 

Annual Report 2010

For family businesses and liberal professions

www.bankvanbreda.be

Bank J.Van Breda & C°

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Content

Preface

Bank J.Van Breda & C° is different

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

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

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

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

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

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

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

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

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

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

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

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

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

We're ready for 2019 now

Bank J.Van Breda & C° was not in any way affected by the credit crisis on the financial markets. The bank has no toxic products and no own share positions in its portfolio. We have also remained profitable throughout the years of crisis. Better still: we already comply today with the new Basel III requirements that will come into force from 2019 in order to prevent a systemic crisis of financial institutions in the future.

High-quality capital
The standard for high quality capital ("tier 1") is increasing from 4 to 8.5% of risk-weighted assets; we are already at 11.3%.

High liquidity
Bank J.Van Breda & C° invests on its own account exclusively in cash at the European Central Bank and in government bonds (less than 5% of which are from PIIGS countries).

Stable financing
Your bank finances its loan portfolio entirely from customer deposits. These are kept in balance in a 1 to 1 relationship.

Low leverage
The bank's equity amounts to 8.1% of total assets, which is more than twice the standard of 3% that the supervisory authority has in mind.

The banking sector will require hundreds of billions of euro in extra capital and stable financing over the next few years. Bank J.Van Breda & C° already satisfies all criteria and is therefore very strong.

Basic figures
At a glance

Bank J.Van Breda & C°

	2006	2007	2008	2009	2010
Staff	403	399	403	399	418
Results					
Net profit after taxes	24,397	22,384	20,619	23,317	25,664
Profit growth	-15%	-8%	-8%	13%	10%
Balance sheet data					
Total invested by clients	4,077,405	4,700,986	5,009,245	5,644,268	6,368,943
Client deposits	1,660,475	1,899,356	2,221,400	2,358,533	2,596,766
Off-balance sheet products	2,416,930	2,801,630	2,787,845	3,285,735	3,772,177
Total private lending	1,797,619	2,056,606	2,202,059	2,328,371	2,631,339
Equity	224,371	206,577	222,599	243,731	258,671
Ratios					
Cost/income ratio	57%	58%	60%	60%	57%
Return on average equity (ROE)	10.6%	10.4%	9.6%	10%	10%
Return on assets (ROA)	0.94%	0.85%	0.70%	0.77%	0.80%
Amounts written down on loans	0.04%	0.13%	0.19%	0.09%	0.15%
Leverage (total assets to equity)	11.57	12.74	13.2	12.4	12.4
Core capital ratio (core tier 1) (*)	10.6%	9.5%	10.1%	11.8%	11.3%
Risk asset ratio (RAR) (*)	13.1%	11.8%	12.5%	14.6%	14.7%

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

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

Bank J.Van Breda & C° NV consolidates the results of Leasing J.Van Breda & C° NV (up to 30/09/2005), Fingraf NV (up to 30/09/2005), Van Breda Car Finance NV, Beherman Vehicle Finance NV (dissolved on 7/10/2009), Beherman Vehicle Supply NV, Station Zuid NV and Fracav SA (from 13/3/2007) using the full consolidation method and Power Lease NV (up to 11/12/2007), Finauto NV, Necadis Credit NV (dissolved on 31/12/2010), Financieringsmaatschappij Definco NV, Antwerpse Financiële Handelsmaatschappij NV, Jaguar Finance Belgium NV (in liquidation since 26/06/2007) and Informatica J.Van Breda & C° NV using the equity method.

Group Delen

	2006	2007	2008	2009	2010
Staff	168	210	215	214	232
Results					
Net profit after taxes	30,007	36,714	32,469	34,570	54,281
Profit growth	16%	22%	-12%	6%	57%
Balance sheet data					
Total invested by customers	8,416,378	12,125,735	10,342,784	13,242,868	15,272,178
Equity	148,711	246,021	281,083	303,597	344,089
Ratios					
Cost-income ratio	43.3%	44.6%	46.1%	48.3%	41.7%
Return on average equity (ROE)	21.2%	18.6%	12.3%	11.8%	16.8%

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

Since the 2005 financial year, the Delen Group has published its accounts in accordance with International Financial Reporting Standards (IFRS).

Report
Board of Directors to
General Meeting

With a further acceleration in commercial performance, Bank J.Van Breda & C° posted a **net profit** for 2010 of 25.7 million euro, an increase of 10% over 2009, despite operating in a difficult market environment.

The bank was not affected by the financial crisis and is not facing claims by or discussions with disgrunted investors. Contrary to market trends, customer satisfaction improved for the second year in a row.

- This has resulted in an increase in commercial volumes of more than a billion euro, with both **assets under management** and the **loan portfolio** growing by 13%.

- Despite the volume growth, **interest income** stagnated as a result of the continued disruption of the deposit market, with a number of banks being driven by their liquidity requirements to offer rates for savings that are significantly above the risk-free interest rate. Growth in off-balance sheet investments delivered an increase in **commission income** of 13%.

- Net **banking income** is 10% higher than last year. Despite the impact of the bank levy and the investment in additional commercial, IT and accommodation capacity, costs increased by only 5%. The **cost-income** ratio fell to 57%.

Bank J.Van Breda & C° achieves record growth in assets invested. Net profit increases by 10%. Customer satisfaction at a record level.

- Bank J.Van Breda & C° has no toxic products and no own share positions in its portfolio. The bank traditionally invests only in bonds, 98% of which are issued or underwritten by European governments. Exposure to PIIGS countries is only 25 million euro (10 million euro in Greece and 15 million euro in Italy) and therefore accounts for less than 5% of the bank's total **investment portfolio**.

- Despite the crisis, the **amount written off loans**, at 0.15% of the average loan portfolio, remains at a low level.

- The bank is well placed to deal with the challenges posed by the financial and economic crisis thanks to its healthy **liquidity position** (whereby the loan portfolio is fully funded by customer deposits) and with a high equity that has grown to 259 million euro. This results in the bank's very low and therefore healthy financial leverage (ratio of total assets to equity), which stands at only 12.4. The bank also has a strong **core capital ratio** of 11.3% and a solvency ratio of 14.7%.

Customer satisfaction at a record level

Confidence in the banking sector has been seriously hit around the world. At Bank J.Van Breda & C°, measured satisfaction has actually increased for the second year in a row. Customer satisfaction is measured using the **'Net Promoter Score'**. This measures the extent to which customers are prepared to recommend a brand to friends or acquaintances.

This strict, internationally used method, takes the total of all those who replied that they would "certainly" recommend the bank and deducts the number who answered "definitely not", "probably not" and "don't know" from this. The answers for "probably" are not counted.

The score for the Belgian banking and insurance sector as a whole had already fallen into negative territory before the banking crisis struck: it was -34% in the spring of 2008 (InSites/Carlson Marketing/Vlerick). Independent research by Significant reveals that the Net Promoter Score at Bank J.Van Breda & C° increased from 41% in 2008 to 58% in 2009 and 64% in 2010.

"If asked for my opinion, would I recommend
Bank J.Van Breda & C° to a friend or colleague?"
70% "certainly"
24% "probably"
4% "don't know"
1% "probably not"
1% "certainly not"
(Calculation of Net Promoter Score: 70 – 4 – 1 – 1 = 64%)

Personal contact, knowledge of the real world and the quality of asset management are suggested by the clients themselves as the main reasons.

Total invested by clients increases by 13%

This high degree of customer satisfaction has resulted in an acceleration in commercial volumes.

Assets invested by clients grew in 2010 by a record amount of 705 million to 6.4 billion euro (+13%).

- Client deposits increased to 2.6 billion euro (+10%), and this in highly competitive market environment.
- Investments in off-balance sheet products increased by 15% to 3.8 billion euro, thanks to additional investments.

In respect of **asset management**, at the end of 2009 Bank Delen had 1.968 billion euro under management for clients of Bank J.Van Breda & C° (against 1.668 billion euro in 2009, +24%).

The portfolios benefited from the recovery in the stock markets thanks to a consistent investment strategy. Moreover, as was the case previously, the bond and liquidity segments of the portfolio were invested exclusively in solvent debtors. Assets under management were therefore in no way affected by write-downs on CDOs, or bonds from the PIIGS countries.

This conservative investment strategy, coupled with its wealth management services and being voted Best Private Banker in Belgium for the fourth year in a row, meant that 2010 continued to see a steady inflow of new capital, from both existing and new clients.

Insurance investment funds grew again by over 105 million euro to a volume of 1,414 million euro (+8%).

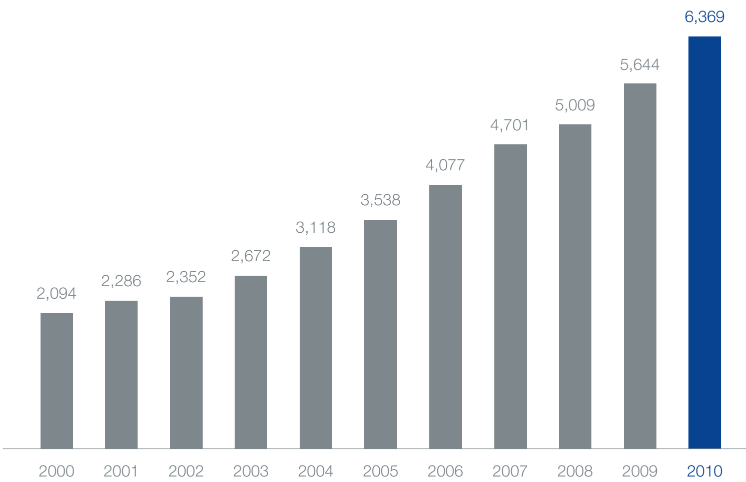
Outstanding reserves in **other insurance products** (mainly group insurance) rose by 32% to over 185 million euro at the end of the financial period.

Investment funds grew by 22%, bringing total invested capital to 205 million euro.

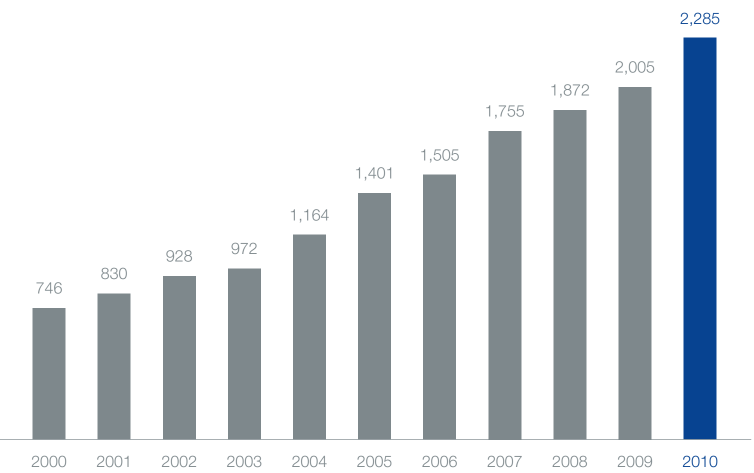
In total, the volume of these investments in **off-balance sheet products** rose to 3,772 million euro (+15%). This growth in off-balance sheet investments resulted in an increase in **commission income** of 13%.

Credit portfolio grows by 14%

The volume of **credit to target group clients** also increased further in 2010 to 2,285 million euro (+14%). Loans to successful entrepreneurs and liberal professionals are based on long-term relationships, making it possible to offer credit for well-considered and prudent investment and growth projects, even in a difficult financial and economic environment.



Total invested by customers (million euros): customers' deposits + off-balance sheet investments



Volume of credit from target group banking (million euros)

Van Breda Car Finance

Bank J.Van Breda & C° enjoys a growing reputation as a specialist bank for entrepreneurs and the liberal professions. In addition, through our subsidiary Van Breda Car Finance we are active throughout Belgium in the vehicle financing and vehicle leasing sector.

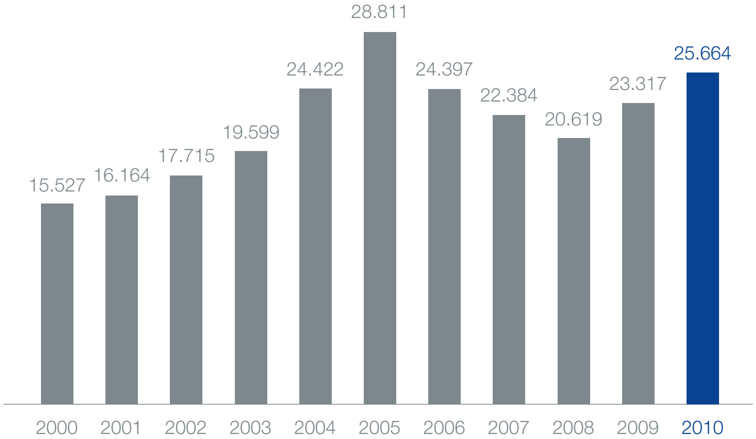
Van Breda Car Finance aims to be the best credit partner for customers of large, independent car dealers. The entire organisation focuses on providing rapid credit solutions for passenger vehicles through the company's own website.

Starting from its core values - fast, friendly & flexible - Car Finance supports local car dealers through the entire sales process: from quotation, processing applications and preparing credit contracts up to and including confirming payments on the dossier. In this way we make it easier for our partners to make sales, as they can extend their customer service to include credit.

At the end of 2010 the total portfolio amounted to 293 million euro compared to 286 million euro at the end of 2009 (+3%). The net amounts written down on loans remains within acceptable limits, thanks to the credit acceptance policy and to recoveries on problem cases. Together with wider margins and strict cost management this resulted in a profit before tax of more than 6 million euro, an increase of 18%.

Consolidated annual result

The consolidated annual profit of Bank J.Van Breda & C° amounted to 25.7 million euro. This is the best result since the sale of Leasing J. Van Breda & C° in 2005.
If we exclude the revenues from the activity of this former subsidiary, the profit in 2010 is actually the highest ever in the history of the bank. It is also worth noting that while the bank's profits declined slightly in the 2007 – 2008 period, its profitability, unlike that of many other banks, never really came under pressure.



Net profit after taxes (million euros)

Banking revenues increase by 10%

Consolidated **banking revenues** increased by 8.5 million euro to 93.4 million euro (+10%).

- Despite the volume growth in loans (+13%) and deposits (+10%), the **interest result** increased by only 0.1 million euro (+0.09%), as a consequence of the continued distortion of the deposit market in which savings are remunerated significantly above the risk-free interest rate.

- The growth in off-balance sheet investments (+15%) on the other hand has resulted in an increase of 13% in **commission income**.

- Bank J.Van Breda & C° makes use of **hedging instruments** in order to mitigate its interest risk. This is done with a combination of interest-rate swaps (which convert our variable interest-rate commitments into fixed commitments) and options for which the bank pays a premium. These options provide protection against a rise in interest rates above given levels, but enable the bank to obtain cheaper financing in the event of a fall in the market interest rate. The capital losses from these instruments amounted to 0.7 million euro in 2010, which is significantly less than in 2009.

Costs up by 5%

Costs amounted to 53.5 million euro compared to 50.9 million in 2009. Bank J.Van Breda & C° continues to invest in commercial capacity, IT applications and improved office accommodation.

Thanks to being nominated as Best Employer in 2006 and 2010, the bank was able to recruit staff from the labour market to strengthen its complement of relationship managers and customer advisors at branch level and specialists at head office. The workforce is now 418 (5% up from the figure of 399 at the end of 2009). As a result, personnel costs increased by 6%.

The increase of 2% in non-payroll costs is entirely attributable to the higher contribution to the deposit protection fund that was set up as a result of the credit crisis in the major banks. This contribution more than doubled compared to 2009 and has quadrupled since 2008. If we exclude this contribution, there would have been a slight reduction in costs due to efficiency savings and awareness-raising actions about the need for cost consciousness.

The **cost-income** ratio fell to 57%, making Bank J.Van Breda & C° one of the best performing Belgian banks.

Evolution in contributions to the deposit protection fund	
2008	500,000
2009	990,000
2010	2,054,000
2011	2,962,000

(in euro)

Amounts written down on loans

The **amounts written down** and provisions for loans increased by 3.8 million euro compared with 2 million euro in 2009, but remain at a low level, at 0.15% of the average loan portfolio. The continued operation of a cautious credit policy and working with successful, prudent clients is continuing to deliver benefits.

Strong solvency

Bank J.Van Breda & C° has no toxic products and no own share positions in its portfolio. The bank traditionally invests only in bonds, 98% of which are issued or underwritten by European governments. Exposure to PIIGS countries is only 25 million euro (10 million euro in Greece and 15 million euro in Italy) and therefore amounts to less than 5% of the bank's total investment portfolio.

This means that, as in 2008 and 2009, equity was not affected by losses on financial instruments. Indeed, equity actually increased during the year from 244 to 259 million euro.

This means that the bank has sufficient means to continue to grow using its own resources, even in the event of unforeseen changes in market conditions.
Bank J.Van Breda & C° is already compliant with the **solvency standards** that will be imposed by the Basel III agreement in 2019.

Risk management: ongoing monitoring and control

Business risks are an inherent characteristic of a bank's normal activities. Compared with others in the same sector, however, Bank J.Van Breda & C° has always been a simple and transparent institution. Moreover, the bank has for many years been very cautious about assuming risk, and continuously monitors and manages risk. Historically, Bank J.Van Breda & C° has provided ample proof of its ability to manage risk.

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

Credit risk

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

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

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

Credit risk of the investment portfolio

The risk profile of the investment portfolio has for many years consciously been kept very low. The bank invests only in bonds, 98% of which are issued or underwritten by European governments. The exposure to the PIIGS countries amounts to only 25 million euro (10 million euro in Greece and 15 million euro in Italy) and therefore accounts for less than 5% of the bank's overall investment portfolio.

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

Composition of investment portfolio	
By rating (Moody's)	
Aaa	65.9%
Aa1	26.7%
Aa2	3.5%
Ba1	1.7%
No rating	2.2%
By sector	
Governments	94.2%
Institutional financing	3.6%
Other	2.2%
By currency	
euro	100%
By remaining duration	
≤ 2011	23%
2012 - 2014	58%
2015 - 2016	19%

at 31/12/2010

Exchange risk

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

Market risk

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

Interest rate risk

The bank adopts a cautious policy towards interest rate risk, well within the standards set by the CBFA (Banking, Finance and Insurance Commission). In areas where the durations of assets and liabilities are insufficiently matched, the bank uses hedging instruments to correct the balance. We do this with a combination of interest rate swaps (which convert our variable interest rate commitments into fixed commitments) and options (which provide protection against a rise in interest rates above given levels).

The interest rate risk is measured, among other things, using the Basis Point Value methodology. Following a gradual reduction of the interest rate risk in 2009, it was decided to continue to hedge interest rates at a relatively low level in 2010.

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

Liquidity risk

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

The bank's healthy **liquidity position** remains intact, thanks to the inflow of customer deposits. The entire loan portfolio is financed by client deposits. Furthermore, deposits for terms of a year or longer grew by 38% to more than 443 million euro, further strengthening the bank's liquidity position. Risk-averse investors who were frightened by the financial crisis, when looking at options for their long-term investments, are paying more attention than previously to the risk profile of the bank to which they entrust their savings. They feel reassured by the healthy financial position of Bank J.Van Breda & C°.

The bank's liquidity risk is constantly monitored by means of pro-active treasury management, within the guidelines defined by Asset & Liability Management.

During 2010 the bank also had a comfortable liquidity position, characterised by treasury surpluses.

Among the tools used by the bank to manage its liquidity are liquidity reports, ratio analysis and short and long term volume forecasts. The bank also works with an internal liquidity ratio that compares the liquid assets and the available liquidity in the investment portfolio against short-term commitments. The observation ratios that were introduced by the BFIC in 2009 are also monitored monthly. The bank remained well within BFIC standards at all times.

The table below shows the assets and liabilities grouped together per period of maturity.

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

	≤ 1 month	1-3 months	3-12 months	1-5 years	5 - 10 years	> 10 years	Total
31/12/2010							
Assets	409	141	396	1317	547	358	3,168
Liabilities	799	498	544	917	66	344	3,168
Gap	-390	-357	-148	+400	+481	+14	
31/12/2009							
Assets	399	140	432	1.221	477	306	2,975
Liabilities	810	436	511	838	52	327	2,975
Gap	-411	-296	-80	383	425	-21	

Liquidity gap (in million euro)

Moreover, the bank has a substantial portfolio of high-quality bonds that can be used as a buffer to absorb liquidity fluctuations in the treasury position. At the end of 2010 this portfolio amounted to 435 million euro.

External institutional financing (interbank + securities placed with institutions) accounts for only 5% of total assets. The bank's clients have always been its main source of financing: many thousands of local business people and professionals use Bank J.Van Breda & C° for their investments and their day-to-day banking activities. This provides the bank with a stable source of financing, with volumes spread over a large group of clients.

Solvency risk

The bank has adequate means to continue to grow using its own resources, even in the event of unforeseen market conditions.

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

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

- **Core tier 1 capital** includes paid-up capital, reserves, minority interests and the result of the financial period after deduction of the dividend payable, less negative reserves from the stocks available for sale, intangible assets and 50% of participating interests in other credit and financial institutions that represent more than 10% of the capital.

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

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

This can be used to calculate the ratios that are reported to the Banking, Finance and Insurance Commission and used as a benchmark in the markets.
The bank already complies with the bank solvency standards that the **Basel III** Accord will introduce in 2019.

- The risk asset ratio as reported to the Banking, Finance and Insurance Commission compares the total equity to the weighted risk volume. This ratio amounted to 14.7%, while the minimum required currently amounts to 8% and will increase to 10.5% by 2019.
- The core capital ratio compares the equity in the narrow sense (core tier 1) with the weighted risk volume. This ratio amounts to 11.3% whereas the minimum requirement is currently 4% and should increase to 8.5% by 2019.
- The financial leverage ratio (total assets to equity) amounts to only 12.4, considerably less than half the maximum level of 33 that supervisory bodies intend to introduce by 2019.

In this manner, Bank J.Van Breda & C° now already comfortably satisfies all the increased solvency standards that the supervisory body will impose by 2019.

	2009	2010
Equity	243,731	258,671
Equity in the narrow sense (core tier 1) (1)	240,309	257,795
Additional equity (tier 2)	56,790	76,738
Total equity (2)	297,099	334,533
Weighted risk volume (3)	2,036,481	2,271,979
Risk asset ratio (RAR) (2)/(3)	14.6%	14.7%
Core capital ratio (core tier 1 ratio) (1)/(3)	11.8%	11.3%

Equity and solvency (in thousands euro)

Operational risk

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

High standards of integrity
Honesty is of fundamental importance in our corporate culture, both for the organisation and for our individual members of staff.

Departmental charters
The core values “specialised”, “personal” and “proactive” are guaranteed at departmental level by means of departmental charters.

Front-line control
The operational departments have a major responsibility for monitoring their own operating methods and the quality delivered.

IT
The main operating processes are computerised and have built-in process controls.

Disaster recovery plan
The continuity of activities in the event of a disaster is regularly tested and improved.

Income volatility risk

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

Like other financial institutions, Bank J.Van Breda & C° is dependent on a profit contribution from the transformation margin between the short-term interest rate and the long-term interest rate. Thanks to volume increases and the use of hedging instruments, the bank has always been able to accommodate the reduction in interest income resulting from an unfavourable interest rate climate in the past. Furthermore, commission income accounted for 25% of banking revenues in 2009 and 2010.

Reputation risk

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

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

Strategic risk

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

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

Autonomy of internal audit and risk policy

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

Targeted personnel policy

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

2010 was a year of strong growth in terms of staff. We welcomed 46 new colleagues to our organisation. At the end of 2010, the bank employed a total of **418 staff**. We manage relationships with our clients from 41 locations, including 9 independent branches. At the end of 2010 there were 141 client relationship managers working for Bank J.Van Breda & C°. In 1999 there were barely 60.

Our client-oriented approach is put into practice by a **strong commercial team**. In 2010, the percentage of staff in direct contact with clients amounted to 60% (expressed in full-time equivalents). This is combined with substantial and ongoing training efforts. From 2011 we are implementing a new **competence management system** so that we can respond to development needs. In addition, by setting up a new **“Sales Academy”** department, we are making a further investment in the development of technical knowledge and commercial skills in the branch network.

Locking in clients and **staff loyalty** go hand in hand. This is why Bank J.Van Breda & C° adopts a social policy that focuses on staff retention. A results-oriented approach to work and participation in profit growth are supported by means of a broad-based share option plan. Openness, mutual commitment and job satisfaction are central to our corporate mission. This was reflected in our nomination as **“Best Employer”**, based on research carried out by the HRM Centre of Vlerick Leuven Gent Management School in collaboration with Vacature (magazine) and the Great Place to Work Institute Europe.

In 2009, Bank J.Van Breda & C° became the first business in Belgium to obtain the **“Fit Bedrijf”** (fit business) certificate. This is a type of “ISO standard” for physical exercise, issued by Het Gezonde Net België (The Belgian Healthy Network). In order to be awarded it, businesses must show that they encourage staff to get more exercise and to achieve objectively measured results.

BEST EMPLOYER BELGIUM 2010

In 2010 Bank J.Van Breda & C° was nominated as “Best Employer” on the basis of research carried out by the HRM Centre of the Vlerick Leuven Gent Management School, in collaboration with Vacature (magazine) and the Great Place to Work Institute Europe.

The first paperless bank

On 26 October 2009 the first phase was launched of a new IT project. New phases were successfully added in 2010.

The application is based on wireless working and mobile technology with a 'tablet-pc' to which all client managers have access. This enables them – at the office as well as with the client – to illustrate advisory discussions with facts and numbers and to immediately deal with the resulting administration in a paperless manner. The bank is working to adapt all business processes to this way of working over a period of three to four years.

With this project Bank J.Van Breda & C° is the first bank in Belgium to integrate wireless working in a remote interactive project, and the bank is pioneering paperless banking.

Apart from this innovative project, investments were also made in additional functionality for the internet application VanBredaOnline. Work also continued on the streamlining and further automation of our credit process for target group clients and the further development of our client management systems. These developments will result in further improvements in the organisation of our advice to clients and our monitoring activities on both the commercial and the risk side.

The extranet application www.vanbredavendor.com has played a crucial role in the corporate process at Van Breda Car Finance for a number of years now.

Future-oriented accommodation

The bank's new headquarters in the beautifully restored former Freight terminal at Ledeganckkaai in Antwerp were continuously used during 2010 to receive clients and for events organised by the bank or by associations of entrepreneurs and professionals.

No less than seven major events were scheduled in 2010 to celebrate the 80th anniversary of the bank and to welcome new clients. All those who attended reacted enthusiastically and experienced the new head office as a beacon of ambition and faith in the future of the bank. They were all given a copy of the book "Professional passion. Ode to entrepreneurs and professionals" that the bank published to mark its 80th anniversary.

The Hasselt branch was renovated during 2010. The existing offices in Mons, Bruges and Ghent were enlarged and renovated. New sites were acquired in Herentals and Sint-Niklaas. In 2011 the offices in Kapellen/Brasschaat, Leuven and Kortrijk will move to new locations. The bank plans to open a new office in Tournai during the year; this will be the 8th office in the Brussels-Wallonia region since the bank first crossed the linguistic divide in 2001.

Positive outlook

Bank J.Van Breda & C° posted strong financial performance in 2010:

- Net profit increased by 10% to 25.7 million euro.
- Equity increased from 244 to 259 million euro.
- The liquidity and solvency position remained very healthy.

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

Obviously, the current uncertain climate makes it difficult to make profit forecasts. The debt problems in the United States of America and the peripheral countries of the eurozone and the dramatic interventions of the monetary authorities make the maintenance of the current favourable interest rate environment very uncertain and unpredictable.

The distortion of the market for deposits threatens to continue to drag down the interest result. Moreover, the recovery from the sharp economic recession is fragile, which could impact write-downs on loans.

Although the evolution of the net profit is difficult to predict, the bank expects – in the absence of any unforeseen circumstances – to deliver another solid result in 2011, for several reasons:

- The bank's **own portfolio** is **conservatively invested**. We have no subprime loans or other toxic products in our portfolio. The bank traditionally invests not in shares but in bonds, 98% of which are issued or underwritten by European governments.
- With its strategy of asset management based on the **long-term interests of the client**, the bank has in recent years only been exposed to a limited extent to the volatility of the financial markets.
- The increase in staff costs resulting from the additional recruitment has delivered a strengthened commercial capacity which – aided by the high level of customer satisfaction – will lead to strong growth in **commercial volumes** in 2011.
- This volume growth will underpin the bank's revenues and, thanks to the bank's **cost efficiency**, should also result in higher profits.
- Write-downs on loans at Bank J.Van Breda & C° have been significantly below the market average over the past few decades, thanks to the bank's **prudent lending policy**. We assume that this approach will continue to deliver results in the future.

The confidence of the Board of Directors in the long-term potential of the bank's strategy has strengthened significantly since the start of the financial-economic crisis. The positive trend in the commercial results of the core activities of asset management for entrepreneurs and professionals as well as the very careful financial management of the bank speak for themselves. Although 2011 promises to be a very challenging year, these successes and the very healthy position of the bank form a sound basis for good financial growth in the long term.

Events occurring after 31/12/2010

On January 31, 2011, Bank J.Van Breda & C° informed the Banking, Finance and Insurance Commission ("BFIC") of its intention – in accordance with article 5 of the Royal Decree of April 27, 2007 on public takeover bids (OBA) - to make a friendly counter-offer for all the outstanding shares of the cooperative company with limited liability ("coöperatieve vennootschap met beperkte aansprakelijkheid") Antwerps Beroepskrediet ("ABK").

Bank J.Van Breda & C° is offering the shareholders of ABK a price of 490 euro per share, which represents a premium of 19.5% above the price of the original bid made by CMNE Belgium.

The ABK clientele of entrepreneurs and SME's is highly complementary with the target group clients of Bank J.Van Breda & C°.

Bank J.Van Breda & C° offers the customers and employees of ABK an industrial project based on continuity and the sustained long-term development of the bank.

Those shareholders of ABK who are also directors of ABK and who together own 38% of the shares, have agreed irrevocably to accept this friendly counter-offer from Bank J.Van Breda & C°.

Given the fact that ABK as credit institution is supervised by the BFIC, the proposed acquisition by Bank J.Van Breda & C° of shares in ABK must be evaluated and approved by the BFIC in accordance with the customary procedure. A prospectus and memorandum will be published after it has been approved by the BFIC; both documents will be available at the offices of the contact bank Bank Delen and on the websites of Bank Delen, the bidder (Bank J.Van Breda & C°) and ABK.

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

Mark Leysen
Chairman of the Board of Directors
Bank J.Van Breda & C°

Organisation chart

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

Finaxis

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

The bank was founded in Lier in 1930 by Jos Van Breda and has maintained its individuality ever since. It is making every effort to retain its independence in the future. Since 1998, the bank's shares have been established in the Finaxis holding company, along with those of Bank Delen, one of the largest independent asset managers in Belgium. Thanks to close cooperation, Bank J.Van Breda & C° also offers its clients the professional services of this renowned bank.

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

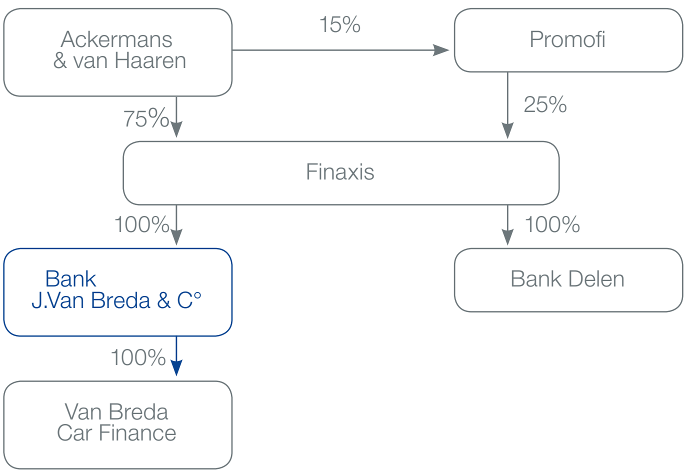
Bank Delen

The Delen group, originally a stockbroker established in 1936, is now active via Bank Delen as an asset manager. In its offices in Antwerp, Ghent, Brussels, Hasselt, Liège, Rumbeke (Roeselare) and branches in Luxemburg and Geneva, the bank has 232 employees.

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

With over 15 billion euro in assets under management, Bank Delen has been selected as the best private bank in Belgium by the respected Euromoney magazine for 4 years in a row – 2007, 2008, 2009 and 2010.

Info: www.delen.be



Ackermans & van Haaren

Ackermans & van Haaren is an independent, diversified group, listed on Euronext Brussels and included in the Bel 20. Ackermans & van Haaren strives to achieve an even spread in its activities between 5 core sectors:

Contracting, dredging and concessions
(DEME, one of the world's largest dredging businesses and A.A. Van Laere, a leading contractor in Belgium).

Real Estate and related services
(Leasinvest Real Estate, a listed real estate investment company – Extensa, a large land and property developer operating mainly in Belgium, Luxemburg and Central Europe).

Financial services
(Bank Delen, one of Belgium's largest independent private asset managers, and Bank J.Van Breda & C°, a niche bank for entrepreneurs and the liberal professions).

Private equity
(Sofinim, one of Belgium's biggest venture capital providers – GIB, which is controlled jointly by AvH and the Nationale Portefeuille Maatschappij).

Energy and raw materials
(including palm oil producer Sipef, Henschel Engineering, Sagar Cements).

Info: www.avh.be

Corporate governance

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

Executive Committee

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

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

Composition as at 1/1/2011:
Carlo Henriksen (chairman), Peter Devlies (responsible for investments, cash transfers, cash and document processing), Vic Pourbaix (client relations manager), Dirk Wouters (ALM officer, credits and reporting).

Board of Directors

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

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

Composition as at 1/1/2011:
Mark Leysen (chairman), Jan Suykens (vice chairman), Luc Bertrand, Piet Dejonghe, Jacques Delen, Paul De Winter, Carlo Henriksen, Vic Pourbaix, Peter Devlies, Pierre Sureda and Dirk Wouters (directors).

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

Remuneration Committee

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

Composition as at 1/1/2011:
Luc Bertrand, Mark Leysen.

Audit Committee

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

Composition as at 1/1/2011:
Luc Bertrand, Mark Leysen, Jan Suykens.

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

Luc Bertrand completed his studies as Commercial Engineer at the Catholic University of Leuven in 1974. He worked at the Bankers Trust Co in New York, Amsterdam and London until 1986 (Vice-President, North Europe Area Manager). In 1985 he became a director and in 1987 the administrative and financial manager of Ackermans & van Haaren NV. Since 1996 he has been serving as chairman of the Executive Committee of Ackermans & van Haaren NV.

He is also chairman of Finaxis. He holds various executive positions within and outside the Ackermans & van Haaren group, and has also been appointed independent director at Schroders and ING Belgium.

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

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

Specific functions

Internal audit is an independent, objective assessment function that focuses on examining and assessing the proper working of the operational departments and the office network. This unit evaluates the effectiveness and efficiency of internal examinations and gives advice for improving performance.

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

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

ombudsvrouw@bankvanbreda.be
Tel. 0800 93004, Fax 03 271 10 94

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

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

Head of Risk Management:
Ann.DeWit@bankvanbreda.be

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

Head of Compliance:
Frieda.Seghers@bankvanbreda.be

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

Consolidated financial statements

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

This document can be found at www.bankvanbreda.be under “Bedrijfsinfo/publicaties”.

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

Consolidated profit and loss account

		2009	2010
I.	Financial & operating income and expenses		
1.	Net interest income	65,744	65,805
	Interest income	142,310	127,383
	Interest expense	(76,567)	(61,578)
2.	Dividend income	302	726
3.	Net fee and commission income	21,348	23,796
	Cash receipts of fees and commissions	24,242	27,326
	Cash payments of fees and commissions	(2,894)	(3,530)
4.	Realised gains (losses) on financial assets & liabilities other than measured at fair value through profit or loss	960	105
5.	Gains (losses) on financial assets and liabilities held for trading	(696)	(947)
6.	Cash flow hedges	(6,292)	(662)
	Cash flow hedges: net amount transferred to profit and loss	(5,692)	(768)
	Cash flow hedges: non effective portion of changes in fair value	(600)	106
7.	Gains (losses) on fair value hedges	-	858
8.	Exchange differences revaluations	1,666	1,750
9.	Gains and losses on derecognition of assets other than held for sale	414	4
10.	Other operating net income	1,523	2,005
	Other operating income	1,602	2,056
	Other operating expenses	(78)	(51)
	Banking revenues	84,969	93,441
II.	Administration costs		
1.	Staff expenses	(30,086)	(31,882)
2.	General and administrative expenses	(18,274)	(18,682)
III.	Depreciation		
1.	Property, plant and equipment	(2,062)	(2,078)
2.	Intangible assets	(278)	(584)
IV.	Provisions	(167)	(254)
	Costs	(50,867)	(53,479)
V.	Impairment		
1.	Impairment losses on financial assets not measured at fair value through profit or loss Loans and receivables measured at amortised cost (including finance leases)	(1,978)	(3,826)
VI.	Share of the profit or loss of associates and joint ventures accounted for using the equity method	169	144
	Total profit (loss) before tax	32,294	36,280
	Tax expenses related to profit	(8,926)	(10,581)
	Profit for the period	23,368	25,699
	Attributable to minority interest	(51)	(35)
	Profit for the period attributable to equity holders of the bank	23,317	25,664

(in thousands euro)

Consolidated statement of comprehensive income

	2009	2010
Profit for the period	23,368	25,699
Non realised results		
Net change in fair value of available for sale assets	9,423	(5,099)
Net change in fair value of available for sale assets transferred to profit and loss	(960)	(105)
Tax on available for sale assets	(2,797)	1,738
Other comprehensive income on available for sale assets, net of income tax	5,665	(3,466)
Cash flow hedges: effective portion of changes in fair value	(6,492)	1,142
Cash flow hedges: changes in fair value transferred to profit and loss	5,692	831
Tax on cash flow hedges	272	(671)
Other comprehensive income on cash flow hedges, net of income tax	(528)	1,302
Total other comprehensive income for the period, net of income tax	5,137	(2,163)
Total comprehensive income for the period	28,505	23,536
Comprehensive income for the period attributable to minority interests	(51)	(35)
Total comprehensive income for the period attributable to equity holders of the bank	28,455	23,501

(in thousands euro)

Consolidated balance sheet: assets

		2009	2010
I.	Cash and cash balances with central banks	62,204	36,589
II.	Loans and advances to banks	35,036	35,057
III.	Financial assets		
1.	Financial assets held for trading	15,716	9,081
2.	Financial assets available for sale	539,862	444,929
3.	Loans and receivables (including finance leases)	2,328,371	2,631,339
4.	Fair value hedging: changes in the fair value of the hedged portfolio	-	147
5.	Derivatives used for hedging	270	857
IV.	Tangible assets		
1.	Property, plant and equipment	29,581	29,314
V.	Goodwill and other intangible assets	5,968	6,814
VI.	Investments in associates, subsidiaries and joint ventures using the equity method	956	951
VII.	Tax assets		
1.	Current tax assets	229	341
2.	Deferred tax assets	3,244	4,177
VIII.	Other assets	4,165	3,222
	Total assets	3,025,601	3,202,819

(in thousands euro)

Consolidated balance sheet: liabilities

		2009	2010
I.	Financial liabilities		
1.	Financial liabilities held for trading	9,112	8,158
2.	Financial liabilities measured at amortised cost		
2.1.	Deposits from credit institutions	251,922	176,365
2.2.	Deposits from other than credit institutions	2,264,848	2,475,108
2.3.	Debt certificates including bonds	134,090	129,705
2.4.	Subordinated liabilities	80,758	109,816
3.	Derivatives used for hedging	20,818	19,028
II.	Provisions	1,206	1,460
III.	Tax liabilities		
1.	Current tax liabilities	5,246	9,454
2.	Deferred tax liabilities	1,217	1,219
IV.	Other liabilities	12,653	13,835
	Total liabilities	2,781,869	2,944,148
Equity			
V.	Issued capital	17,500	17,500
VI.	Revaluation reserves	(4,399)	(6,562)
VII.	Consolidated reserves	229,250	245,488
VIII.	Share based payment	1,316	2,194
IX.	Minority interest	64	51
	Total equity and minority interest	243,732	258,671
	Total equity (incl. minority interest) and liabilities	3,025,601	3,202,819

(in thousands euro)

Statement of changes in equity

	Share capital & share premium	Con-solidated reserves	Revaluation reserves: Financial assets available for sale	Revaluation reserves: Cash flow hedges	Revaluation reserves: Subtotal	Share-based payment	Total equity attributable to equity holders of the bank	Minority interest	Total equity
Opening balance, 1 January 2009	**17,500**	**214,162**	**358**	**(9,894)**	**(9,536)**	**387**	222,513	**86**	222,599
Payment of dividend last financial year		(8,227)					(8,227)	(56)	(8,283)
Interim dividend		-			-		-		-
Profit of the financial year		23,317					23,317	50	23,367
Changes in revaluation reserves			5,665	(528)	5,137		5,137		5,137
Share based payment: contribution of mother company						929	929		929
Other		(2)					(2)	(16)	(18)
Closing balance, 31 December 2009	**17,500**	**229,250**	**6,023**	**(10,422)**	**(4,399)**	**1,316**	243,667	**64**	243,732
Opening balance, 1 January 2010	**17,500**	**229,250**	**6,023**	**(10,422)**	**(4,399)**	**1,316**	243,667	**64**	243,732
Payment of dividend last financial year							-	(51)	(51)
Interim dividend		(9,425)			-		(9,425)		(9,425)
Profit of the financial year		25,664					25,664	35	25,699
Changes in revaluation reserves			(3,466)	1,302	(2,163)		(2,163)		(2,163)
Share based payment: contribution of mother company						878	878		878
Other		(2)					(2)	2	-
Closing balance, 31 December 2010	**17,500**	**245,488**	**2,558**	**(9,120)**	**(6,562)**	**2,194**	258,620	**51**	258,671

The capital of Bank J.Van Breda & C° is represented by 650,000 ordinary shares with no par value (same as 2009). All shares are issued and fully paid-up.

(in thousands euro)

	2009	2010
Dividend on results of previous year, per share	12.65	-
Interim dividend, per share	-	14.50

(in thousands euro)

Cash flow statement

Indirect method	2009	2010
Operating activities		
Net profit (loss) for the period	23,317	25,664
Adjustments to reconcile net profit or loss to net cash provided by operating activities		
Current and deferred tax income, recognised in income statement		
Current and deferred tax expenses, recognised in income statement	8,926	10,581
Minority interests included in group profit or loss	51	35
Unrealised foreign currency gains and losses	1	(4)
Investing and financing		
Depreciation / amortisation	2,340	2,662
Gains and losses on sale of tangible assets	(414)	(4)
Operating		
Impairments	1,976	3,822
(Increase) decrease in provisions	167	254
Gains and losses on cash flow hedges	6,292	662
Gains and losses on fair value hedges		(858)
Gains and losses on financial assets and liabilities held for trading	696	947
Gains and losses on available for sale assets	5,644	5,917
Share based payment	929	878
Share of the profit or loss of associates and joint ventures accounted for using the equity method	(169)	(144)
Dividend receipts of associates and joint ventures accounted for using the equity method	13	71
Other adjustments	(239)	692
Cash flow from operating profits before changes in operating assets and liabilities	49,529	51,175
(Increase) decrease in operating assets (excl. cash & cash equivalents)	(184,076)	(214,292)
(Increase) decrease in balances with central banks	90	-
(Increase) decrease in loans and advances to banks	(4,299)	3,097
(Increase) decrease in loans and receivables	(130,034)	(306,817)
(Increase) decrease in available for sale assets	(55,629)	82,151
(Increase) decrease in financial assets held for trading	4,656	4,714
(Increase) decrease in asset-derivates used for hedging		(299)
(Increase) decrease in accrued income from financial assets	2,001	1,915
(Increase) decrease in other assets	(861)	947
Increase (decrease) in operating liabilities (exl. cash & cash equivalents)	46,072	131,659
Increase (decrease) in deposits from credit institutions	(22,888)	(75,418)
Increase (decrease) in deposits from other than credit institutions	139,862	206,736
Increase (decrease) in debt certificates	(60,446)	(4,136)
Increase (decrease) in subordinated liabilities (excl. accrued interest)	(138)	313
Increase (decrease) in financial liabilities held for trading	(2,778)	
Increase (decrease) in liability-derivates used for hedging		
Increase (decrease) in accrued expenses on financial instruments	(7,907)	2,983
Increase (decrease) in other liabilities	365	1,182
Cash flow from operating activities	(88,475)	(31,458)
Income tax (paid) refunded	(8,144)	(6,348)
Net cash flow from operating activities	(96,619)	(37,806)
Investing activities		
(Cash payments to acquire tangible assets)	(2,676)	(1,812)

(in thousands euro)

Cash flow statement

Indirect method	2009	2010
(Cash payments to acquire tangible assets)	(2,676)	(1,812)
Cash receipts from the sale of tangible assets	1,390	4
(Cash payments to acquire intangible assets)	(1,728)	(1,430)
Cash receipts from the sale of intangible assets		
(Cash payments for the investment in joint ventures, associates)		
(Cash payments for the investment in subsidiaries, net of cash acquired)	(18)	
Cash receipts from the disposal of joint ventures, associates		78
Cash receipts from the disposal of subsidiaries, net of cash disposed		
(Other cash payments related to investing activities)	(0)	(4)
Other cash receipts related to investing activities		
Net cash flow from investing activities	(3,031)	(3,163)
Financing activities		
(Dividends paid)	(8,283)	(9,475)
Cash proceeds from the issuance of subordinated liabilities	14,869	33,939
(Repayment of subordinated liabilities)	(7,596)	(5,690)
Other payments relating to financing activities		
(Other receipts relating to financing activities)		
Net cash flow from financing activities	(1,009)	18,773
Effect of exchange rate changes on cash and cash equivalents		
Net increase in cash and cash equivalents	(100,660)	(22,196)
Cash and cash equivalents at beginning of the period*	168,189	67,529
Cash and cash equivalents at the end of the period *	67,529	45,333

* Cash and cash equivalents are defined as: cash, credit balances with central banks, postal cheque and giro services and amounts receivable from credit institutions (call money and current accounts), less overdrafts with central banks and deposits to credit institutions (call money and current accounts).

Reconciliation of 'Cash and balances with central banks'(balance sheet) and 'Cash and cash equivalents' (cash flow statement)	At the beginning of the period	At the end of the period
Cash and cash balances with central banks (assets)	62,204	36,589
- Accrued income from cash and cash balances with central banks	(27)	(29)
- Balances with central banks (monetary reserve)	-	-
+ Loans and advances to banks (call money and current accounts)	6,186	9,283
- Deposits from central banks (liabilities)		
- Deposits from credit institutions (call money and current accounts)	(834)	(511)
Cash and cash equivalents	67,529	45,333

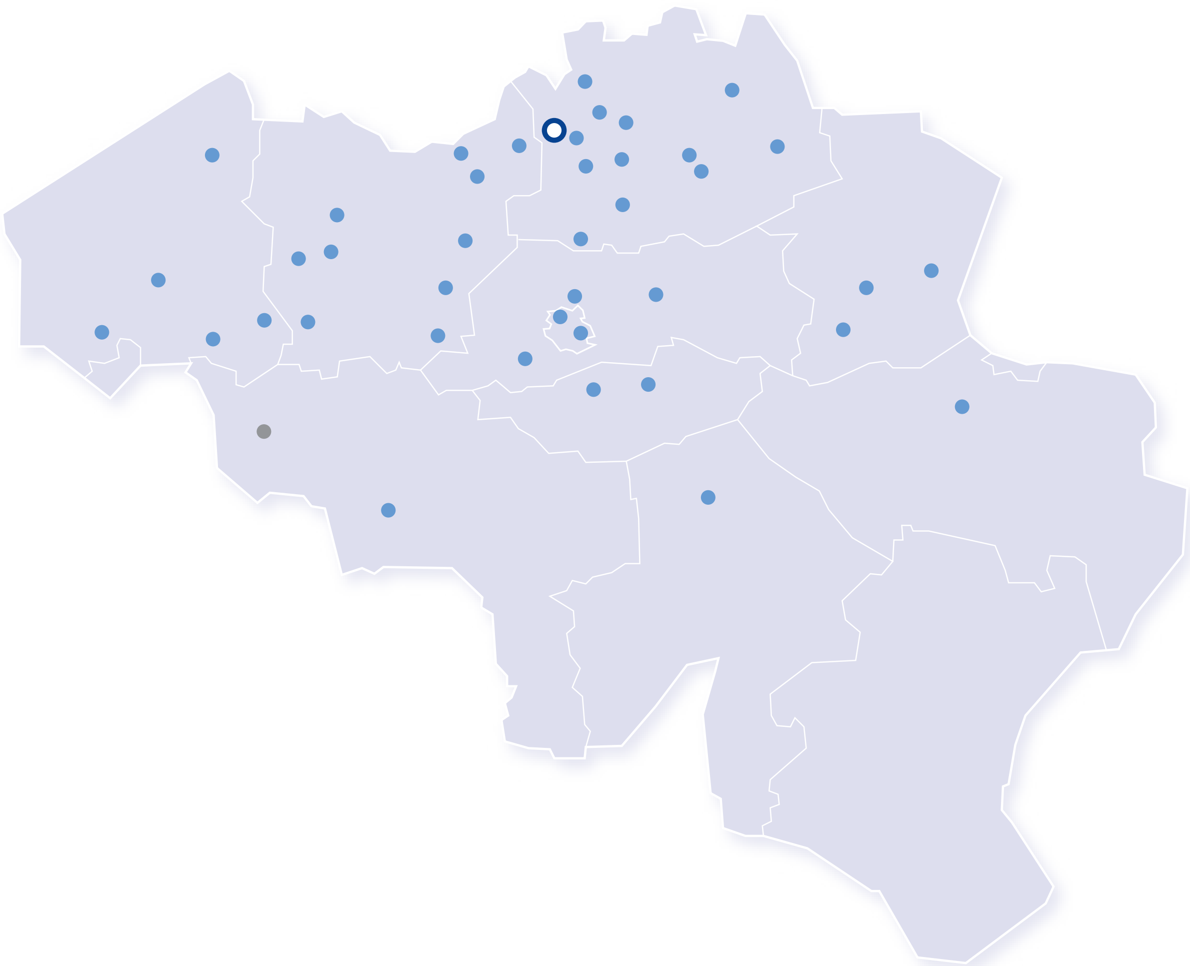
(in thousands euro)

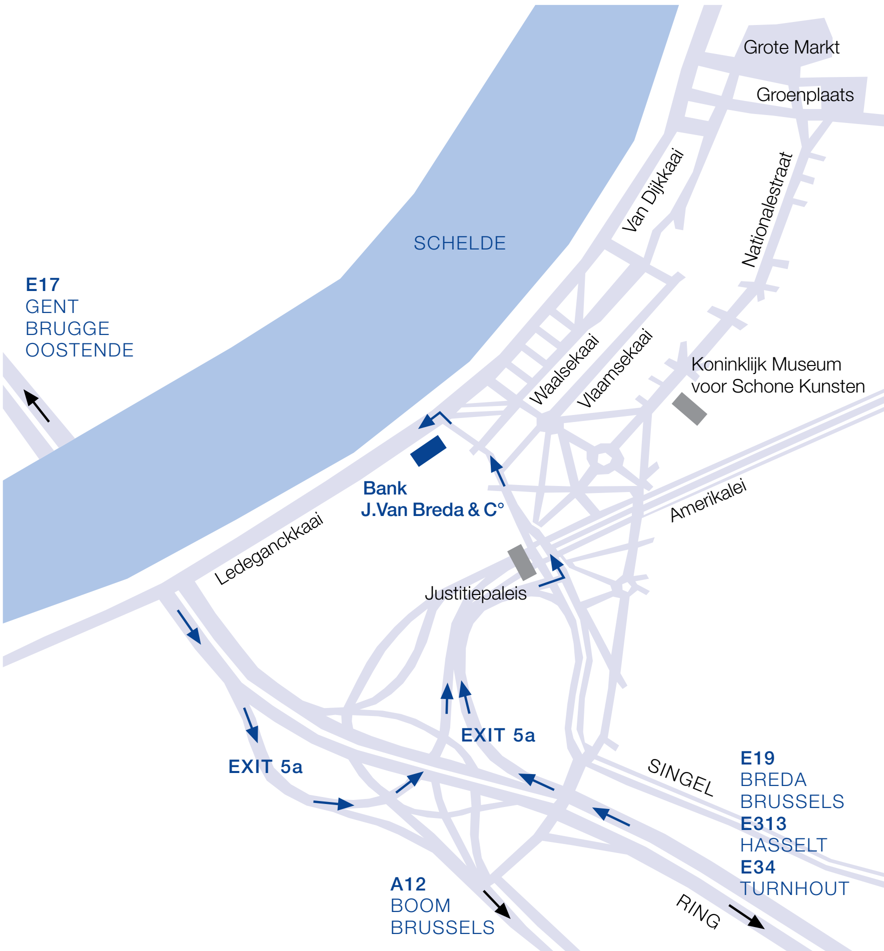
You are welcome at our bank

Branches

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

Feel free to make an appointment!





Registered office

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IBAN BE 16 6453 4897 1174
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Contact
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The former Antwerpen-Zuid freight depot has been completely restored and is now the headquarters of Bank J.Van Breda & C°.

Editor: Luk.Lammens@bankvanbreda.be | 03/2011

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

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

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For family businesses and liberal professions

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