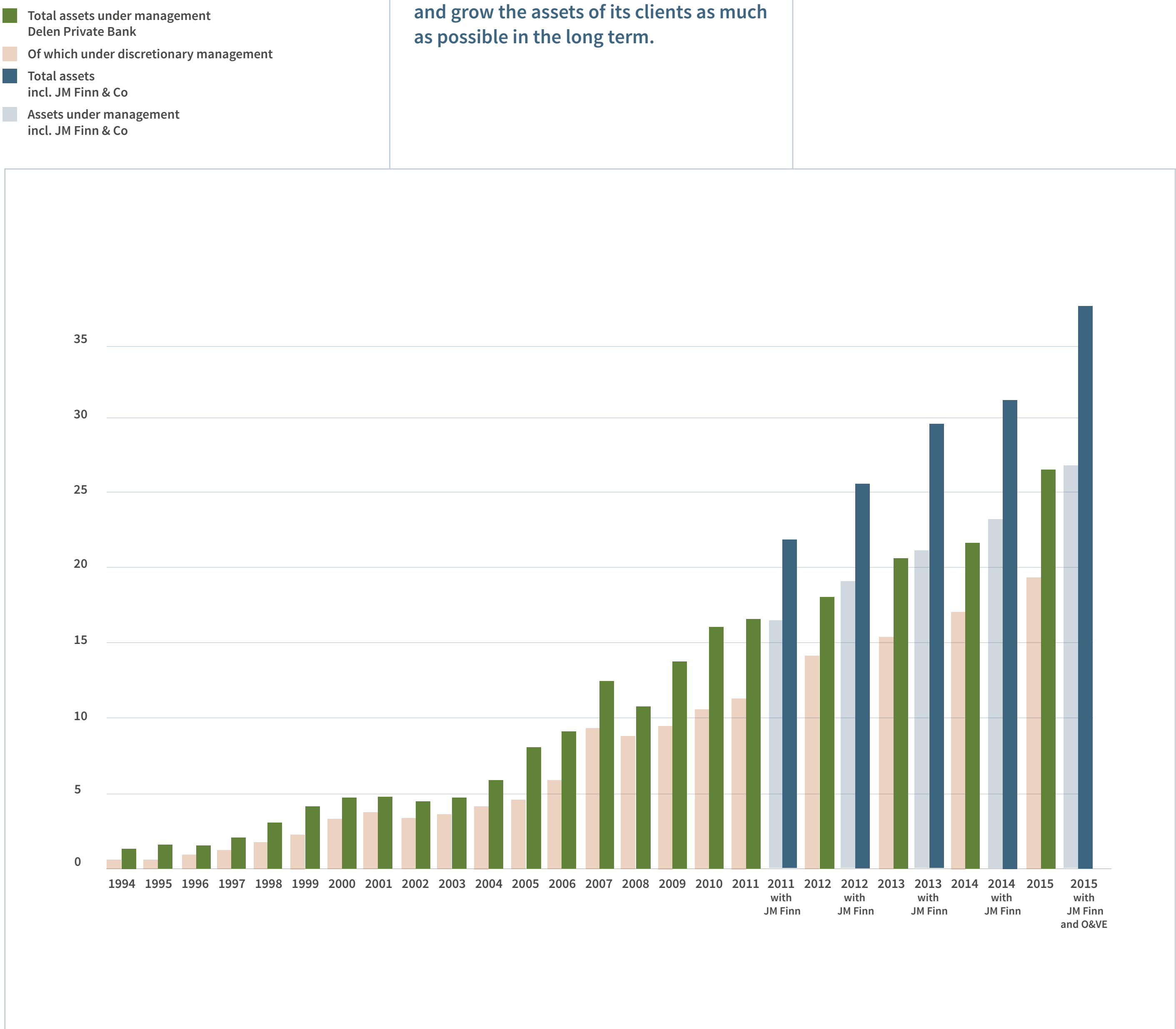


Prospects for 2016

Growth in active markets

Delen Private Bank (Belgium, Luxembourg and Switzerland), JM Finn & Co (United Kingdom) and Oyens & Van Eeghen (The Netherlands) will continue to strive to attract new capital, with a focus on the regions where their brand awareness is on the rise. New employees who came on-board in 2015 to help pursue this growth will contribute to this. Delen Private Bank is making a cautious start to 2016 because low prices of raw materials will continue to place strains on emerging countries, as will the monetary tightening in the US. The bank will try to utilise these new market conditions as best as possible and closely monitor developments to protect and grow the assets of its clients as much as possible in the long term.

While continuing to pursue the successful implementation of its strategic initiatives to enhance the JM Finn & Co model and the integration of Oyens & Van Eeghen within the group, the Delen Investments group will also continue to assess external growth opportunities. The group is convinced that its business model, which has developed at a steady pace in Belgium, is also applicable to other markets.



Delen Investments History

Delen Private Bank has grown steadily since 1936, true to our own identity and together with our clients.

Over the years we have acquired various private banks and asset managers. Their teams are still part of the Delen Investments group today. Continuity is key to this growth strategy. A healthy structure and many years of experience have given Delen Private Bank a unique market position.

Local roots and market recognition

Delen Private Bank makes a conscious choice to be present close to its clients. For this reason several offices have been opened across Belgium since 2007. Throughout the years our expertise and the quality of our management have been repeatedly recognised with awards.

A balanced growth strategy

1936 André Delen establishes the Delen stockbroker.

1975 The sons Jean-Pierre, Paul and Jacques Delen follow in their father's footsteps to head the brokerage firm.

1989 The Delen holding company is listed on the Brussels stock exchange.

2007 Merger of Capital & Finance with Delen Private Bank.

2007 Opening of new office in Ghent (Merelbeke). Euromoney awards Delen Private Bank the title of 'Best Private Bank in Belgium'.

2008 Opening of the office in Hasselt. Multiple awards for Delen Private Bank and Capfi Delen Asset Management, including 'Best Private Bank in Belgium' again.

2009 Third Euromoney title of 'Best Private Bank in Belgium'.

2010 Fourth Euromoney title of 'Best Private Bank in Belgium' and several first places for 'Hermes Belgian Growth' at the Fund Awards.

2011 Majority shareholding in JM Finn & Co in London. Euromoney awards Delen Private Bank the title of 'runner-up Best Private Bank in Belgium'. High score for Cadelam funds at the Fund Awards and in De Tijd.

1990 Paul De Winter provides the impetus for discretionary asset management.

1992 The Delen holding company merges with investment company Ackermans & van Haaren.

1994 The company strengthens itself by acquiring Banque de Schaetzen in Liège and several listed companies in Brussels and Antwerp.

1996 Signing of a cooperation agreement with stockbrokers De Ferm.

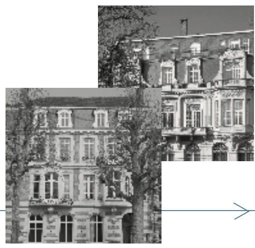
1997 Ackermans & van Haaren and the shareholders of Bank J.Van Breda & C° place their subsidiaries under the Finaxis holding company.

2000 Acquisition of stock-broking Havaux further strengthens the position in Brussels.

2003 Reorganisation of the shareholder structure; the Delen family acquires a 25% share in Finaxis through Promofi.

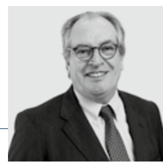
2004 Acquisition of the Luxembourg-based Axa subsidiary Banque Ippa & Associés, thereafter known as Banque BI&A.

2011 Eric Lechien and Christian Callens join the Executive Committee.



2013 Delen Private Bank Ghent moves from Merelbeke to a renovated historical building along the Coupure in Ghent.
The Brussels office on Tervurenlaan reopens after extensive renovations.

2014 Paul De Winter becomes CEO of Delen Private Bank.
Jacques Delen becomes President of the Board of Directors.
Jan Suykens becomes Vice President of the Board of Directors.
René Havaux becomes Vice President of the Management Committee.
Alexandre Delen becomes a member of the Executive Committee and of the Board of Directors.



2015 Acquisition of Oyens & Van Eeghen in the Netherlands.

Delen Investments

A strong financial group

Delen Private Bank is part of a very healthy financial group.

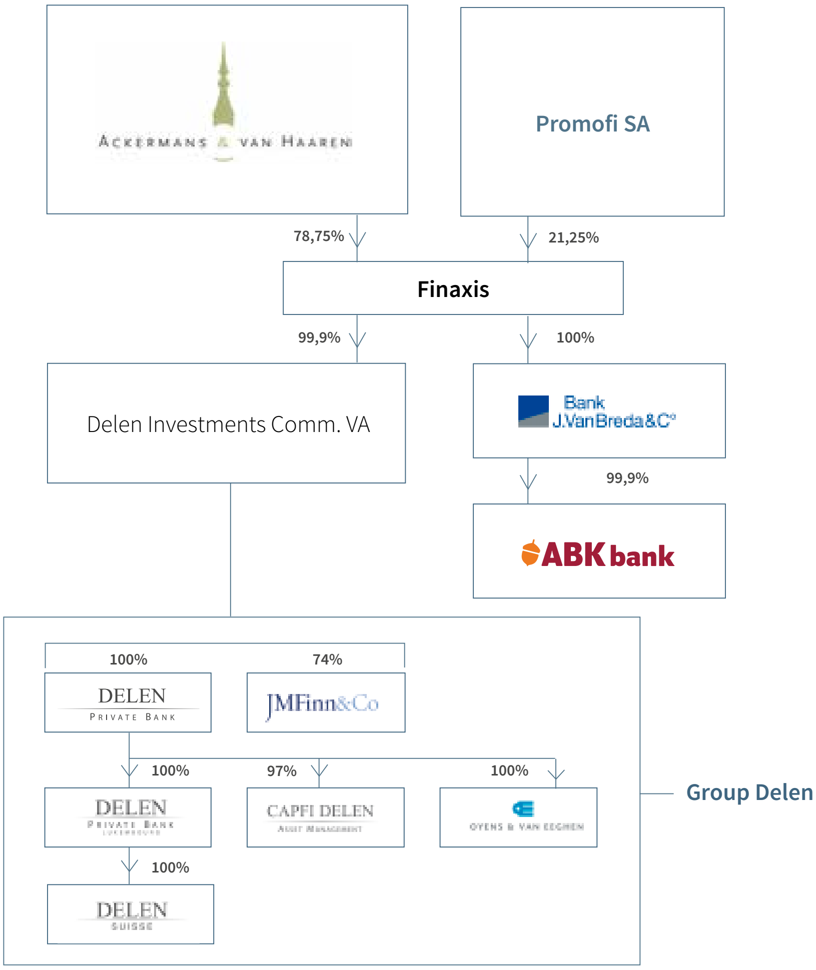
Delen Private Bank is a credit institution under the supervision of the NBB (National Bank of Belgium) and the FSMA (the Belgian Financial Services and Markets Authority).

All but a few of the shares of Delen Private Bank are held by Delen Investments. The shares of Delen Investments Comm.VA are, in turn, almost all held by Finaxis NV, which was incorporated in 1997.

As the managers appointed under the articles of association, the Delen family and the Ackermans & van Haaren NV group (AvH) each hold several shares in Delen Investments Comm.VA. Cooperation with AvH started in 1992, when the Delen holding company merged with this Antwerp-based investment company.

As a reference shareholder, AvH currently holds 78.75% of the shares of Finaxis NV. The Delen family has a 21.25% participating interest in the capital of Finaxis NV through the company Promofi SA.

Delen Investments' main participating interests are Delen Private Bank (100%) and, since 2011, JM Finn & Co (Ltd) (74% participating interest), a leading investment manager in the United Kingdom.



Delen Private Bank has three subsidiaries: Delen Private Bank Luxembourg SA (100%); Capfi Delen Asset Management NV (Cadelam, 97%), an authorised asset management company for Undertakings for Collective Investment (UCI); and Oyens & Van Eeghen NV (100%), a Dutch asset manager. Delen Private Bank Luxembourg SA holds 100% of the shares in Delen Suisse SA and Cadelux SA.

The group's general banking activities, which focus on small and medium-sized enterprises (SMEs), professionals and the self-employed, fall under the affiliate Bank J.Van Breda & C°. The strong growth of both banks (Delen Private Bank and Bank J.Van Breda & C°) has turned the financial segment into a very important branch of activity within the AvH group.

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The strong growth of both banks (Delen Private Bank and Bank J.Van Breda & C°) has turned the financial segment into a very important branch of activity within the AvH group.

Ackermans & van Haaren

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As an investor, AvH assumes the role of proactive shareholder.

Market capitalisation
Equity capital
Equity capital (share of the group)
Net profit (share of the group)

Equity capital
Net profit (share of the group)

Ackermans & van Haaren (AvH) is a diversified group that achieved a turnover of 5.3 billion euros in 2015. The group opts for a limited number of participating interests with growth potential

Ackermans & van Haaren is active in five key sectors: Marine Engineering & Infrastructure (DEME, one of the largest dredging companies in the world – CFE and A.A. Van Laere, two construction groups headquartered in Belgium); Private Banking (Delen Private Bank, one of the largest independent private wealth managers in Belgium, and investment manager JM Finn & Co in the UK – Bank J.Van Breda C°, a niche bank for entrepreneurs and professionals in Belgium); Real Estate & Senior Care (Leasinvest Real Estate, a listed closed-end property investment company – Extensa, a major land and property developer focused on Belgium and Luxembourg); Energy & Resources (Sipef, an agro-industrial group specialised in tropical agriculture); and Development Capital (Sofinim and GIB).

The AvH group achieved a turnover of 5.3 billion euros in 2015, through its share in participations, and employs over 22,000 people. The group focuses on a limited number of strategic participating interests with significant growth potential and is led by an experienced, multidisciplinary management team. AvH is involved in the selection of top management and in defining the long-term strategy for its participations. As an investor, AvH assumes the role of proactive shareholder. AvH concentrates on systematically creating value for shareholders through a long-term strategy.

Ackermans & van Haaren (consolidated) (in €' 000)

2015	2014	2013	2012	2011	2010	2009
4,532,131	3,420,034	2,852,596	2,085,852	1,930,762	2,092,890	1,741,504
3,815,612	3,469,247	3,277,362	2,514,231	2,364,994	2,153,375	2,020,873
2,607,339	2,372,075	2,251,539	2,003,267	1,882,631	1,711,350	1,595,501
284,079	213,645	293,901	167,343	177,506	160,804	117,450

Finaxis (consolidated) (in €' 000)

2015	2014	2013	2012	2011	2010	2009
1,089,425	1,001,372	921,418	852,926	785,769	613,549	547,768
131,992	115,451	106,923	89,950	111,857	79,553	56,532

Bank J.Van Breda & C°

The activities of Delen Private Bank and its affiliate Bank J.Van Breda & C° complement each other perfectly: Delen Private Bank focuses on the management of private wealth, while Bank J.Van Breda & C° is a reference bank for entrepreneurs and professionals, both privately and professionally.

Bank J.Van Breda & C° is known today for its successful niche strategy and the strict definition of its target group: it is solely for entrepreneurs and professionals. This in- depth specialisation, combined with personal services, sets it apart from other banks. Every self-employed person knows it is necessary to accrue pension capital to be able to comfortably maintain their lifestyle later in life. Anyone who simply relies on the value of his or her company, practice or office is taking a considerable risk. Bank J.Van Breda & C° assists its clients in accruing and protecting sufficient private wealth to help them become financially independent and able to maintain their lifestyle in the long term. Clients can rely on a wide range of financial products and services, both privately and professionally, throughout their life. Some 150 account managers ensure an entirely personal approach, always bearing the long-term interests of their clients in mind.
Bank J.Van Breda & C° was not affected by the banking crisis and never had to rely on state aid. On the contrary, the bank has considerable equity capital and already complies with all the requirements that the regulator has set for 2019.
Bank J.Van Breda & C° has a national network of branches in Flanders, Brussels and Wallonia. The staff has the same mission everywhere: to be the best partner in wealth development for entrepreneurs and professionals.

Bank J. Van Breda & C° (in € '000)

	2015	2014	2013	2012
Total invested by clients	11,134,393	10,018,353	9,017,851	8,010,469
Client deposits	3,969,039	3,815,449	3,683,174	3,424,426
Off-balance sheet products	7,165,354	6,202,904	5,334,676	4,586,043
Total private lending	3,932,237	3,639,208	3,455,495	3,306,419
Group equity capital	501,633	474,981	447,907	427,267
Net income	40,479	35,494	31,546	27,739
Cost-income ratio	56%	60%	59%	58%
Staff	465	459	466	465

JMFinn&Co

JM Finn & Co (Ltd)

Back row from left to right: Simon Temple-Pederson, Gregory Swolfs, Hugo Bedford, Eric Lechien
Front row from left to right: Charles Beck, Sarah Soar, Steven Sussman, Paul Dyas

From a traditional listed company to a modern investment manager.

At the end of 2015 JM Finn & Co had 10,758 million euros (7,929 million pounds sterling) in assets under management, of which 65% were under discretionary management. The growth in assets under management and the percentage under discretionary management compared to the end of 2014 confirms that JM Finn & Co is a healthy company with growth potential. JM Finn & Co's position in the attractive British onshore investment management market, combined with the drive and experience of Delen Private Bank, should allow JM Finn & Co to grow further and evolve into a prominent player on the UK investment management market.

Operationally, 2015 was once again a busy year for JM Finn & Co thanks to the implementation of the new software system, important initiatives to adhere to the stricter compliance environment, efforts to increase organisational efficiency and the further expansion of cooperation with Delen Private Bank. Emphasis is also placed on further increasing commercial activity, for example by receiving clients at the office more often. In addition JM Finn & Co continues to invest in expanding its commercial organisation and launching a wealth planning activity.

The Management Committee of JM Finn & Co continues to ensure that strategic initiatives and priorities are gradually and successfully implemented so that JM Finn & Co becomes an even more efficient and modern investment manager, without undermining the relationship of trust between asset managers and clients. Delen Investments fully supports JM Finn & Co in the challenge of combining a successful growth strategy with the necessary improvement of profit.
JM Finn & Co's net result in 2015 was 6.3 million pounds sterling. JM Finn & Co's contribution to the group's net result was 5.5 million euros (after client amortisation expenses and 26% minority interests, collectively totalling 2.2 million euros). As JM Finn & Co's current cost-income ratio is 86%, the contribution to net profit was more modest than the contribution towards assets under management and gross operating income.

JM Finn & Co Ltd (in £ '000)

	2015	2014	2013	2012
Assets under management	7,929,000	7,834,000	7,775,000	6,505,000
Of which discretionary	5,247,000	5,117,000	4,905,000	4,050,000
Equity capital	33,063	31,638	27,353	22,811
Gross operating income	58,926	59,989	56,947	48,837
Net result	6,310	7,397	6,316	3,754
Cost-income ratio	86%	83%	85%	89%
Staff (FTEs)	310	295	298	306
Contribution to Delen Investments' consolidated result (in € '000)	5,514	6,393	4,565	2,449

Oyens & Van Eeghen NV

One of the oldest independent financial institutions in the Netherlands.

On 8 July 2015 Delen Private Bank reached agreement with the Board, Supervisory Board and shareholders of Oyens & Van Eeghen to acquire 100% of the shares in this renowned Dutch asset manager. Upon obtaining regulatory approval in the Netherlands and Belgium, the acquisition was finalised at the end of December 2015.

Established in 1797, Oyens & Van Eeghen is one of the oldest independent financial institutions in the Netherlands. In recent years Oyens & Van Eeghen has successfully concentrated on specialist asset management and fiduciary consultancy for both private and institutional clients.

From left to right: Eric Lechien, Pim Baljet, Frederik Baert, Frederic Kalff, Marc Bakker

On 31 December 2015 assets under discretionary management totalled 1.3 billion euros, of which 572 million euros for private clients and foundations. Fiduciary consultancy relates to additional entrusted assets of 1.8 billion euros. At the end of 2015 Oyens & Van Eeghen employed 26 seasoned professionals at its Amsterdam and 's-Hertogenbosch offices.

Oyens & Van Eeghen realised a positive operating result in 2015. Gross operating income amounted to 6.4 million euros and the net result was 0.3 million euros. In view of the fact that the acquisition was finalised at the end of December 2015, the results of Oyens & Van Eeghen will be included in the consolidated Delen group results as from 1 January 2016.

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> We look forward to positive business cooperation between Delen Private Bank and Oyens & Van Eeghen.

Oyens & Van Eeghen NV (in € '000)

	2015
Funds entrusted by private clients and foundations	572,471
Funds entrusted by institutions and local governments	679,577
Fiduciary management mandates	1,758,933
Equity capital	19,126
Gross operating income	6,366
Net result	261
Cost-income ratio	94%
Staff (FTEs)	23

Corporate governance

Executive Committee

The Executive Committee of Delen Private Bank is responsible for determining the strategy of the bank, within the guidelines determined by the Board of Directors. It is accountable for the day-to-day management of the bank and management of its various services, which in turn report to the Executive Committee. The Executive Committee closely monitors the bank's performance and ensures the follow-up of risks.

The composition of the Executive Committee since the annual general meeting held in April 2016 is as follows:

President
Paul De Winter

Vice President
René Havaux

Executive Directors
Christian Callens
Filips De Ferm
Alexandre Delen
Eric Lechien
Arnaud van Doosselaere
Bernard Woronoff

Board of Directors

The Board of Directors of Delen Private Bank is responsible for determining the general policy of the bank and for supervising the Executive Committee. The Board members each have a wealth of experience and they assess the policies and performance of the bank from different angles. The Board has adopted a policy on gender diversity. Based on the current number of board members, the Board aims to have at least two female members represented on the board. The Board aims to achieve this objective within a period of seven years. The composition of the Board of Directors was as follows on 21 April 2016:

President
Jacques Delen

Vice President
Jan Suykens

Board members
Tom Bamelis
Luc Bertrand
Christian Callens
Paul Delen
Filips De Ferm
Alexandre Delen

The Executive Committee of Delen Private Bank.
Back row from left to right: Bernard Woronoff, Christian Callens, Eric Lechien.
Front row from left to right: Alexandre Delen, Filips De Ferm, Paul De Winter, René Havaux, Arnaud van Doosselaere.

Paul De Winter
Piet Dejonghe
Eric Dekeuleneer
Michel Delbaere (independent director)
René Havaux
Eric Lechien
Mark Leysen
Arnaud van Doosselaere
Bernard Woronoff
Dirk Wouters

Audit and Risk Committee

An Audit Committee was established within the Board of Directors, which was converted into an Audit and Risk Committee in 2014. This committee is responsible for control over the financial reporting process, compliance with administrative, legal and tax rules, developing internal control procedures, and providing advice to the Board of Directors on existing and future risk tolerance and the risk strategy. It is composed as follows:

Chairman
Jan Suykens

Members
Michel Delbaere (independent director)
Jacques Delen
Luc Bertrand

All members of the Audit and Risk Committee have the necessary expertise in the field of accounting and auditing, as well as the necessary knowledge, expertise, experience and skills to understand and comprehend the bank's strategy and risk tolerance.

Michel Delbaere is a graduate in law and economic sciences. He is a director of various financial and economic companies and associations. He is also the founder of Crop's NV, Hesbayefrost SA, Monliz SA, MDC Foods Ltd. and Crop's & Partners, among others, and is a director at several of these companies. Michel Delbaere is also the managing director of Crop's Holding, a member of the Management Committee of VBO (the Federation of Enterprises in Belgium) and chairman of VOKA (Flanders' Chamber of Commerce and Industry).

Jacques Delen qualified as a stockbroker in 1976. He has been the chairman of the Board of Directors of Delen Private Bank since 1 July 2014, prior to which he chaired the Executive Committee. He was appointed director of Ackermans & van Haaren in 1992 and became chairman of the Board of Directors in 2011. He is also director of the listed agro-industrial group Sipef and of Bank J.Van Breda & C°.

Jan Suykens holds a degree in applied economic sciences and obtained an MBA from Columbia University in New York. He started his career in Corporate & Investment Banking at Fortis Bank. He served as CFO of Ackermans & van Haaren from 1990 and later became a member of the company's Management Committee. As from 23 May 2016 he will succeed Luc Bertrand as chairman of the Management Committee of Ackermans & van Haaren. He holds various board mandates within the Ackermans & van Haaren group.

Luc Bertrand graduated from K.U. Leuven as a business engineer in 1974. He worked for Bankers Trust Co in New York, Amsterdam and London until 1986 (Vice President, North Europe Area Manager). He was appointed director of Ackermans & van Haaren in 1985 and administrative and financial director in 1986. He has chaired the Management Committee of Ackermans & van Haaren since 1990 and will be succeeded by Jan Suykens on 23 May 2016. At that time he will assume the task of chairman of the Board of Directors currently fulfilled by Jacques Delen. He is also chairman of Finaxis. He holds various directorships within and outside the Ackermans & van Haaren group, and has also been appointed independent director at Schroders and ING Belgium. Luc Bertrand also used to be a director of Banque Indosuez Belgique and of Generale Bank Belgium until its acquisition by Fortis.

Remuneration Committee and Nomination Committee

The remuneration committee is responsible for preparing decisions with regard to remuneration and advising on the bank's remuneration policy. It is comprised of the following directors:

Chairman
Luc Bertrand

Members
Michel Delbaere (independent director)
Jacques Delen
Jan Suykens

No separate nomination committee was established within Delen Private Bank. The entire Board of Directors assumes the tasks of the nomination committee

Statutory auditor

Delen Private Bank has appointed E&Y auditors BCVBA as statutory auditor, with Mrs Christel Weymeersch as its legal representative.

Focus on prudence

Focus on prudence

Risks are inherent in every company, and that includes the asset management activities of Delen Private Bank. For years and years Delen Private Bank has been extremely prudent in dealing with risks, both in managing client's assets and in our own business operations, focusing on the long term and with attention to simplicity and transparency.

Risk control is considered to be a task for the entire organisation. Control functions and operational departments work together closely using a 'three lines of defence' approach. The Audit and Risk Committee monitors the risks that Delen Private Bank and its subsidiaries face in a structured manner. The Audit and Risk Committee is informed about risks by the various departments involved. Please refer to the notes at the item 'Risk controls' in the consolidated annual accounts for more information about the various risks.

Asset management

2015: tumultuous, but a success nonetheless

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> Our diversified strategy and policy of prudence weathered the storm well and is yielding extremely positive returns.

After getting off to a flying start with sharp corrections following, the markets ended the year in positive territory, except for in Asia and to a lesser extent in the US. Our diversified strategy and policy of prudence weathered the storm well and is yielding extremely positive returns. 2015 was a record year in terms of the inflow of new capital, and assets under management reached 25.6 billion euros for the first time

Will the strategy change?

2015 was a good year for Delen Private Bank. All figures developed positively: the inflow of new capital, assets under management and the bank's profit and returns achieved. Our simple, transparent and sound strategy is reaping benefits, even in particularly volatile years. Interest rate floors, which often hover around 0% and could soon even be below zero, force clients to take certain risks and our expertise is valuable in such cases.

What are acceptable risks, what is the best way to spread them and let them evolve over time? It may sound like a paradox, but at a time when investors become adverse to risk due to the recent crises, zero interest rates are forcing them to accept risks. This leads us to believe that the more difficult the context, the greater our added value is. This will not generate phenomenal returns, but clients do understand what a drop in interest rates means.

Bernard Woronoff: 'Still everyone wonders about the long-term side effects of the actions of central banks: how does one get out of this addictive and somewhat artificial spiral?'

It is difficult to make sense of negative interest rates: it is the person making debts who earns the interest. The higher the debt, the higher the interest income! Surely this is not what we were taught in school about economics and finance. That extreme mechanism is confined to countries; otherwise private individuals would also use it.

This world turned upside down is a subconscious cause of unrest for reasonable investors who understand the uncertainty of the situation.

Filips De Ferm: 'At the same time the bank is increasingly dealing with savers who want to generate returns in other ways than the savings accounts and products linked to interest rates, as used to be the case. They are considering investing in a diversified way and that includes shares.'

It is important that all the bank's employees adopt the same prudent approach towards potential new clients. We show each new client the statistics for the past 10 years. We touch upon the poor years such as 2008 and 2011, but also explain that the returns achieved in the past were realised in a decade of falling interest rates, which is a favourable factor for equity and bond markets. However, if the interest rate is zero or negative, can it drop much further? The future is threatening to become more difficult for investors.

At the same time we also show that clients whose assets we continued to manage always recuperated the amount of their investment. After the crisis of 2008 they needed on average two years to reach that level again. Clients need to be aware of this before they start and that is why we want to inform them as well as we can. Clients who continuously buy and sell do not achieve better returns than those who weather the storm. In fact, people who often buy and sell wealth management funds tend to do so at the wrong moment, spurred on by a primal train of thought that prompts them to sell when they are afraid (after a drop) and to buy when times are better (after a rise).

Arnaud van Doosselaere: 'Our task is to classify our clients into risk profiles (one of our five funds) that are in line with the risk they really can take on. The right risk profile is the one that enables clients to maintain their positions in hard times, even though nobody likes high volatility. But we never force anyone: anyone who wants to exit the market in anxious times is always free to do so.'

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> It is important that all the bank's employees adopt the same prudent approach towards potential new clients.

Do you adapt your asset management to the context?

Bernard Woronoff: 'The record inflow of 2015 (of which half came from new clients and the other half from additional investments from existing clients) clearly shows that clients are approaching us because the subject is often complex and sometimes even misunderstood. Clients quip that 'shares are expensive and risky, and bonds are no longer generating returns, so that's why I am investing in your flexible wealth management funds'.

Our method of managing based on flexible funds that we have followed for years is very popular right now and it gives the fund manager the opportunity to switch from one type of asset to another.

One of the main asset management activities involves constantly weighing the risk of an investment against the potential return. For this reason we have paid a great deal of attention to two types of assets in recent years: dividend futures and hybrid bonds.

A dividend future is a product that reflects the expected dividends for the coming years (2016, 2017, 2018, etc.). Analyses clearly show that dividends are less volatile in periods of strong market fluctuations, simply because a lot of companies pursue a stable dividend policy, even when results are mixed. These are advantages that interest us in the current context.

From left to right: Bernard Woronoff, René Havaux

Hybrid bonds consist of the following asset classes: perpetual bonds, convertible bonds and high-yield bonds. This type of asset is also interesting to us in the current context despite its less-sizeable liquidity. After all, compared to the risks attached to shares the risk is limited to the potential rise above a certain level while importantly also putting a brake on drops under a certain level. The idea is to replace part of the risk permitted by shares within the different risk profiles with the risk of hybrids. Our asset management teams are developing a precise monitoring system to measure the development of these new risks.

The flexibility permitted within the funds is specifically applied there too.

Which projects are currently underway?

René Havaux: 'IT is an essential component of Delen Private Bank's strategy of proximity. We have expanded our IT team significantly with a view to further development and also to keep up with the current pace of technological advancement. This group of employees invariably used to make up 10% of our workforce but this is now heading towards 15%.'

Clients who wish to communicate with the bank via secure e-mail can do so via Delen Online. Their email will land directly in their fund manager's secure inbox. Similarly, most portfolios – a few exceptions do exist – are no longer sent via traditional mail. We encourage clients to use Delen Online or the new app for smartpho¬nes and tablets.

Arnaud Van Doosselaere: 'Security is crucial to us. E-mails and internet traffic are easy to hack. We are doing everything in our power to guarantee the best possible security. If a client is the target of an attempted hack or attack, we immediately inform the client and our IT service can even help the client secure their computer. We must never lose sight of the fact that our clients entrust a large part of their assets to us.'

Clients understand this, even if the increased security may reduce their flexibility. They are very sensitive to this.

Filips De Ferm: 'Numerous other, non-security related, projects are also ongoing: our various offices are developing strongly and are contributing more and more to our growth. We will soon be opening an office in Leuven and have acquired an asset management company with more than 20 employees in the Netherlands: Oyens & Van Eeghen. Furthermore we have acquired a company that has developed a very interesting application for asset planning. The expansion of our asset planning operations is an integral part of our long-term strategy.'

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The idea is to replace part of the risk permitted by shares within the different risk profiles with the risk of hybrids.

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We encourage clients to use Delen Online or the new app for smart-phones.

An app that brings us even closer to our clients

Early 2016 Delen Private Bank developed an app for smartphones and tablets to connect even better with our clients. At the moment the app enables clients to review the composition, spread and return on their portfolio, and provides the contact information of their fund manager. We are also going to provide our clients with information about all administrative documents. We will gradually improve the app and strengthen its capabilities, without losing sight of the fact that an IT tool will never be as powerful as direct contact.

From left to right: Arnaud Van Doosselaere, Filips De Ferm

Cadelam

Cadelam (Capfi Delen Asset Management) and Cadelux are responsible within the Delen group for the financial and administrative management of funds that are mainly promoted by Delen Private Bank. These are management companies of UCIs (Undertakings for Collective Investment) and AIFs (Alternative Investment Funds), recognised by the local market regulators FSMA (Belgium) and CSSF (Luxembourg).*

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> Financial management consists of taking decisions on asset distribution and the specific composition of the portfolio, in accordance with the investment strategy and market circumstances.

Strong in financial and administrative management

Cadelam and Cadelux service 44 sub-funds (compartments) divided among 13 separate SICAV funds. This comprises the financial management of 26 Delen group portfolios totalling 19 billion euros. The administrative management of 14 of these internal sub-funds is handled by Cadelam, while Delen Private Bank Luxembourg handles the other 12. In addition Cadelam handles the administrative management of 15 sub-funds outside the Delen group, representing more than 1.2 billion euros – a doubling of the assets in the space of two years. Cadelam and Cadelux are also responsible for the risk management of each of these 44 sub-funds.

Delen Private Bank uses a number of different funds to build its client portfolios taking into account the applicable risk profile. These funds are equity, bond and treasury funds, but mainly mixed funds. The latter are also known as wealth management funds given that clients often invest a substantial part of their movable assets in them. A wealth management fund can in fact be seen as an efficient way to package a whole series of individual equities and bonds, a small part of which the client can buy or sell in a very flexible way and on a daily basis, in line with their needs. Within this packaging both the portfolio management and the administration (for example coupon payments, splits, conversions) are handled by two specialist teams.

Cadelam employs a team of 12 portfolio managers/analysts who focus on the financial management of these funds. At the same time, together with Cadelux and Delen Private Bank Luxembourg, it also has a team of 15 specialists and accountants who handle the bookkeeping, administration, legal compliance, controls and risk management for the various sub-funds.

The **financial management** comprises taking decisions on asset distribution and the specific composition of the portfolio, in accordance with the investment strategy

*These are Undertakings for Collective Investment and Alternative Investment Funds for which Cadelam and Cadelux have received a special licence as a Management Company of UCITS and AIF funds.

V.l.n.r.: Michel Vandenkerckhove (Voorzitter), Patrick François, Chris Bruynseels en Gregory Swolfs, directiecomité Cadelam (Capfi Delen Asset Management).

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Delen Private Bank uses a number of different funds to build its client portfolios, taking into account the applicable risk profile.

and market circumstances. Important elements for equities include the sector spread, the geographical spread and the selection of individual stocks. Important aspects for bonds include the spread by credit rating, the length of the term and the choice of individual instruments.
The investment committee meets several times a month to formally discuss these strategic choices. The members of the committee maintain daily contact regarding the practical implementation.
The sound results achieved in the past few years, in terms of both (risk-adjusted) returns for investors and newly entrusted assets, are proof that this approach, with its short lines of communication, is beneficial to investors.
With the acquisition of Dutch asset manager Oyens & Van Eeghen, Delen Private Bank welcomes a multi-disciplinary team to the group with vast expertise in the field of asset management. The management philosophies of the companies are quite similar with respect to asset distribution, and their experience in specific areas such as passive management, sustainable investment and fund selection is an additional advantage. This will further strengthen the financial management team of Cadelam, a process that has been ongoing for some time.

The **administrative management** comprises the bookkeeping for the funds, calculating the net asset values, processing entries and exits, compiling statistics, prospectuses, articles of association and annual reports, organising executive board and general meetings, handling contacts with the authorities (mainly FSMA and CSSF) and external controllers (mainly auditors).

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With the acquisition of Dutch asset manager Oyens & Van Eeghen, Delen Private Bank welcomes a multi-disciplinary team to the group with vast expertise in the field of asset management.

The importance of permanent risk controls

A significant amount of time also goes into the risk controls of the portfolios and the internal controls of the procedures. Risk control is an extremely important aspect of the management companies' duties. It relates to various aspects of a sub-fund's functioning, with risks including market risk, credit risk, settlement risk, currency risk and liquidity risk. The contents of the sub-funds are constantly scrutinised to establish whether there is sufficient diversification of the investments to ensure optimum management of the risks.
Furthermore, investment funds are subject to a strict regulatory framework imposed by both European and local legislation. These rules impose many investment restrictions aimed at protecting shareholders that must be complied with. The Risk Manager of the management company must monitor these rules and report to both the fund managers and the fund directors as well as to the supervisory authority (FSMA and CSSF).

The liquidity of the underlying securities is another constant area of attention. The portfolios are subject to a stress test at set times to determine what portion of the fund can be sold in one day or how many days it would take to liquidate, say, 20% without it having too great an impact on the price.

Creating added value

The most important added value we create when managing wealth management funds is derived from our flexible stance on asset distribution based on a top-down (macro) approach as well as the convictions of the fund managers which are translated into the portfolios through fundamental analysis (bottom-up or micro).

This flexible distribution of assets means that within the fund's risk profile there are active shifts between equities, bonds and cash depending on market circumstances. For example, an investor with a defensive risk profile will not see his asset spread permanently fixed at 20% equities and 80% fixed-income investments due to interim rebalancing. We are more likely to work with a band, with the weighting of equities varying depending on whether other asset classes provide a better risk/return ratio.

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The liquidity of the underlying securities is another constant area of attention.

If the valuation of equities and the sentiment in the market worsens, the equity positions will be reduced or hedged in order to lower the risks in the portfolio and thus the volatility. Once circumstances improve, positions can be increased once again. Studies have shown that over 75% of the long-term return is determined by the asset spread. That means that the long-term performance of the portfolio is largely determined by the extent to which it is invested in equities or bonds. Weightings will also be tactically adjusted within these asset classes based on macroeconomic data or sector-specific characteristics. It is, however, not our objective to engage solely in market timing. The long-term horizon remains the focus of our approach.

On the other hand, in actively managing the portfolios we are not tied to reference indices or benchmarks. This means that the weightings of various sectors or countries in an index will be viewed as an indicator, but not as a standard. In other words, the fact that financial equities have a weighting of around 25% in the indices does not mean that our portfolios should maintain a similar weighting if we do not feel comfortable with that.

It is the investment process that determines the content of the portfolio. Individual analyses and ratios will lead us to undervalued companies or interesting bonds. In doing so, we will always choose to seek adequate returns relative to the risk taken. If we don't like it, we don't buy it.

A characteristic feature of our approach is that we do not necessarily follow trends, that we have the courage to go against the flow at times, and that we also look for specific themes/asset classes that are not as well-known or followed (e.g. the theme of dividends or convertible or hybrid bonds).

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This flexible distribution of assets means that within the fund's risk profile there are active shifts between equities, bonds and cash depending on market circumstances.

Performance in 2015

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Our wealth management funds currently invest neutrally in equities, focusing on Europe.

Performance of our wealth management funds

Our wealth management funds currently invest neutrally in equities, focusing on Europe. The maturity of bonds was further shortened to less than one year to guard against the risk of rising interest rates. The broad diversification of currencies outside the eurozone was maintained but should be gradually reduced.

In the course of the year we reduced our exposure to equities from emerging markets and created a shift in Chinese equities from industrial to consumption. We remain underweight in energy and commodity shares.

In the bond market we invest either extremely short term in investment grade bonds or long term in subordinated or perpetual bonds of (mainly industrial) high-quality issuers such as Solvay or Telefónica. Throughout the year we benefited from the volatility, taking profits from bonds whose prices had risen extremely well and reinvesting it in a lower market, particularly during the second half of the year.

European equities, US dollar investments and high-yielding bonds particularly contributed to the results. The contribution of other shares and currencies and short-term investments was neutral.

In an extremely difficult and volatile environment we are therefore able to present returns of 2.6% to 4.6%, according to the risk profile of our portfolios.

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European equities, US dollar investments and high-yielding bonds particularly contributed to the results.

Legal analysis

2015: the year of legislative change

In our 2014 Annual Report we looked ahead with some unease at what the "tax shift" would bring with it, and called loudly for a simple and equitable tax treatment of wealth.
Meanwhile the contours of the tax shift have become clear. As regards the tax treatment of wealth, this tax shift involves on the one hand an increase to 27% in the withholding tax on income and on the other hand the introduction of a tax on capital gains realised on shares shortly after their acquisition. This latter tax in particular is raising a considerable amount of dust, and we cannot but conclude that the hoped-for stability will be some time coming.

Less stability, and yet opportunities

Our appeal for a stable tax regime for wealth seems to have fallen on deaf ears as well. The legislation and the administrative stances on wealth planning and tax treatment continue to change at a giddying pace and, what is more, with ever greater differences between the regions in the area of taxation.

Sometimes however, these legislative changes provide opportunities: we are thinking for example of the reduction in donation tax on real estate and the possibility of providing, yourself, in advance, for any possible future incapacity by means of a continuing power of attorney and advance directives.
We will now go on to look more in depth at some of the above-mentioned topics.

Speculation Tax

The most striking measure under the tax shift is the introduction, with effect from 1 January 2016, of the "speculation tax". The speculation tax is due at 33% on capital gains realised by an investor on the disposal of certain securities that have been in his possession for less than six months.

The legislation on the speculation tax is highly complex, with a logic that sometimes proves elusive. Debate continues on a large number of questions concerning the scope of application and the calculation of this tax. We therefore fear that the revenue from this tax, which the government very optimistically estimates at €34 million a year, will be many times smaller than its direct and indirect costs to the treasury.

The good news is that for most clients of Delen Private Bank the speculation tax will have little or no impact in practice. This is mainly because its scope of application at present is reasonably limited. Specifically, and logically, the tax does not apply to investment funds, or to bonds. Nor is the tax due on transfers of shares that have been held for at least six months. Given Delen Private Bank's profile and that of its clients, and in view of the investment policy pursued, we expect to be obliged to withhold speculation tax in only a very limited number of cases.

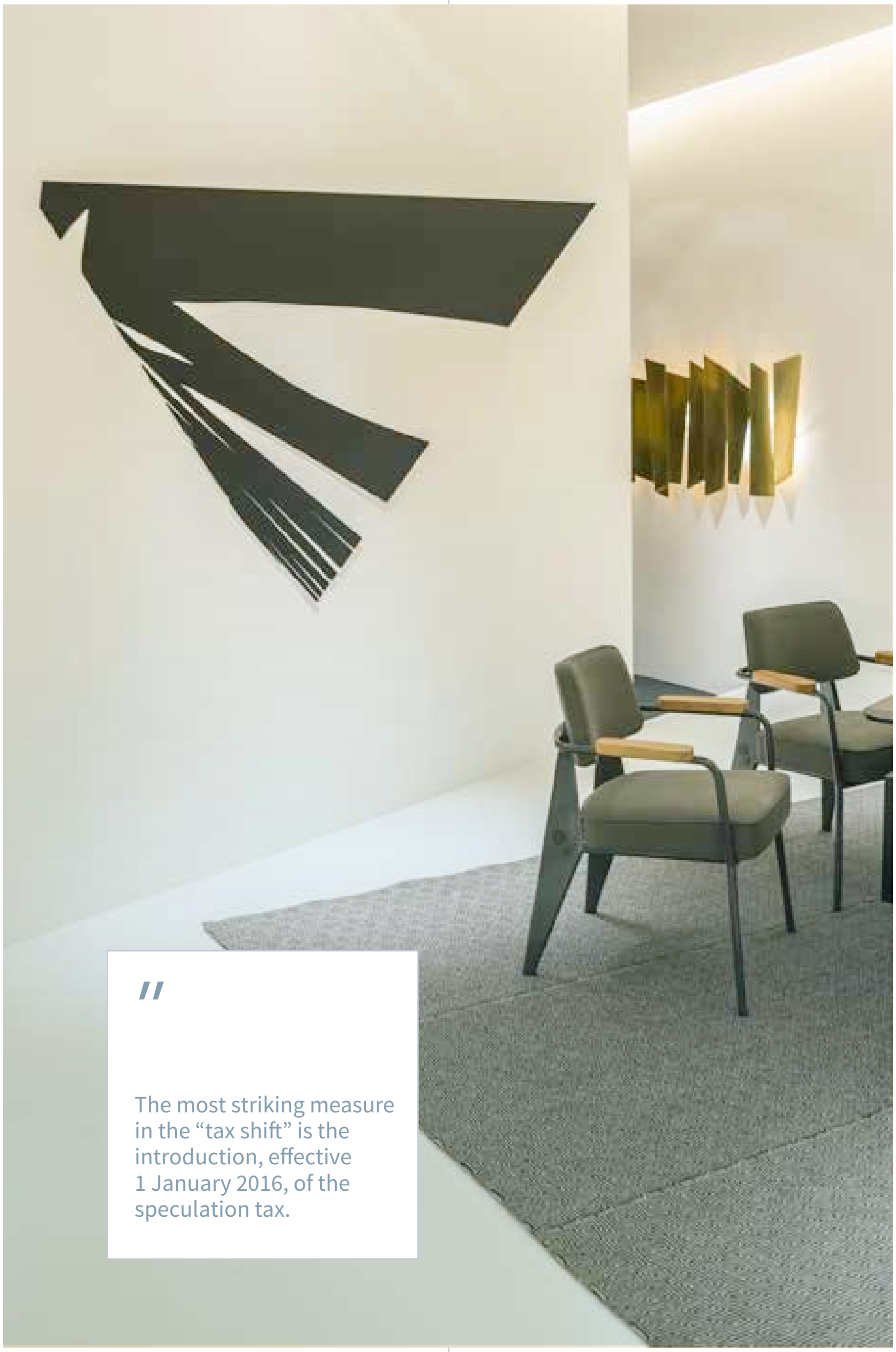
Regionalisation of inheritance tax and registration tax on gifts

Since 1 January 2002 the three Belgian Regions have been empowered to set rates, exemptions, abatements and assessment bases for inheritance tax and registration tax. Despite the three regional regimes, the federal government continued to collect inheritance tax and registration tax.

On 1 January 2015 the Flemish Region took over the administration of registration and inheritance tax from the federal government, and the Flemish Tax Authority (VLABEL) is now responsible for collection. The regional aspects regarding registration and inheritance tax have been incorporated into the Flemish Tax Code with a completely new structure and arsenal of legal concepts.

Now that VLABEL is empowered to collect registration and inheritance tax, it can pronounce on the interpretation of the tax regulations. Unfortunately VLABEL has been bold enough to adopt some administrative postures that deviate widely in substance from the old federal decisions and rulings (which still apply to Wallonia and the Brussels Capital Region), often to the taxpayer's detriment.

At the same time we see that the regions derive inspiration from one another and align their legislation with developments in the other regions. A good example of this is the reduction of the donation tax rates for real estate. In Flanders the decision was taken to reduce the donation tax drastically with effect from 1 July 2015. In Brussels and Wallonia this step was taken later. Brussels reduced the donation with effect from 1 January 2016 in the same way as Flanders had done previously. Wallonia also reduced the tax with effect from 1 January 2016, but less drastically than the other two regions



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The most striking measure in the “tax shift” is the introduction, effective 1 January 2016, of the speculation tax.

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The good news is that for most clients of Delen Private Bank the speculation tax will have little or no impact in practice.

Continuing powers of attorney and advance directives

Regrettably we are all faced sooner or later with the time when we can no longer manage our own affairs. This may be the result of a coma, an accident, advanced dementia, etc.

It seems desirable to be able to anticipate such a situation by working out an arrangement yourself, which will avoid the management of your affairs being left to legal authorities that are not familiar with your family and personal situation.
This has been possible for some time by means of the introduction of the "continuing power of attorney and advance directives": a power of attorney that remains in force if you can no longer take decisions for yourself as a result of illness, old age or accident. In other words, this power of attorney allows you to provide for your possible incapacity yourself, in advance, by establishing who will look after the management of your affairs and assets in such event, how this management must be exercised, whether account must be rendered and if so to whom, and so forth.

The new power of attorney also offers many opportunities for your wealth and succession planning, among them in situations in which previously blockages occurred due to declarations of incapacity. Thus it is possible not only to have the attorney (the person to whom the power is granted) make donations on your behalf, but also to recover gifted goods in the event of the predecease of a child to whom the gift was made or the drawing up or amendment of a marriage contract (setting out the property regime of the marriage) can be left to an attorney.

We have seen that in 2015 a large number of clients made use of this new possibility and had continuing powers of attorney and advance directives drawn up by their notaries. For those who have not yet taken this step, it is certainly one of the things that can be considered in 2016. The possibilities offered by the continuing power of attorney and advance directives for your wealth planning should not be underestimated.

Looking ahead

Will 2016 at last bring the desired stability in the legal and tax areas? There has long been pressure for the reform of Belgian inheritance law, with its basic rules of forced heirship for surviving spouses and children. The previous federal government found no political consensus for this. It is to be hoped that our present government will succeed in reaching an agreement during this legislature.

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The new power of attorney also offers many opportunities for your wealth and succession planning.

2015: an analysis

Global economy

United States

The US economy appears to have largely stabilised and to have absorbed the Great Correction. Gross Domestic Product (GDP) rose by 2.9% in 2015 and the pace of job creation remained good. Debt levels were once again on the rise (which is concerning given the already high debt levels), but was spread out better than before the crisis (when it was mainly bank debt whereas now it is more government debt). Now banks have 15% less debt than at the end of 2008 while their equity position has strengthened. On the other hand, the federal government almost doubled its enormous debt.

Despite the strong dollar companies were able to keep their earnings per share at roughly the same level (due in part to extensive share buyback programmes). Politically, everyone is gripped by the presidential elections that are set to take place in the autumn of 2016. The candidate favoured to take the Democratic nomination is Hillary Clinton, whereas most media attention on the Republican side has been focused on Donald Trump, who continues to score well in the polls. It is still difficult to estimate what the economic impact will be.

Statistics about the housing market remain clearly positive and show signs of a steady recovery. Prices were up around 6% in 2015, which is quite an increase, and sales rose to around 6 million units (this was only 4.5 million units in 2009). With unemployment levels being relatively low and falling (currently 5.0%) we expect purchasing power to slowly improve, certainly combined with low oil prices. In addition we see a clear upward trend in hourly wages with the lowest wages rising the most, due in part to the introduction of a substantially higher minimum wage both at company and state level.

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Politically, everyone is gripped by the presidential elections that are set to take place in the autumn of 2016.

The Federal Reserve (Fed) projects unemployment to be at 4.6 - 4.8% in 2017 (while inflation is expected to be 1.8 - 2.0%). So the economy appears to be strong enough to handle additional interest rate hikes, but with the current turmoil on the stock exchanges the market does not believe interest rates will exceed 1% by the end of the year (as expected by the Federal Reserve).

Europe

The market for government bonds remained stable with the exception of Greece and Portugal (particularly at the start of 2016). Greece's governing Syriza party continues to send out regular signals that it is having trouble implementing the reforms it has to. However, up to now the pace of reform has been good albeit at times subject to delay and even resistance from within the government (e.g. with regard to pensions and evictions when loan repayments are not made). With yields on government bonds of between 7% (in November) and 13% (in April) Greece is still in effect cut off from the market. The ten-year interest rate is currently over 10%.

Elections were held in Portugal in October and the left-wing parties were dealt the best hand. Supported by the far-left, a government was formed that is fighting against European austerity policies. After long discussions, a budget was finally agreed that was not rejected by Europe but that did incite many negative reactions. Furthermore the new government intends to reverse certain reforms in Portugal. The country is still able to secure financing on the markets but the associated costs were clearly rising at the start of 2016.

All other peripheral countries (Ireland, Italy and Spain) continued to have access to the market at relatively favourable conditions. On average, budget deficits and public debt remain high but confidence in the ability of governments to repay debt continues to grow. Italy and Spain were not under pressure despite persistently difficult economic conditions. With unemployment at 21.0% and a property crisis that has yet to be fully digested, the challenges facing the Spanish government still appear to be of Greek proportions even though competitiveness improved greatly. After three years of contraction Italy finally posted a bit of growth.

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The market for government bonds remained stable with the exception of Greece and Portugal.

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De Financial Times noemde Brazilië zelfs de “sick man of the emerging markets”.

One of the main problems remains high youth unemployment. The rate finally declined a bit in Greece to 48% and improved slightly in Spain to 46%. At the current pace of growth (according to the International Monetary Fund) Spain is poised to grow 2.7% and the Eurozone by 1.7% in 2016) the number of jobs created will be insufficient to improve this significantly, but there is at least the prospect of a further improvement. In the course of the first half of the year inflation entered positive territory, making the deflationary scenario less probable due to the measures taken by the European Central Bank (ECB) since the end of 2014. The International Monetary Fund (IMF) now projects inflation of 1.02% for the Eurozone in 2016.

United Kingdom

The Conservatives won the May general elections and made it immediately clear that a referendum will be held on the United Kingdom possibly leaving the EU. A number of new agreements with the EU were formalised at the start of 2016 and enthusiastically welcomed by Prime Minister David Cameron, although many political commentators in the UK were less impressed. A EU summit was held at the end of February and the referendum is now scheduled for 23 June 2016. The uncertain outcome is weighing on the market and will cause additional volatility. Inflation is expected to rise to a still meagre 1.06% in 2016.

Eastern Europe

Growth remained below par in this region and the problems in Ukraine continue to raise concerns. Sanctions against Russia had the largest impact on this part of Europe. We do not expect this region to perform well as long as the problems with Ukraine/Russia persist. Nevertheless the IMF expects Poland to grow 3.5% in 2016, which is quite good and in line with the global economy.

Japan

Japan has the dubious honour of still holding the absolute record in terms of government debt. It currently stands at well above 200% of GDP, putting a constant brake on future growth. The IMF predicts that Inflation will once again be above 1% and growth at over 2%. However, figures for the final quarter of 2015 were disappointing (annualised contraction of 1.4%), raising doubts in the market.

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One of the main problems remains high youth unemployment.

Far East (excluding Japan)

Credit growth remains alarmingly high in China, but the government appears to be more and more aware of it. This will not lead to excessive inflationary pressures for the time being. Growth is officially above 7% but most commentators agree that the rate is lower in reality. The country can still draw on impressive reserves, which are increasingly diversified (for example the purchase of gold, agricultural land, mines, Italian shares). There are numerous challenges but policy is focused and China has many instruments at its disposal to keep everything running smoothly. The transition from an export-driven economy to an economy focused on domestic consumption is in full swing and will take many years.

Indië ondervindt ten gevolge van de sterke economische groei (geschat op 7,5% voor 2016 door het IMF) wat druk op de prijzen waardoor de inflatie zou stijgen tot zo'n 5,5%. De meer dan gehalveerde olieprijs heeft een driedubbel positief effect: de koopkracht verhoogt, het overheidsbudget komt minder onder druk (subsidies die wegvallen) en de inflatie blijft beter onder controle. De uitdagingen voor de nieuwe regering (sinds 2014) blijven enorm en het hervormingstempo is teleurstellend. Sommigen vermoeden dat de huidige premier Modi eerst zijn machtsbasis wil verstevigen bij de volgende verkiezingen om dan het gaspedaal in te drukken. De groeiperspectieven op korte termijn zijn lang niet zo gunstig geweest.

In Indonesië werd Jokowi, de nieuwe sterke man, gesteund door dalende olieprijzen (zelfs met het afschaffen van subsidies voor olie daalden de prijzen aan de pomp) maar geplaagd door een daling van andere grondstoffen (zoals bvb. palmolie). De stappen om de energievoorziening en de logistieke infrastructuur te verbeteren worden eindelijk genomen en waren reeds jaren broodnodig. We blijven geloven in de mooie langetermijnperspectieven van Indië en Indonesië maar dit zal wel met de nodige volatiliteit en schokken gepaard gaan.

Latijns-Amerika

Brazilië presteert ondermaats in 2015 met een daling van 35% in eurotermen. Na de corruptieperikelen bij Petrobras bleef de negatieve berichtenstroom voor presidente Dilma Rousseff aanhouden. De Financial Times noemde Brazilië zelfs de "sick man of the emerging markets". Het primair saldo (het saldo op de overheidsfinanciën zonder rekening te houden met de rentelasten) was al niet bijster hoog gezien de hoge rentelasten (de tienjarige rente bedraagt op dit ogenblik zo'n 16%) en de doelstelling werd zelfs nog verlaagd. In een omgeving met lagere grondstoffenprijzen en een verwachte groei van -1% (na -3% in 2015) zal Brazilië dus verder schulden opbouwen.

De broodnodige investeringen in infrastructuur blijven uit en de werkloosheid is snel aan het stijgen (van 6,3% nu naar 8,9% verwacht eind 2016). Nu S&P, een vooraanstaand ratingagentschap, hun rating naar junk hebben gebracht samen met Fitch ziet het er naar uit dat het momentum in Brazilië slecht zal blijven.

Monetary policy

In the US the benchmark interest rate rose from 0 - 0.25% to 0.25 - 0.5%. The interest rate had been at an all-time low since the end of 2008 (the lowest previous rate had been 1.00%). The market initially expected a string of moves in 2016 but people increasingly doubt this, following the market turmoil at the start of the year. Up to now the Federal Reserve has spoken about a 'gradual' hike and this could in fact be very gradual.

The ECB inflation rate target is close to 2%, meaning that it will not reach this target now and will have plenty of room to stimulate the economy. The comments made in January and February clearly showed the will to take additional measures at the ECB meeting on 10 March.

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Some believe that Prime Minister Modi wants to first strengthen his power base in the next elections before putting his foot on the accelerator.

Global economy

One of the measures anticipated was a drop in the deposit rate from -0.30% to -0.40%, aimed at prompting banks to increase lending and people to increase consumption.

The Bank of Japan brought its deposit rate into negative territory for the first time, following in the ECB's footsteps with a deposit rate of -0.1%. As in the Eurozone, unrest about the impact of the banking sector is starting to grow in Japan, placing pressure on share prices. Japan continues to purchase assets en masse at a pace of around 500 billion euros per year. The idea is to structurally raise inflation to 2% but it does not look like this objective will be achieved in the medium term (the IMF estimate stands at 0.4% for 2016), due in part to falling oil prices.

The Bank of England (BoE) continues to pursue its easing policy with an interest rate that has stood at 0.5% since the start of 2009, the lowest rate since 1694. No change appears to be in sight for the time being as inflation falls on the back of a near 50% drop in the price of oil. Nevertheless, BoE Governor Mark Carney has indicated that the central bank is closer to the point of raising interest rates due to increasing wage costs and quite robust economic growth (the IMF forecasts GDP growth of 2.2% in the UK for 2016).

Forex markets

The difference between expected growth in the US and the Eurozone was the main reason why the euro weakened against nearly every major global currency. The euro dropped around 11% against the US dollar and 5% against sterling.
On 11 August the central bank of China devalued the Chinese currency, the renminbi. Even though the impact on the currency was quite limited (the renminbi lost around 3%), the move caused shockwaves on Asian markets. It even had a substantial effect on global stock markets. In the end the renminbi gained 6% on the euro.

Bond markets

The long-term interest rate was volatile in 2015, reaching absolute lows in some European countries. It currently stands at around 1.75% in the US and around 0.25% in Germany. Greece lost all access to the market in the first half of the year. Portugal still has access but it became considerably more difficult at the start of 2016.
In many countries (for example the UK, Belgium and Germany) interest rates were at the lowest level seen in recent centuries! At one point Belgium had financing expenses that were below 0.4% (April 2015).
At the end of 2015, the yield on perpetual bonds had fallen to levels that justified building up a position. With yields of around 6% we feel it is worthwhile to take a solid position in this asset class.

Commodities markets

Oil prices were extremely volatile in 2015. The price of a barrel of Brent crude first climbed from around 50 US dollars to more than 65 US dollars, only to end the year under 40 US dollars. At the start of 2016 we witnessed renewed pressure that resulted in prices of around 30 US dollars. Saudi Arabia experienced a drop of more than 100 billion US dollars in the value of its reserves that are currently estimated at around 630 billion US dollars. In the US many companies in the shale industry (which is financed with debt) are going bankrupt, while the survivors are being forced to achieve high productivity gains.

Other commodities also took a heavy tumble and were the cause of trouble for many companies. Glencore was under extreme pressure and the share price fell 70% in 2015 as a result of questions in the market about the company's solvency. More solid companies such as BHP Billiton and Rio Tinto came under pressure because their dividend policy became unattainable. Their shares dropped 41% and 34%, respectively. With the Chinese growth engine now slowing its pace, the world's largest consumer of commodities is taking a considerable step back. This will continue to weigh on the market in 2016.

Equity markets

It was a volatile year with a very strong first quarter (Europe rose 18% and the US was up 13% in euro terms) followed by a weak period and ultimately ending on reasonable profits due to the weakened euro. In the summer we were confronted with a stabilisation along with some volatility. The common theme in corporate profits was the poor performance of oil companies due to a 50% drop in oil prices.

Results of financials in Europe supported the equity markets in 2015 but dragged them down at the start of 2016, particularly in Italy where the banking sector is dealing with many bad loans.

Corporate earnings are developing quite favourably but more was expected at the start of 2015 due to the positive climate (low oil prices, favourable financing conditions and more growth). Profitability levels are normal and financing expenses are very low, particularly if financing can be obtained in the bond markets. Profits and revenue are under pressure in the US due to the strong US dollar but are propped up in Europe by the weak euro. Valuations remain high in the US and Europe has done a bit of catching up, partially bridging the valuation gap. However, it is still a fact that Europe is substantially cheaper than the US.

The M&A market continued to be in full swing around the world. There were a few extremely large transactions (e.g. the acquisition of British Gas by Royal Dutch Shell) but the investment banks also did well in terms of numbers in this segment of their activities. For the second year in a row the sector that was the subject of this M&A fever was the pharma sector, which continued to consolidate. The driving forces behind these transactions in the US were taxation (optimisation remains possible in many cases) and Obamacare (which structurally changed the healthcare system in the US). Another massive transaction was announced in the second half of the year: SABMiller being taken over by Anheuser-Busch InBev.

The equity markets in China were flying high, only to lose a lot of ground in the second half of the year. The level of volatility was abnormally high and was further fuelled by initiatives by the Chinese government that were not clearly structured or communicated. These went from a ban on trading to an obligation to buy. China is slowly developing into a free market economy but we regularly see the government try to counter undesired effects with kill or cure remedies. This prevents the market from operating freely.

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> It was a volatile year with a very strong first quarter followed by a weak period and ultimately ending on reasonable profits.

Financial review

Financial review 2015

The assets under management of the Delen Investments group reached a record level of 36,885 million euros at the end of 2015. Delen Private Bank, JM Finn & Co and the acquisition of Oyens & Van Eeghen contributed towards this growth of 12.2% (end 2014: 32,866 million euros).

The added value of the 'prudent investor' model

The strong growth at Delen Private Bank, where assets under management rose from 22,808 million euros (2014) to 25,555 million euros (2015), resulted from the positive impact of the value development of the assets managed for clients and record organic net growth from both existing and new private clients. The constant inflow of assets, to which all Belgian branches contribute, reflects the confidence that clients have in Delen Private Bank and confirms its leading position in discretionary asset management in Belgium. Both the cautious investment strategy and dynamic and prudent management model continue to prove their added value.

The assets managed by UK investment manager JM Finn & Co (74% Delen Investments) also increased, from 10,058 million euros (7,834 million pounds sterling) at the end of 2014 to 10,758 million euros (7,929 million pounds sterling) at the end of 2015. This can be attributed to the favourable development of the value of the client portfolios and the appreciation of the pound sterling against the euro.

As from 31 December 2015 the assets managed by Oyens & Van Eeghen have been consolidated within the Delen group. This concerns 572 million euros of assets under management for private individuals and foundations. Furthermore Oyens & Van Eeghen manages 680 million euros for institutions and local governments and its fiduciary activities relate to 1.8 billion euros of assets entrusted, mainly by institutional clients.

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The cautious investment strategy and dynamic and prudent management model continue to prove their added value.

Delen Investments: a solid balance that easily complies with the Basel II and Basel III requirements

Gross revenue of the Delen Investments group increased to 314.1 million euros, with JM Finn & Co's share amounting to 81 million euros. This increase of 12.8% in the group's gross revenue (14.8%, excluding JM Finn & Co) compared to the previous financial year is primarily due to the higher level of assets under management. Operating expenses increased by 12.5% (12.4%, excluding JM Finn & Co). The rise in expenses at Delen Private Bank was a direct consequence of growing activity that led to an increase in the costs of ongoing IT development, staff recruitment and organising client events. At the end of 2015 the group had 641 members of staff (FTEs), 308 of whom worked at Delen Private Bank, 310 at JM Finn & Co and 23 at Oyens & Van Eeghen. Ongoing investments in own buildings and in-house IT development also led to higher depreciation costs. At JM Finn & Co the rise in costs in pounds sterling was limited and attributable to the recruitment of staff at the control departments and higher depreciation costs due to renovations at the London offices. The cost-income ratio remained very competitive at 54.9% (only 42.6% at Delen Private Bank, 86.1% at JM Finn & Co) and stayed in line with the previous year (55.0%). In 2015 the net result rose to 92.4 million euros (from 80.8 million euros in 2014). JM Finn & Co's contribution to the group's net result was 5.5 million euros (after client depreciation and 26% minority interests of 2.2 million euros).

On 31 December 2015, the consolidated equity capital of Delen Investments amounted to 582.6 million euros (compared to 517.4 million euros on 31 December 2014). This amount already takes into account the JM Finn & Co management option to sell their remaining shares (valued at 39.6 million euros) to the Delen Investments group after some time. The group's tier one (Tier 1) equity (taking into account intangible fixed assets of 246.9 million euros, of which 51.6 million euros for JM Finn & Co clients and 7 million euros for Oyens & Van Eeghen clients) amounted to 284.9 million euros at the end of the year (compared to 237.9 million euros at the end of 2014). The Delen Investments group is well capitalised and easily complies with the Basel II and Basel III equity capital requirements. The Core Tier 1 capital ratio was 26.0% and lies well above the industry average, even taking into account the long-term commitment to buy out JM Finn & Co's minority shareholders. Delen Investments has a solid and easy-to-understand balance sheet. Cash balances continue to be conservatively invested at the National Bank of Belgium, in high-grade government securities (no PIIGS — Portugal, Italy, Ireland, Greece and Spain — exposure), in the short term at high-quality banks or in quality short-term commercial paper of blue-chip companies. The impact of the Basel III rules for Delen Investments is limited, as the group's capital consists solely of Core Tier 1 capital, the portfolio is conservatively invested and the group's ratios already comfortably exceed future requirements. The return on average equity capital amounted to 16.8%, which is a very satisfactory figure.

Eric Lechien

Operational review

Operational review 2015

Delen Private Bank applied its traditional investment principles in 2015 to enable its clients' assets to benefit from opportunities in the markets within the bounds of their risk profile. The bank posted satisfactory results and consistently kept risks limited in a difficult environment in which the interest rate on government bonds in euros hovered around zero, particularly when these risks were inadequately compensated. Client portfolios at JM Finn & Co, which had on average a stronger weighting in equities, were able to develop favourably despite the difficult market conditions in Anglo-Saxon countries.

In 2015 Delen Private Bank invested for its clients in a wide spread of portfolio shares, mainly in Europe. Bond maturities were shortened further (less than a year) to guard against the risk of interest rate rises. The broad diversification of currencies outside the Euro¬zone was maintained, but this is gradually being reduced. In the course of the year Delen Private Bank lowered its exposure to equities from emerging markets and created a shift in Chinese equities from industrial to consumption. The bank remains underweight in energy and commodity shares for its clients. Due to high valuations, exposure to the US was relatively low compared to other regions. The bond component of the portfolios continued to be mainly invested in short-term investments in strong countries and companies, albeit with a dynamic contribution from investments in perpetual bonds. In the past few years, Delen Private Bank had been investing in strong currencies outside the Eurozone to improve the degree of diversification. That position is now being gradually reduced. In 2015 the Bank's performance was more than satisfactory in a volatile environment, but it was unable to take full advantage of certain opportunities, such as the strong performance of long-term bonds launched by subprime issuers. However, Delen Private Bank remains committed to its prudent investment philosophy and is convinced that this approach will continue to make the difference in the long term. JM Finn & Co – which needed to rely on the talent of its investment managers to achieve positive results in volatile markets due to its greater exposure to Anglo-Saxon stocks – is also convinced of the benefits of further diversification and expanding its knowledge in bond markets to be able to serve clients with low risk profiles even better.

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he bank posted satisfactory results and consistently kept risks limited in a difficult environment.

Delen Private Bank

In 2015 Delen Private Bank continued its strategy aimed at optimising the quality and efficiency of its asset management by targeting an increase in the percentage of management mandates. At the end of 2015 some 74% (19,025 million euros) of the assets under management were under direct discretionary management or managed through our own wealth management SI-CAVs, which now represent more than 20,000 management mandates. Delen Private Bank continues to gain market share in the Belgian private banking market, even in its prominent position, due in part to the strong growth of new assets from private clients.

The expansion of the Bank's local roots is paying off with more than three-quarters of the net inflow of capital being generated by offices outside the Antwerp head office and Luxembourg. This encourages Delen Private Bank to invest more in staff and infrastructure in order to better receive and serve its clients. Important renovations were carried out in Luxembourg and Hasselt in 2015, and the renovated office in Liège will open in 2016. Further investments are planned for Antwerp and West Flanders.

Bank J.Van Breda & C°

Bank J.Van Breda & C° continued to make a significant contribution to the result of Delen Private Bank through its offices. On 31 December 2015 Delen Private Bank managed 4,236 million euros on behalf of clients introduced through the Bank J.Van Breda & C° network. Delen Private Bank is also responsible for the securities administration of Bank J.Van Breda & C° (750 million euros). All in all, Bank J.Van Breda & C° represents around 19.5% of the total assets under management at Delen Private Bank.

JM Finn & Co

The acquisition of 73.49% of London-based investment manager JM Finn & Co in 2011 was an important step for the Delen Investments group. At the end of 2015 JM Finn & Co had 10,758 million euros (7,929 million pounds sterling) in assets under management, of which 65% were under discretionary management. The growth in assets under management and the percentage under discretionary management compared to the end of 2014 confirms that JM Finn & Co is a healthy company with growth potential. JM Finn & Co's position in the British onshore investment management market, combined with the drive and experience of Delen Private Bank, should enable JM Finn & Co to grow further and evolve into a prominent player on the UK investment management market.

Operationally, 2015 was once again a busy year for JM Finn & Co thanks to the implementation of the new software system, important initiatives to adhere to the stricter compliance environment, efforts to increase organisational efficiency and the further expansion of cooperation with Delen Private Bank. Emphasis is also placed on further increasing commercial activity, for example by receiving clients at the office more often. In addition JM Finn & Co continues to invest in expanding its commercial organisation and launching a wealth planning activity. The Management Committee of JM Finn & Co continues to ensure that strategic initiatives and priorities are gradually and successfully implemented so that JM Finn & Co becomes an even more efficient and modern investment manager, without undermining the relationship of trust between asset managers and clients. Delen Investments fully supports JM Finn & Co in the challenge of combining a successful growth strategy with the necessary improvement of profit.

Oyens & Van Eeghen

In the summer of 2015 Delen Private Bank reached agreement with the shareholders and Board of Oyens & Van Eeghen to acquire one of the oldest independent financial institutions in the Netherlands. The transaction received regulatory approval in the Netherlands and Belgium in December. The acquisition strengthens Delen Private Bank's position in the Benelux. In recent years Oyens & Van Eeghen has successfully concentrated more on specialist asset management and fiduciary consultancy for both private and institutional clients. At the end of 2015 its assets under discretionary management for private clients totalled 572 million euros, of which 93% under discretionary management. Oyens & Van Eeghen also manages 680 million euros for institutions and local governments. Its fiduciary activities relate to additional assets under management of 1.8 billion euros, mainly belonging to institutional clients. Oyens & Van Eeghen is a high-grade platform that can be used to expand the Delen model in the Dutch onshore asset management market.

From an operational point of view 2016 will be a year of great development for Oyens & Van Eeghen. Various ad hoc teams consisting of staff from Delen Private Bank and Oyens & Van Eeghen will ensure that the expertise and systems developed by Delen Private Bank in Belgium can also be used in the Netherlands. The expansion of the services supported by the Delen organisation will enable Oyens & Van Eeghen to serve more clients from its offices in Amster¬dam and 's-Hertogenbosch. The plan is also to recruit talented commercial staff to support and accelerate this growth. Delen Investments provides its full support to the management and staff of Oyens & Van Eeghen as it takes on the challenge of successfully implementing its growth strategy.

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In recent years Oyens & Van Eeghen has successfully concentrated more on specialist asset management and fiduciary consultancy for both private and institutional clients.

Positive outlook

Luxembourg: financial centre par excellence

Luxembourg: financial centre par excellence

It is common knowledge that the financial sector in Luxembourg is of paramount importance. But Luxembourg is also surprising the world in other sectors. The small country scores well in the field of logistics (with Cargolux, one of the largest cargo airlines in the world), industry (ArcelorMittal is headquartered in the country) and audiovisual productions (with RTL Group and the SES satellites among well-known brands). And the new economy is also well represented with companies including eBay, iTunes and Amazon.com (with more than 1,000 employees in Luxembourg).

The abolition of banking secrecy rules has given Luxembourg the energy and push it needs to undergo an impressive transformation. With 144 banks in the country, Luxembourg is one of the main European players in private banking. Luxembourg is absolutely number 1 in investment funds in Europe (and number 2 globally behind the US). The investment fund industry in Luxembourg manages a total of more than 3,000 billion euros! And China, soon to be the largest economy in the world, will provide new dynamics for the future. The six largest Chinese banks have all decided to set up their European head offices in Luxembourg. The Luxembourg stock exchange has now become the most important stock exchange in the world (after Singapore) for bonds issued in Chinese renminbi. Luxembourg also continues to be the European leader in Islamic funds.

Serge Cammaert and Philippe Havaux, both members of the Executive Committee of Delen Luxembourg, commented on how this accelerated evolution came about.

Decisive government underpinning Luxembourg's success

"It is impossible to talk about the Luxembourg economy without mentioning the government," said Serge Cammaert. "The government here has an extremely flexible and business-oriented approach. It reacts swiftly to changing situations and can even be seen as a textbook example for all other European countries. The country's consistency in legislation and regulations, such as inheritance tax, is a breath of fresh air.

The government is close to the financial sector and knows how to translate the country's central location into a successful financial centre. Luxembourg has an AAA credit rating and its political and financial stability is an exceptional advantage in an ever-changing Europe. The public debt ratio is below 25% of GDP (best in Europe), proving that the government consistently acts like a prudent investor. The high concentration of financial services companies in the direct vicinity of the banks also underpins the high degree of efficiency in the sector."

"On 8 December 2015 Xavier Bettel, the Prime Minister of Luxembourg, even opened our newly expanded offices," said Philippe Havaux.

"Politics is close to the business world in this country and both operate with mutual respect." The new offices and rooms are a harmonious fit with the renowned typical Delen style. From now on the 45 employees will be able to receive clients in style and comfort.

Exceptional range of clients

"Delen Luxembourg complements Delen Private Bank Belgium when it comes to client base," said Serge Cammaert. His colleague Philippe Havaux was quick to add: "We identify four important client groups within Delen Luxembourg. The first group is the Luxembourgers themselves. Here we tend to call it La Grande Région, a region that stretches to Arlon in Belgium and Metz in France. Wealthy

local clients are the ones who call on us for discretionary asset management.

The second large group consists of international clients with substantial assets who consciously opt to spread their risks geographically. Luxembourg is an ideal, stable base for them to spread their international wealth assets.

Furthermore we have a group of clients with Belgian or European roots who are active in different countries. As such, many generations of Belgian families have close ties with Congo or are active in South Africa. And the children of these families are also often active internationally. This target group is consciously looking for a stable base to manage their wealth assets. The advantages of Luxembourg make a clear difference for their family offices.

Our fourth and final group of clients consists mainly of wealthy Belgian clients who elect to enjoy life in the south of Europe after years in business. Sunny regions in France, Spain and Portugal are popular destinations for many Belgians. The wealth management services we provide to these clients span beyond Belgium and this is where the typical international advantages of Luxembourg emerge. The growth of our client base across these four different groups proves that our consultancy services are appreciated."

In addition Delen Private Bank is relatively unique within the financial world in Luxembourg. Contrary to many major banks with their large diversity of shareholders, Delen Private Bank offers the comfort and stability of our family of shareholders, Ackermans & van Haaren and the Delen family. A perfect match with the prudent investment policy of the Luxembourg government. And compared to smaller players we integrate the added value of a driven family office.

"

The abolition of banking secrecy rules has given Luxembourg the energy and push it needs to undergo an impressive transformation.

From left to right: Serge Cammaert, Philippe Havaux, Yves Lahaye

Delen Private Bank Luxembourg

Positive outlook for the future

Delen Luxembourg works together closely with Delen Geneva. After all, the Luxembourg team is also the back office for the Geneva office, the only Delen Private Bank office located outside the European Union. Both offices work with specific products for their international clients: The assets of some international clients are managed in US dollars, others opt for discretionary management in Swiss francs. Luxembourg and Geneva complement each other perfectly to advise our clients adequately.

When asking the board at Delen Luxembourg about their dreams for the future, it becomes clear that there are still plenty of growth opportunities. “The Swiss asset management market is divided between many small players. In a transparent market (without banking secrecy rules) a consolidation trend will emerge within the Swiss landscape. It is our ambition to build up the same unique position for Delen Luxembourg in Luxembourg as Delen Private Bank built up in Belgium,” according to Serge Cammaert.

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It is our ambition to build up the same unique position for Delen Luxembourg in Luxembourg as Delen Private Bank built up in Belgium.

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Contrary to many major banks with their large diversity of shareholders, Delen Private Bank offers the comfort and stability of our family of shareholders, Ackermans & van Haaren and the Delen family.

Delen Private Bank Liège

Delen Private Bank
Liège

The renovation of our office in Liège is progressing well: our teams will move into the newly renovated building during the weekend of 25 and 26 June. The official opening will take place in the course of September.

Start of the project

It has been a few years since we started this project, initially with a relatively long research period in cooperation with our architects at Axia Interior Architecture and our consultancy firm TSE Consult. At the start of 2014 we launched a tender offer for the actual construction work. The general contractor BPC Liège put in the best quote. BPC is part of Belgian industrial group CFE, which in turn is 60.40% owned by our group AvH. This contractor recently completed a few impressive projects such as the new Marks & Spencer building in Brussels and the Médiacité shopping centre in Liège.

Our building in Liège originally consisted of three houses: a former cafe at number 4, a stately home at number 6 and a 17th century townhouse at number 8. The bank is currently working on an exhibition entitled 'Un Lieu, Une Histoire' (One Place, One History) that can be seen at the newly renovated offices from October. The exhibition tells the story of the Avroy neighbourhood from the 9th century until the present using old maps, photos and documents. The bank's office has been renovated several times throughout the years and there was a pressing need to use the historical and more modern parts of the building again in a coherent way, and to modernise all technical facilities.

The process

The façade of this familiar building in Liège was cleaned and renovated. We also called in local artisans to renovate the decorative wrought ironwork at the entrance gate according to the highest standards, as well as the windows and ironwork in the meeting rooms on the ground floor (entrance hall). We also paid attention to the skilled renovation of the historical cornices in the building.

The greatest challenge of the project was to regain natural light in the inner spaces, something that had disappeared throughout the course of earlier renovations. The building is enclosed by the Ruelle de l'Enfer, an old historical street less than one metre wide that had lost its role as an access route throughout the years.

We decided to give this area a facelift by reinstalling windows that had been bricked up in the past.

A glass elevator was built near the old staircase that leads to the safes, enabling our clients to quickly access all floors.
The clean design of this elevator shaft, consisting completely of glass and metal, required quite a bit of research.

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The parking area was completely remodelled to offer our clients more comfort.

"

We also called in local artisans to renovate the decorative wrought iron-work at the entrance gate according to the highest standards.

Modernism with respect for history

The historical part of the building is mainly located on the side of the Boulevard d'Avroy. The rooms on the first floor were renovated using the finest materials and upgraded to serve as reception areas. The part of the building at the rear (the former hall with bank teller counters) will become a lobby, serving as a reception area surrounded by meeting rooms. It can be accessed through the large main entrance gate.

Our staff will work in an open area on the mezzanine overlooking the lobby. The meeting rooms as well as the dining area were re-modelled to offer staff the necessary comfort. They will for instance be able to access the beautifully planted rooftop terrace from the dining area via an external staircase.

After the renovation is completed, the top floors of the historical building – once the caretaker's house – will become areas that are directly linked to the activities at our office. The historical roof structure on the third floor of the building will be highlighted particularly well.

The parking area was completely remodelled to offer our clients more comfort. A universal power point will be installed to charge electric cars and those who brave the elements and come by bicycle will have the space to park it. The parking area cannot be expanded but drastic changes are planned: better lighting and direct access to the offices. The entrance is being improved by breaking down the outbuildings that marred the view of the building at no. 8 over time.

The building at no. 8 is being remodelled to enable easier access to the parking area, but also to house our caretaker and his family in a duplex on the first and second floors of the house that will also be directly linked to the bank's office (at nos. 4 and 6).

The technical facilities are being completely overhauled to drastically lower our energy expenses without losing sight of the historical elements of the building. The building was insulated wherever technically possible and the drains were also completely adapted. The new concept also includes anti-flooding flaps to prevent water from flowing in in severe weather conditions (after all, the office is close to the river Meuse and not too long ago the Boulevard d'Avroy was in fact a branch of the river!).

Similar to the renovations in Brussels and Ghent, this project is being executed in close cooperation with Marie-Alix Delen and Anne-Sophie Delen who are responsible for all aesthetic and decorative aspects. We look forward to welcoming you to our new offices in the very near future. The wait will soon be over!

Delen Private Bank Hasselt

local strength

A success story

Delen Private Bank opened its office in Hasselt in 2008. At the time there were two: after several years in Antwerp Filip Gielkens and Bart Menten decided to expand Delen Private Bank to their own region. This was not an obvious move at a time when the financial crisis was in full swing. But despite the turbulent times the office was able to grow quickly.

A lot of time and energy went into building a strong network through contacts with numerous professionals and entrepreneurs. And the successful collaboration with Bank Van Breda also provided a good inflow of new clients.
Since its start, the office in Hasselt has posted annual growth of around 20% and achieved a market share in the province of Limburg of 8%.

The Bank's unique vision on prudence and transparency has certainly benefited the Hasselt office. And the fact that Delen Private Bank is exclusively focused on discretionary asset management is attractive for new clients.

Warm team, welcoming office

The team currently consists of nine experienced and driven people – seven managers, one legal counsel and one administrative employee – who invest in the relationship with their clients each and every day.
Together they have more than 100 years of banking experience to help promote Delen's long-term vision and enable the office to grow further. The team is looking to the future full of confidence and ambition.

The building recently underwent a major facelift: the interior was completely freshened up, more spacious workspaces were created and the reception areas were carefully redesigned. In a nutshell, the office is now the ideal location for further expansion.

"

The Bank's unique vision on prudence and transparency has certainly benefited the Hasselt office.

Online

Digital access with the new Delen Private Bank app

In addition to Delen OnLine, Delen Private Bank has launched its own app that allows clients to view their portfolio on mobile devices such as smartphones and tablets.

Quick and easy login

The new Delen Private Bank app is available for mobile devices that operate on iOS (Apple), Android, Windows Phone 8.1 and Windows 10. Clients who download the app will have to register once with their digipass on each device and will then be able to login using a PIN of their choice.

Consult your portfolio anytime, anywhere

Using the PIN of their choice, clients can consult their portfolio anytime, anywhere they have access to the internet.

More discretion, more security

Security is a priority for Delen Private Bank and maximum security is provided to every Delen OnLine and app user. Clients can use their digipass or PIN to consult their portfolio online in an extremely secure way.

Clients who consult their portfolio online also eliminate the risk that statements sent by post land in the wrong mailbox or in the hands of strangers.

More convenience

It is not always easy for clients to contact their asset manager outside of office hours. Thanks to the Delen Private Bank app clients are able to consult their portfolio wherever and whenever they want.

The Delen Private Bank app enables all clients to track their returns, request the transaction history on their account and consult detailed information about a stock in their portfolio daily. Clients with multiple portfolios can also obtain a consolidated overview of their different portfolios.

The Delen OnLine team sees to it that clients receive answers to their questions by telephone each and every working day. The team answers the questions in person and helps resolve any problems.

For more information please call +32 (0)3 244.55.66.

Sponsor of Brafa

Delen Private Bank is inextricably linked to art and interior design. We carefully select our buildings and pay the same attention to the interior with an eye for design and detail. We like to express our passion for art by supporting outstanding artistic initiatives.

The 2016 edition of BRAFA also marked the 10th anniversary of Delen Private Bank's partnership with the Brussels Art Fair. This year Delen Private Bank was once again the main sponsor of this annual meeting with the crème de la crème of the art world and our clients. For the past 10 years the bank has shared its values of quality, expertise, design and authenticity with the fair.

At this 61st edition of the fair no fewer than 137 exhibitors from 17 countries made their way to the halls of Tour & Taxis in Brussels. More than 58,000 people visited the various stands, admiring works of art and curios from ancient times to the 21st century. Impressive figures to match an impressive collection of art and design. Mother and daughter Marie-Alix and Anne-Sophie Delen were once again responsible for designing our stand. They opted for crisp spaces with organic transitions between the different rooms. The Scandinavian style with several signature pieces from the bank's art collection created a stylish stand where visitors could escape from the hustle and bustle of the fair.

"

The 2016 edition of BRAFA also marked the 10th anniversary of Delen Private Bank's partnership with the Brussels Art Fair.

Consolidated annual accounts

Income statement

On 31 December in EUR ‘000	2015	2014
GROSS REVENUES	232,778	203,132
Net interest margin	2,656	3,426
Gross fee income	224,200	194,696
Profit (loss) on financial instruments held for trading	1,286	661
Realised gains (losses) on financial assets available for sale	-24	1,899
Other income	4,660	2,449
FEES PAID	-29,246	-25,358
EXPENSES	-77,538	-66,764
Staff expenses	-41,331	-38,260
General and administrative expenses	-27,953	-21,570
Depreciation	-6,715	-5,680
Provisions	-14	74
Impairment	-32	-29
Other expenses	-1,494	-1,299
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	125,994	111,010
PROFIT BEFORE TAX	125,994	111,010
Income taxes	-30,752	-26,751
PROFIT AFTER TAX	95,241	84,259
Minority interest	-254	-208
NET PROFIT	94,987	84,051

On 31 December in EUR '000	2015	2014
ASSETS	1,820,678	1,427,880
Cash and balances with central banks	665,959	115,632
Financial assets held for trading	6,196	5,655
Loans and advances to credit institutions and other counterparties	254,928	153,694
Loans and advances to clients	224,032	149,376
Financial assets available for sale	548,970	914,177
Tax assets	1,020	1,105
Tangible assets	74,295	54,190
Client relationships	31,902	24,578
Other intangible assets	1,241	1,166
Other assets	12,135	8306
TOTAL LIABILITIES & EQUITY	1,820,678	1,427,880
LIABILITIES	1,450,621	1,118,123
Financial liabilities held for trading	2,196	11,395
Deposits from credit institutions and other counterparties	875	2,871
Deposits from clients	1,403,260	1,066,461
Provisions	420	407
Tax liabilities	9,305	8,556
Other liabilities	34,566	28,433
EQUITY	370,058	309,757
Equity - group share	369,611	309,409
Subscribed capital	42,711	42,711
Revaluation reserve	1,352	1,866
Consolidated reserves	325,548	264,831
Minority interests	446	348

Statutory annual accounts

Balance sheet after appropriation

Assets

	(EUR '000)	2015	2014
I.	Cash in hand, balances with central banks and post office banks	659,556	110,617
II.	Treasury bills eligible for refinancing with central banks	50,506	577,134
III.	Loans and advances to credit institutions	224,366	148,762
	A. Repayable on demand	149,768	134,715
	B. Other loans and advances (with agreed maturity dates or period of notice)	74,598	14,047
IV.	Loans and advances to clients	192,097	132,628
V.	Debt securities and other fixed-income securities	346,819	236,845
	A. Issued by public bodies	74,015	54,222
	B. Issued by other borrowers	272,804	182,623
VI.	Shares and other variable-yield securities	2,530	2,329
VII.	Financial fixed assets	29,497	1,770
	A. Participating interests in affiliated enterprises	29,479	1,751
	B. Participating interests in other enterprises linked by participating interests	-	-
	C. Other shares held as financial fixed assets	18	18
	D. Subordinated loans to affiliated enterprises and to other enterprises linked by participating interests	-	-
VIII.	Formation expenses and intangible fixed assets	1,531	1,751
IX.	Tangible fixed assets	74,911	55,566
X.	Own shares	-	-
XI.	Other assets	5,959	6,387
XII.	Prepayments and accrued income	2,660	1,309
TOTAL ASSETS		1,590,432	1,275,096

Liabilities

(EUR '000)		2015	2014
LIABILITIES		1,363,395	1,127,428
I.	Amounts owed to credit institutions	425,434	230,860
	A. Repayable on demand	425,171	230,860
	B. Amounts owed as a result of rediscounting of trade bills	-	-
	C. Other debts with agreed maturity dates or period of notice	263	-
II.	Amounts owed to clients	907,008	830,560
	A. Savings / deposits	4,841	4,123
	B. Other debts	902,167	826,437
	1. Repayable on demand	882,104	814,493
	2. With agreed maturity dates or period of notice	20,063	11,944
	3. As a result of the rediscounting of trade bills	-	-
III.	Debts evidenced by certificates	-	-
IV.	Other liabilities	23,699	58,774
V.	Accrued charges and deferred income	196	174
VI.	Provisions and deferred taxation	35	38
	A. Provisions for liabilities and charges	-	-
	1. Pension and similar obligations	-	-
	2. Taxation	-	-
	3. Other liabilities and charges	-	-
	B. Deferred taxes	35	38
VII.	Fund for general banking risks	7,023	7,023
VIII.	Subordinated liabilities	-	-
CAPITAL AND RESERVES		227,037	147,669
IX.	Capital	42,300	42,300
	A. Subscribed capital	42,300	42,300
	B. Uncalled capital (-)	-	-
X.	Share premium account	411	411
XI.	Revaluation gains	-	-
XII.	Reserves	4,323	4,323
	A. Legal reserve	4,247	4,247
	B. Reserves not available for distribution	-	-
	1. In respect of own shares held	-	-
	2. Other	-	-
	C. Untaxed reserves	76	76
	D. Reserves available for distribution	-	-
XIII.	Profit (losses) brought forward (+)/(-)	180,003	100,635
TOTAL LIABILITIES		1,590,432	1,275,096

Statutory annual accounts

Profit and loss account

	(EUR '000)	2015	2014
I.	Interest receivable and similar income	4,549	3,779
	A.Of which: from fixed-income securities	1,439	1,171
II.	Interest payable and similar charges	-2,094	-702
III.	Income from variable-yield securities	41,139	37,129
	A. From shares and other variable-yield securities	91	79
	B. From participating interests in affiliated enterprises	41,048	37,050
	C. From participating interests in other enterprises linked by participating interests	-	-
	D. From other shares held as financial fixed assets	-	-
IV.	Commissions receivable	144,957	125,568
	A. Brokerage and commission fees	36,199	33,050
	B. Fees for management services, consultancy and custody	105,147	90,532
	C. Other fees received	3,610	1,986
V.	Commissions payable	-35,745	-31,398
VI.	Profit (Loss) on financial transactions (+)/(-)	4,275	5,111
	A. On trading of securities and other financial instruments	4,270	4,179
	B. On disposal of investment securities	5	933
VII.	General administrative expenses	-50,517	-43,719
	A. Remuneration, social security costs and pensions	-32,155	-30,192
	B. Other administrative expenses	-18,362	-13,528
VIII.	Depreciation/amortisation and other write-downs on formation expenses, tangible and intangible fixed assets	-6,298	-5,618
IX.	Decrease/increase in write-downs on receivables and provisions for off-balance sheet items 'I. Contingent liabilities' and 'II. Commitments posing a potential credit risk' (write-backs)' (+)/(-)	32	29

	(EUR '000)	2015	2014
X.	Decrease/increase in write-downs on the investment portfolio of debt securities, shares and other fixed-income or variable-yield securities: appropriations (write-backs) (+)/(-)	691	-723
XI.	Utilisation and write-backs of provisions for liabilities and charges other than those included in the off-balance sheet captions 'I. Contingent liabilities' and 'II. Commitments posing a potential credit risk': uses (write-backs) (+)/(-)	-	-
XII.	Provisions for liabilities and charges other than those included in 'I. Contingent liabilities' and 'II. Commitments posing a potential credit risk'	-	-
XIII.	Transfer from (transfer to) the fund for general banking risks (+)/(-)	-	-
XIV.	Other operating income	1,936	2,590
XV.	Other operating charges	-1,523	-1,475
XVI.	Profit (loss) on ordinary activities before taxes (+)/(-)	99,957	91,959
XVII	Exceptional income	147	131
	A. Reversal of depreciation/amortisation and write-downs on intangible and tangible fixed assets	-	-
	B. Reversal of write-downs on financial fixed assets	-	-
	C. Reversal of provisions for exceptional risks and expenses	-	-
	D. Capital gains on the disposal of fixed assets	147	131
	E. Other exceptional income	-	-
XVIII	Exceptional expenses	-299	-37
	A. Exceptional depreciation/amortisation and write-downs on formation costs, tangible and intangible	-299	-
	B. Write-downs on financial fixed assets	-	-
	C. Provisions for exceptional risks and expenses: appropriations (spending) (+)/(-)	-	-
	D. Capital losses on the disposal of fixed assets	-	-37
	E. Other exceptional expenses	-	-
XIX	Pre-tax profit (loss) for the financial year (+)/(-)	99,806	92,053
XIX	Bis		
	A. Transfer to deferred taxes	-	-
	B. Transfer from deferred taxes	2	2
XX	Taxes on result (+)/(-)	-20,440	-18,305
	A. Taxes	-20,946	-18,808
	B. Regularisation of taxes and reversal of provisions for taxes	506	503
XXI.	Profit (loss) for the financial year (+)/(-)	79,368	73,750
XXII.	Transfer to (transfer from) untaxed reserves (+)/(-)	-	1
XXI-	Profit (loss) for the financial year to be appropriated (+)/(-)	79,368	73,751

Statutory annual accounts

Off-balance sheet items

	(EUR '000)	2015	2014
I.	Contingent liabilities	8,543	13,846
	A. Non-negotiated acceptances	-	-
	B. Guarantees serving as direct credit substitutes	4,071	4,340
	C. Other guarantees	4,472	9,506
	D. Documentary credits	-	-
	E. Assets charged as collateral security on behalf of third parties	-	-
II.	Verplichtingen met een potentieel kredietrisico	221,622	202,551
	A. Firm credit commitments	-	-
	B. Commitments as a result of spot purchases of transferable or other securities	169,769	164,866
	C. Undrawn margin on confirmed credit lines	51,853	37,685
	D. Underwriting and placement commitments	-	-
	E. Commitments as a result of open-ended sale and repurchase agreements	-	-
III.	Assets entrusted to the credit institution	41,575,822	36,942,419
	A. Assets held by the credit institution for fiduciary purposes	-	-
	B. Safe custody and equivalent items	41,575,822	36,942,419
IV.	Uncalled amounts of share capital	-	-

	(EUR '000)	2015	2014
A.	Profit (Losses) to be appropriated (+)/(-)	180,003	141,412
	1. Profit (Losses) for the period available for appropriation (+)/(-)	79,368	73,751
	2. Profit (Losses) brought forward(+)/(-)	100,635	67,661
B.	Transfers from capital and reserves	-	-
	1. From capital and share premium account	-	-
	2. From reserves	-	-
C.	Appropriations to capital and reserves	-	-
	1. To capital and share premium account	-	-
	2. To legal reserve	-	-
	3. To other reserves	-	-
D.	Result to be carried forward (+)/(-)	180,003	100,635
E.	Shareholders' contribution in respect of losses	-	-
F.	Distribution of profits	-	40,777
	1. Dividends	-	40,777
	2. Director's entitlements	-	-
	3. Other allocations	-	-

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