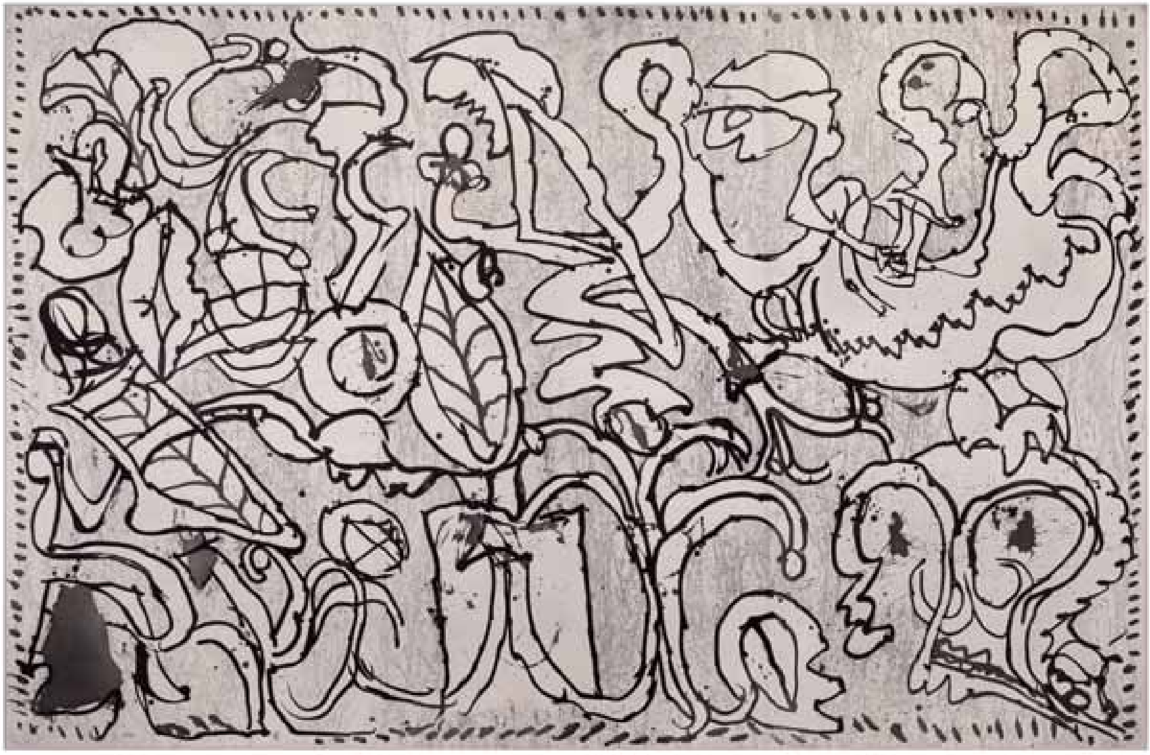
DELEN

PRIVATE BANK



ANNUAL REPORT **2011**

Cover
Pierre Alechinsky (°1927) - L'aveuglette, 1974
Aquatint on three sheets of paper, marouflaged on canvas - 185 x 287 cm
Signed and numbered 3/40 lower left
Delen Private Bank collection

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Statement from the Executive Committee
2011: the year of the unexpected

Even more so than in previous years, 2011 was characterised by the vagaries of nature, politics, the economy and the financial markets. It was noticeable how badly prepared people were for these unforeseen circumstances and how these much too rapid changes and the ensuing shocks were dealt with so chaotically.

Henri Van Straten (1892 - 1944)
Self portrait with sporting life,
oil on canvas, Delen Private Bank collection

Following the good recovery of 2010, last year started optimistically. This was mainly due to the impact of important, yet temporary effects of measures that many western countries took to stimulate the economy after the crisis of 2008. But unexpected events that nobody saw coming changed this situation... The rise in energy costs was perhaps predictable, but it was accelerated by the tsunami in Japan and the shutdown of a number of nuclear plants in the country. The rupture of the supply chains of electronics components also played a role.

Was the fall of authoritarian regimes in North Africa more predictable? Partly perhaps, but the consequences, such as the terrible war that lasted many months in Libya and the halt in oil production were not.

The downgrading of the debt burden of major western countries was expected, but that of the United States in early August caused a shock that made the stock markets fall significantly.

The problems in the Euro zone, with Greece leading the way, had naturally already been seen in 2010. Every additional downturn has, however, caused a new shock in the financial markets.

Combination of circumstances

In our country doubts grew as the year progressed. Europe was faced with major problems and when the rating of Belgium was downgraded in November in the midst of a full political crisis, it hit home like a hammer. The Belgian politicians managed to work out solutions in two days. People rushed to buy government bonds, obviously because of the favourable rate, but also in a fit of patriotism. In less than a month, the fever surrounding the Belgian state debt drove up the interest rate that had been below 3% for three years to a peak of more than 5%. The rate only returned to normal levels at the end of December. The central banks kept releasing major stocks of money and even Europe started to join in, following the late reduction in its interest rate in November. The ECB lent banks virtually unlimited amounts for a period of three years.

The confluence of all these events in 2011 resulted in the stock markets falling. It was less pronounced than in 2008, but it was nevertheless sufficient to destabilise a number of investors for whom this crisis was simply one too many in such a short period of time.

What we have to bear in mind is that these solutions have been worked out and that the effects have been more positive than negative. Unfortunately such measures are taken, as so often happens, at the very last moment, when the rumours, exaggerations in the press and collective fear cause all kinds of doomsday scenarios.

The prudent approach pays off

What is the correct course in such a volatile environment? Delen Private Bank's answer to this question is the same as in other years: prudence, risk diversification, quality investments aimed at the long term, flexibility and certainly with the simplest possible assets.

In order to protect the assets of clients in the short term and to take advantage of the temporary excesses of the markets, we conducted a significant reduction in risk investment, followed by repositioning in the medium term. We applied this for the portfolio of the Bank and those of our clients.

Overall the investments made by the Bank remained very stable and prudent and the results are visible. On average we saw only a slight decline in the value of client portfolios. During the turbulent year of 2011 this could not be avoided, but the declines remained very limited and well controlled.

This result has again led to a significant growth in total assets that clients entrust to us, which has resulted in increased profitability for the Bank. This increased banking activity has incidentally always been supported by the shareholders, such as with the capital increase that allowed the takeover of Capfi in 2007.

Growth within the Group

The same shareholders voted for a significant external growth operation in 2011: a majority acquisition (73.5%) of the English asset management company JM Finn & Co (Ltd), which manages nearly Euro 6.9 billion in assets. This investment was realised at the level of Delen Investments Comm. VA, which makes JM Finn an affiliate of Delen Private Bank. In practice Belgian clients will hardly notice this acquisition as the two companies will retain their own structures. The management teams of the Bank will be involved in the new acquisition of the Group, as was the case with the previous, perfectly managed acquisitions by the Delen Group. The intention is for JM Finn to profit from the specific expertise we have developed in Belgium in the field of banking and information technology.

In order to support this growth, the Board of Directors and the Executive Committee of the Bank have been strengthened. The appointment of a CFO and COO within the Executive Committee in particular is considered a great advantage. These new positions will be filled by experienced in-house managers. They will oversee the further development of local activities and synergies with the new affiliate.

Unpopular Change to Tax Laws

For our clients the biggest change was undoubtedly felt at the start of 2011 with the adjustment of fiscal requirements concerning movable property. The long period required for the formation of the Di Rupo government (506 days) was the perfect opportunity for Belgian politics to announce a series of relatively new? The withholding tax of 15% on interest and 25% on dividends was the first significant tax on movable assets in more than thirty years. The idea of a tax on capitals above Euro 1.25 million, as included in the statement of the formateur of July 2011, caused a stir among investors residing in Belgium. It soon became clear that several parties in the future coalition would reject this tax because of its arbitrariness, the bureaucracy involved and its impact on part of our tax system. Compensation was naturally required for the rejection of this proposal, which resulted in the Law of 28 December 2011 and an increase in the advance levy from 15 to 21% with effect from 1 January 2012.

It was primarily the supplementary tax revenue on movable asset income above Euro 20,020 gross per taxpayer per year that caused controversy. The purpose of this measure is obvious: to raise all tax rates to 25% as soon as a taxpayer receives a considerable income. The implementation is, however, very complex given the fact that it is an additional tax. It is necessary to ensure that everyone subject to this levy has paid correctly, based on returns or declarations to the tax authority.

Until now neither returns by agencies that pay out on movable asset income, nor declarations of movable asset income by tax payers have been a customary part of the Belgian system. As with any new system the adjustment period will be very difficult. This is not good news for Belgian banks, nor for the federal budget. As always the Bank uses an approach of “proactive care” in relation to these major changes. Pending further clarification on a system that is difficult to implement in its initial form, we opted for a simple solution and we limit ourselves to a minimal transfer of information. The immediate levy of 4% at the source ties in very well with the previous system of withholding tax and should prevent many retrospective declarations by tax payers.

Finally, the tax increase on the dematerialisation of bearer securities caused a huge influx of securities and the demand for specialist advice, which is often provided for free. The last weeks of 2011 were very intense for our teams and we would like to emphasise the appreciation our clients have shown to the Bank for the quality of service provided and the gratitude of the Board of Directors for their efforts.

Conclusion

The unexpected was never far away in 2011 and we expect that 2012 will be no different. While we maintain caution and closely monitor market developments and the fiscal and property measures, we must also have the courage to draw the lines for long-term development, not only for the portfolios of our clients but also for the organisation of the Bank. ■

Continuing to build on 2011 with confidence

2011 was a very good year for Delen Private Bank despite the volatile markets we have come to know since the crisis year of 2008. The Bank was able to retain the confidence of its clients and to achieve a significant inflow of new clients and capital. It continued to manage the assets of its existing and new clients with due responsibility. In this way, the Bank continues to strive for the growth of private assets in the long term, regardless of the economic context.

"2011 was a very good year for Delen Private Bank," stated Jacques Delen. "We celebrated our 75th anniversary this year. Given the difficult economic situation we did not have any high expectations, but ultimately our conservative goals were surpassed. The stock market decline was less pronounced than expected and the crisis was not as sharp as first feared. In 2008 everyone was completely surprised when the crisis hit. Last year the situation was completely different. Investors became somewhat accustomed to the situation, but at the same time the capacity for anticipating a bad economy was greater. As a private bank we firstly played our role as protector of our clients' capital. Belgians are naturally modest and reserved about their performance, but we have actually developed a strong economy and in Europe we are currently one of the better students in the class. We remain an export country and a partner for our neighbouring countries, who are the driving force behind the European economy."

Identifying opportunities

"Despite the volatile markets of the last 5 to 10 years we have performed strongly. We stick to our strategy and we are always looking for long term opportunities. The stock exchange is a mirror of the economic reality. Return must not be the objective in itself, but rather the logical consequence of a good strategy with an eye on the economic reality, with a sense for responsible choices and a long-term vision. Helping our clients to develop a long-term vision and exploit short term opportunities is our job and it is the added value we provide. We keep the portfolios of our clients carefully updated and we analyse risk weighting and diversification well. A rise in the stock market always follows when a country makes the correct decisions and consumers regain confidence. I think there is a very real chance that 2012 will be the year of the turnaround!"

"We must assist our clients to ensure that they meet their long-term targets and that they take advantage of short-term opportunities."

Client assistance

That Belgium now has a government in place after a difficult period of political instability can only contribute to a positive evolution and perhaps a modest turnaround. "We need a government that brings stability and confidence and that seeks solutions to the challenges of today and tomorrow. The measures in the current coalition agreement have an impact on the entire Belgian economy and population. Our sector has also been hit by a number of important changes aimed at restoring the fiscal stability of the country. Everyone, banks and investors, are asked to contribute to achieving a new equilibrium. In this context it is also our task to follow developments in legislation and implement them. This allows us to explain to our clients what it will mean for them and what they have to do to respond correctly. Citizens are often more frightened of the administrative aspects of new measures than the fiscal impact. We try to assist our clients to implement these changes as smoothly as possible with our team of property lawyers and asset managers, both in the organisation of their assets and in the composition of their portfolio."

Confidence of clients

Despite the volatile markets the results of the bank increased during 2011. There is a good reason for this. "The stock market did have a negative impact on our results, both on the assets under our management and on the returns thereon. We were able to limit the impact as we were prepared for it, because our clients have great confidence in us and because we were able to win over the trust of new clients. That more than offset the negative impact of the stock market. We owe this to our consistent strategy of dynamic due diligence, which has helped us gain a very good reputation in our market. As an unlisted company with core family values, we spend extra energy and care on everything that we do. We take courageous decisions with a long-term vision, even in years such as 2011."

"Our clients appreciate our strategy and their confidence makes them our ambassadors. That translates into many new clients coming to us each year."

JM Finn & Co (Ltd)

The Bank consistently uses the same strategy, as demonstrated by our acquisitions. "In the past we have been involved in several acquisitions in Belgium and Luxembourg. In 2011 our Group acquired a majority stake in the British asset manager JM Finn & Co (Ltd). We are always looking for talent and organisations that fit in with our Group. We first made contact with JM Finn in 2008. The markets were uncertain then and the case was not sufficiently mature. What we remembered, however, was that they shared our values and business approach, which inspired confidence in us. In 2011 the time seemed right to proceed and we acquired a majority stake in JM Finn. The decision was much easier this time around because we had monitored the case and we already knew the people. We also had the financial resources at our disposal. Indeed, the purchase price was comparable to our annual profits, so in fact, we reinvested our profits and our clients will obviously not be impacted. Our Tier 1 ratio at the end of 2011 was for instance 20%, which is an exceptionally strong figure for the sector. Within JM Finn we can count on a strong management team that is responsible for the daily administration. We monitor them closely and we share our experience in building strong ties between our teams. We currently have four people on the Board at JM Finn, four in the executive committee and somebody from our team is in London every week. This is clearly not a passive participation, but an active operational cooperation."

A strong Group

Last year, Jacques Delen, the CEO of Delen Private Bank, was also appointed Chairman of the Board of Directors of Ackermans & Van Haaren. It has proved possible to combine these two positions. "Luc Bertrand is the strong man at Ackermans & Van Haaren and he is responsible for daily operations as Chairman of the Executive Committee. As the Chairman of the Board of Directors I am responsible with him for monitoring the strategy and its implementation by the Executive Committee. I enjoy working with the other members of the board on further improving the strong performance of our Group. I have, incidentally, been a member

Vic Gentils (1918 – 1997)
Black and white design,
1958, CR 244, oil on canvas, 80 x 60 cm

of the Executive Board for some time, but the position of chairperson requires more effort. Within our bank I am also supported by a strong, balanced and experienced executive committee."

Living up to our reputation

In 2012, Delen Private Bank intends to build on this momentum. "Our clients remain our first priority and it is important that we continue to earn their trust. We must assist them in an environment where both the stock exchanges and laws continue to evolve to ensure that they make the best choices for themselves. We ensure that their capital is protected and that it evolves favourably. In recent years we have managed to attract many new clients and we must be sure that they continue to receive a service that befits our reputation. We must therefore continue to invest in our company. I remain closely involved with this process, both in Belgium and abroad. We are constantly looking for new employees who endorse our family strategy, who share our values, who are willing to learn and, after thorough training, are capable of gaining the trust of family investors. Furthermore, we are also further extending our offices for the comfort of our clients and to ensure the proper and smooth functioning of our services. We will be further developing our offices in Brussels and Ghent this year. The plan is for these offices to reopen at the end of 2012 and early in 2013 with an appropriate infrastructure in an environment that is familiar to our clients. We are also working to further strengthen our cooperation with JM Finn. We expect to gain strong added value from the integration of our expertise and experience in their further development."

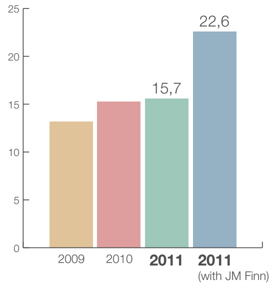
"As an entrepreneur, I realise only too well that loyal customers and good employees are the real capital of a company."

Jacques Delen has a positive view on the future. The past period was a challenge that we have resisted with distinction, and with hindsight we can see that we were well prepared for it. "The view that 2012 could become a difficult year must not jeopardise our long term optimism. Delen Private Bank has proven resilient to the crisis and strongly believes in its conservative investment approach with a sense of reality and dynamics. I would also like to thank all of our clients for the trust they have placed in us and of course also our staff for the wonderful work they deliver every day. As an entrepreneur, I realise only too well that loyal customers and good employees are the real capital of a company." ■

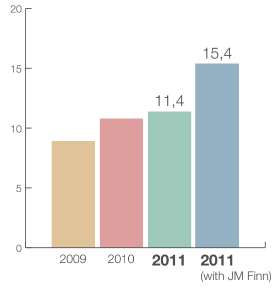
Luc Peire (1916 - 1994)
Graphic-glass,
1964, synthetic paint on glass, mounted on panel, 35 x 100 cm

Key figures 2011

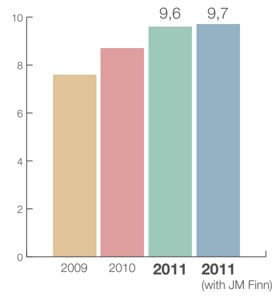
Assets under management (€ billions)



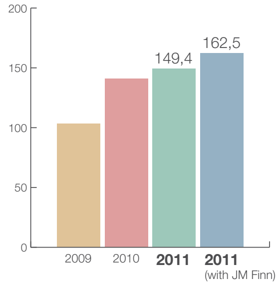
Of which discretionary (€ billions)



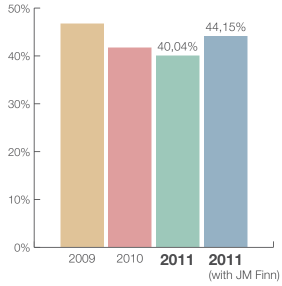
Of which Group Delen funds (€ billions)



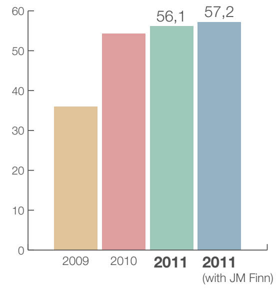
Gross revenue (€ millions)



Cost-income ratio (%)



Net profit (share of the Group) (€ millions)



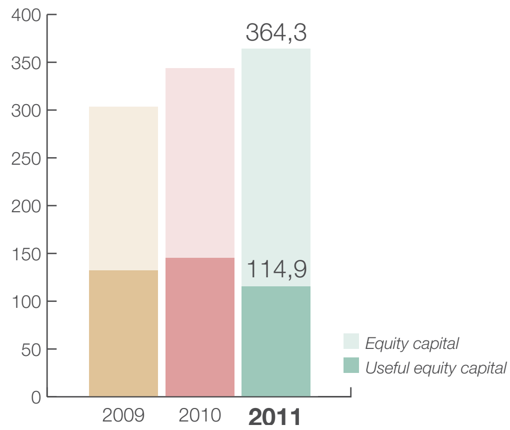
Delen Investments continues to grow. Delen Private Bank ended on 31 December 2011 at a record level with assets under management totalling Euro 15.7 billion. In 2011 Delen Investments also took a step into the British market with the acquisition of a majority stake (73.49%) in JM Finn & Co (Ltd), a leading London investment manager, with Euro 6.9 billion (GBP 5.8 billion) in assets under its management or administration on 31 December 2011. This brings the total private client assets entrusted to the Delen Investments Group to Euro 22.6 billion. The key figures for the last three years show how the Bank continues to apply its strategy in order to provide its customers with the best service.

Delen Investments focuses on discretionary management (73% of all capital at Delen Private Bank and 59% at JM Finn) and relies on an efficient organisation with a steady team of employees so that our customers can enjoy best-in-class service.

Despite the volatile markets Delen Investments has continued the strong performance of the past few years in 2011, thanks to the confidence our clients have shown in us. Delen Investments has also experienced strong growth in income and net profits, as a result of the increase in managed assets. The contribution (3 months) of JM Finn to net income of the Group was Euro 1.1 million. The full impact of the acquisition of JM Finn will be seen in 2012 in the financial results of the Delen Investments Group. With the existing cost-income ratio of 85% of JM Finn, the contribution at the level of net income will be more modest than at the level of assets under management and gross operating income.

With this growth and the recovering markets Delen Investments finds itself in a favourable position to respond to 2012. ■

Equity capital (€ millions)



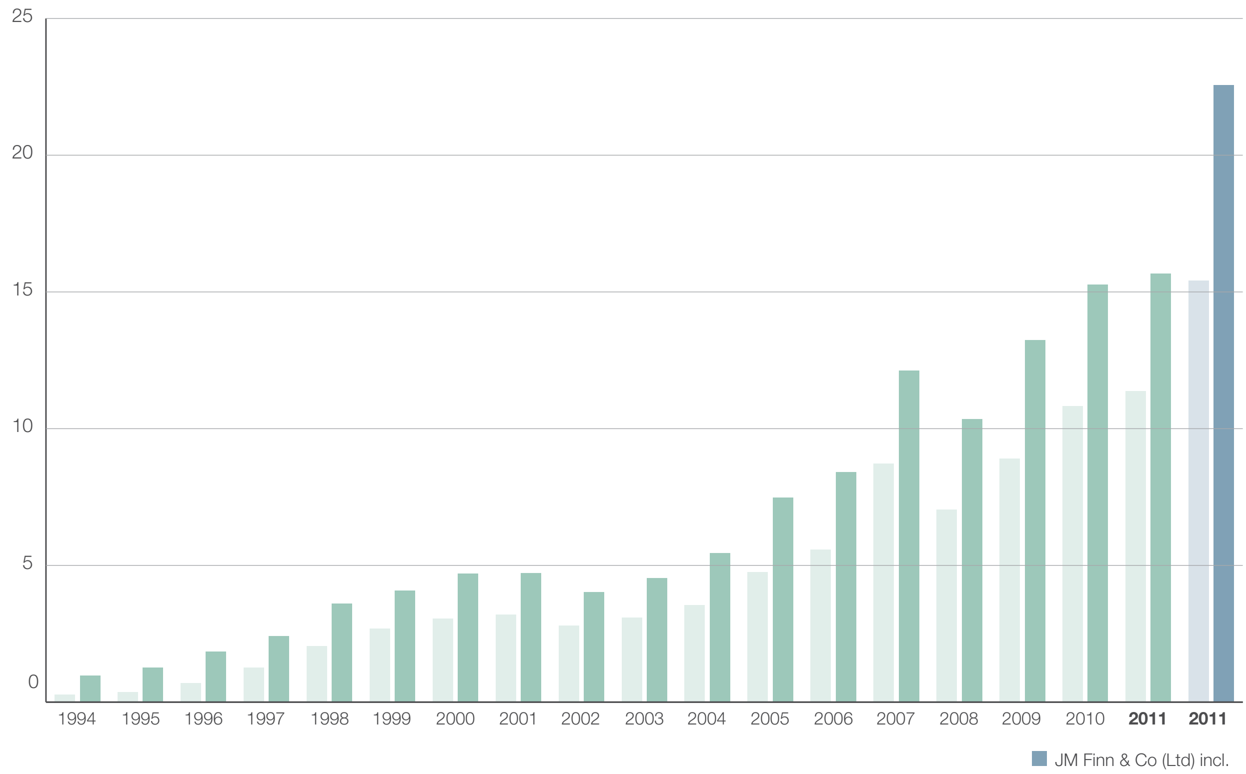
Outlook for 2012

At the start of 2012 a degree of nervousness remains in the financial markets as a result of the crisis in Europe. Delen Private Bank is convinced that a solution can be reached if all European countries unanimously apply the correct policy methods. The attitude of the ECB (European Central Bank) is fundamental to the lowering of interest rates and its vision and policy on inflation is crucial. Additional spending cuts should be applied with the necessary caution to ensure that the economy does not run into trouble. Delen Private Bank follows the macroeconomic environment with a critical view, but 2012 has nevertheless started with more optimism than last year. Many market risks have become clear and are being processed in the price levels in the equity markets. At the end of 2011 the European equity market gradually started to reach valuations that are becoming interesting from a longer term perspective. The Bank will continue to keep a sharp eye out in 2012 for potential opportunities. Indeed, the worse the crisis becomes, the more interesting investment opportunities become. Investors who have managed to protect their capital in recent years are now in an excellent position to make optimal use of investment opportunities. The discretionary management of Delen Private Bank and JM Finn, which is based on experience and a long-term perspective, should make the difference in this context. The bank will continue to strive to attract new capital, with a focus on regions where its reputation is on the rise.

The intention to attract new employees in Belgium to support that growth is stronger than ever. By the end of 2012 Delen Private Bank will have moved into its new offices in Ghent, located at Coupure Rechts. The completely renovated offices on Tervurelaan in Brussels will open a few months later.

Delen Investments continues to evaluate external growth opportunities, but for the short term the emphasis is on the collaboration with JM Finn. The Group is confident that its business model, which has developed at a steady pace in Belgium, is also applicable to other markets where the Group is active. ■

Evolution of capital entrusted to Group Delen (€ billions)



Mission statement
Mission, strengths & vote of confidence

Delen Private Bank ensures the long-term preservation and growth of private assets regardless of the economic context. A wealth manager meticulously maps the client's assets in order to optimise the development from generation to generation. The dynamic and prudent Bank relies on three pillars.

Optimum returns with limited risks

Delen Private Bank adopts a prudent and balanced investment strategy, based on a healthy financial structure. On the back of years of experience in proactive limitation and spreading of risks, the Bank is able to achieve optimal returns in the long term.

Investment strategy - prudent investment in accordance with a risk profile

Delen Private Bank fine-tunes its investment management according to the client's profile and financial objectives. Right from preliminary discussions the risk profile and an appropriate investment strategy are drawn up for the client. In addition to this, the client can count on our extensive financial and legal expertise in family and inheritance law. Our experts have decades of experience.

Transparent trust relationship

Clients who entrust the management of their private assets to the Bank, are entitled to open communication that is understandable from A to Z: transparent cost structure and reporting and especially direct contact with a designated wealth manager who regularly makes time for in-depth discussions. ■

10 advantages of Delen Private Bank

1. A systematic, targeted and driven approach
2. Continuity in an honest relationship with the personal wealth manager
3. An executive committee which is active and manages client relations on a daily basis
4. Regular and clear reporting
5. Transparent and competitive cost structure
6. Very sound financial basis
7. Proactive risk limitation
8. Professional patrimonial guidance
9. Personal service
10. Consistent and enduring policy

Pierre Louis Flouquet (1900 - 1967)
Player with a red ball,
1919, oil on canvas, 55 x 33 cm

History
Delen Private Bank 1936 - 2012

1936

André Delen establishes the exchange agency Delen & C°.

1975

André Delen passes on the listed company Delen & C° to his sons Jean-Pierre, Paul and Jacques. The implementation of a well-balanced investment strategy forms the core of their policy.

1989

The Delen holding is listed on the Brussels stock exchange.

1990

Stimulated by Paul De Winter, the focus shifts towards discretionary asset management.

1992

The merger of the Delen holding with investment company Ackermans & van Haaren rapidly accelerates expansion.

1994

Delen strengthens itself once again with the acquisition of Banque de Schaetzen in Liege and several listed companies in Brussels and Antwerp.

1996

The Delen Group opens a Swiss branch in Geneva. In Antwerp Messrs De Ferm sign a cooperation agreement with Delen Bank.

1997

Ackermans & van Haaren (AvH) and the Group J.Van Breda & C° decide to incorporate their bank branches in the new bank holding Finaxis, which coordinates the two niche banks.

1998

In Brussels, Bank Delen collaborates (50%) in the establishment of Fides Asset Management, an independent wealth manager.

2000

In order to further strengthen its presence in Brussels and Wallonia, Bank Delen takes over the listed company Havaux.

2003

By the end of the year AvH reaches an agreement with the then family shareholders of Bank J.Van Breda & C° about acquiring their participation of 40% in the capital of Finaxis. This reorganisation in the shareholder structure is finalised in February 2004, and the Delen family acquires a participation of 25% in Finaxis through Promofi.

2004

In late December Group Delen signs an agreement with Axa Bank Belgium for the takeover of the Axa subsidiary in Luxembourg Banque Ippa & Associés, which becomes known as Banque BI & A.

2005

The Delen Group acquires the Brussels stockbroker Rampelbergs & Cie.

2007

- Euromoney honours Bank Delen as the ‘Best Private Bank in Belgium’ for the first time. Bank Delen opens a new registered office in Merelbeke (Ghent).

- In August Bank Delen acquires Capital & Finance. In December Capital & Finance Asset Management (Capfi) merges with Bank Delen.

2008

- At the start of February Bank Delen opens a branch in Hasselt for its clients in Limburg.
- Bank Delen and Capfi Delen Asset Management (Cadelam) receive many awards, including a second title as ‘Best Private Bank in Belgium’.

2009

Euromoney judges for the third time that Bank Delen deserves the title of ‘Best Private Bank in Belgium’.

2010

For a fourth consecutive time - something that has never happened before - Delen Private Bank is awarded the title of ‘Best Private Bank in Belgium’. With ‘Hermes Belgian Growth’ Cadelam won several first places in the Fund Awards.

2011

Highly commended as ‘Best Private Banking Boutique’ by ‘Professional Wealth Management Magazine’ and ‘The Banker Magazine’ Both publications of the FINANCIAL TIMES Group

- Delen Private Bank celebrates its 75th anniversary.
- Group Delen acquires majority stake (73.49%) in JM Finn & Co (Ltd) in the United Kingdom.
- Euromoney awards Delen Private Bank the prize as ‘runner up Best Private Bank in Belgium’. The Cadelam fund again did very well in the Fund Awards and now in De Tijd (The Time).
- The office in Roeselare celebrates its 10th anniversary and 20 years of presence in the region with Classic A (Kortrijk Xpo).

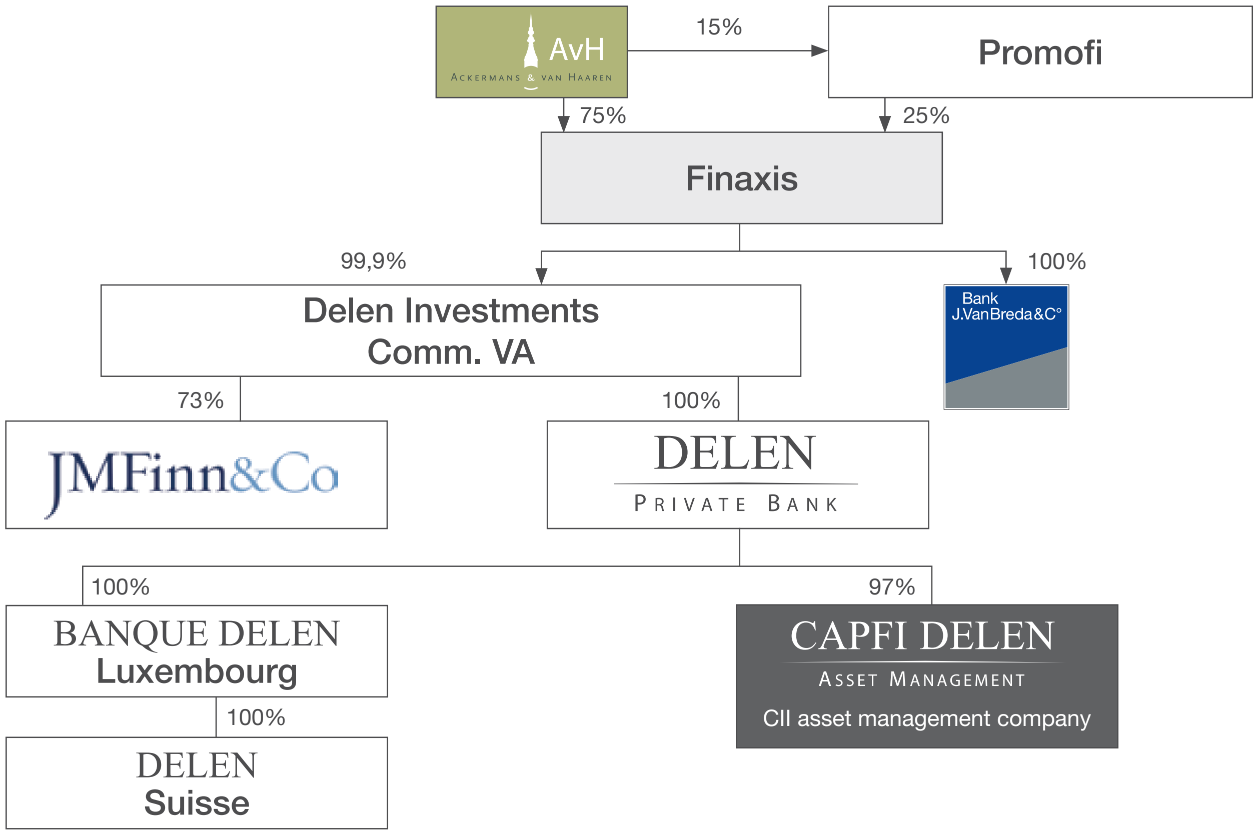
2012

The fund ‘Hermes Belgian Growth’ wins the Fund Award in the category ‘Belgium Equity Fund’ and also wins prizes in the Trends Moneytalk and De Tijd Awards.

2013

Delen Private Bank opens a branch in Ghent on the Coupure

Organisational chart
Shareholders and group structure



Delen Private Bank
is part of a very healthy financial Group

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

All but twenty shares of Delen Private Bank are held by Delen Investments, the partnership limited by shares. The shares of Delen Investments Comm. VA are in turn, with the exception of two shares, held by Finaxis NV, which was founded in 1997. As statutory managers, the Delen family and the AvH Group each hold one share in Delen Investments Comm. VA. The collaboration with Ackermans & van Haaren NV (AvH) started in 1992, when the Delen holding merged with this Antwerp investment company.

Today, AvH owns 75% of the shares of Finaxis NV as a reference shareholder. The Delen family has a 25% participation in the capital of Finaxis NV through the company Promofi NV under Luxembourg law. AvH owns 15% of Promofi.

The main participations of Delen Investments are in Delen Private Bank and since 2011 in JM Finn & Co (Ltd) (73.49% participation), a leading investment manager in the United Kingdom.

Delen Private Bank has two subsidiaries: 'Banque Delen Luxembourg' SA and Capfi Delen Asset Management NV (Cadelam), a recognised management company of Collective Investment Institutions or CII. The holdings of 'Banque Delen Luxembourg' SA include 100% of the shares in 'Delen Suisse' SA.

The Group's general banking activities, focused on SMEs (Small and Medium Enterprises), liberal professions and entrepreneurs, resort under Bank J. Van Breda & C°.

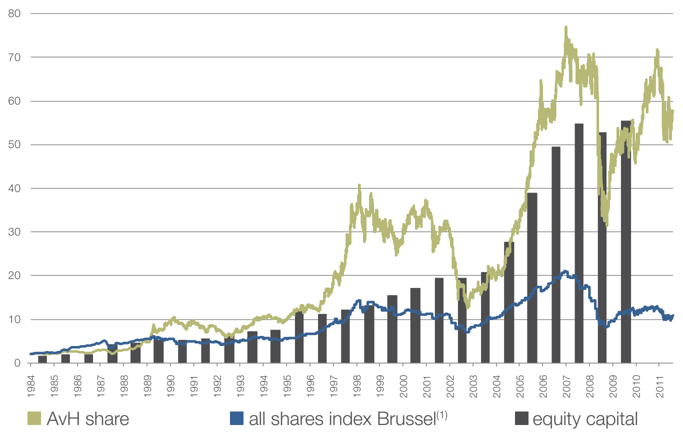
The strong growth of both banks (Delen Private Bank and Bank J. Van Breda & C°) has turned the financial segment into a very important branch within the AvH Group. ■

Main shareholder
Ackermans & van Haaren

ACKERMANS & VAN HAAREN

On an economic level in 2011, the AvH Group represented turnover in economic terms of Euro 3.1 billion through its share in participations and employed around 18,000 people. The Group concentrates on a limited number of strategic participations with significant growth potential. AvH is listed in the BEL 20 index, the Private Equity NXT index of Euronext Brussels and the European DJ Stoxx 600.

Evolution of AvH shares, all shares index Brussels and equity capital per share (€)



Source: Euronext Brussels

Ackermans & van Haaren (AvH) is a diversified Group active in 5 key sectors: Marine Engineering & Infrastructure (DEME, one of the largest dredging companies in the world - Algemene Aannemingen Van Laere, a leading contractor in Belgium), Private Banking (Delen Private Bank, one of the largest independent private wealth managers in Belgium, and asset manager JM Finn in the UK - Bank J. Van Breda & C°, a niche bank for entrepreneurs and professionals in Belgium), Real Estate, Leisure & Senior Care (Leasinvest Real Estate, a listed property trust - Extensa, an important land and real estate developer focused on Belgium, Luxembourg and Central Europe), Energy & Resources (Sipef, an agro-industrial Group in tropical agriculture) and Development Capital (Sofinim and GIB).

AvH is involved in selecting the top management and in defining the long-term strategy.

The Group focuses on several core companies with international growth potential and is led by an experienced, multidisciplinary management team. AvH is involved in selecting the top management and in defining the long-term strategy. As an investor, AvH assumes the role of proactive shareholder. AvH concentrates on a limited number of participations, with which it reaches clear agreements concerning objectives, including responsibilities relating to the financial positions of each of the participations. Thus, AvH focuses on the systematic creation of shareholder value through a long-term strategy. ■

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

	2011	2010	2009	2008	2007	2006
Market capitalisation	1.930.762	2.092.890	1.741.504	1.219.287	2.244.293	2.110.305
Equity capital	2.364.994	2.153.375	2.020.873	1.926.109	1.997.428	1.803.253
Equity capital - Group share	1.882.631	1.711.350	1.595.501	1.517.147	1.580.059	1.423.664
Net profit (share of the Group)	177.506	160.804	117.450	114.558	241.390	307.600

Finaxis (consolidated) (in € ,000)

	2011	2010	2009	2008	2007	2006
Equity capital	785.769	613.549	547.768	486.177	437.275	397.779
Net profit (share of the Group)	111.857	79.553	56.532	51.046	57.890	53.772

Affiliate bank
Bank J.Van Breda & C°

The activities of Delen Private Bank and its affiliate Bank J.Van Breda & C° are perfectly complementary: 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° wishes to become the main banker within its field for a quarter of all professionals and 10% of entrepreneurs. For J.Van Breda & C° is not a product Banker: your relationship manager analyses your needs, makes recommendations and then sells the appropriate solution. As a financial advisor, Bank J.Van Breda & C° is first and foremost a specialist bank. They have a good eye for the financial balance between the company, the practice or office on the one hand, and private capital on the other hand. The results show that clients appreciate this approach: Bank J.Van Breda & C° has been a profitable niche player for many years. ■

Bank J.Van Breda & C° intends to become the leading banker for a quarter of professionals and 10% of entrepreneurs.

Bank J.Van Breda & C° (consolidated) (in € '000)

	2011	2010	2009	2008	2007	2006
Total invested by clients	7.469.140	6.368.943	5.611.268	5.009.245	4.700.986	4.077.405
Client deposits	3.453.279	2.596.766	2.358.533	2.221.400	1.899.356	1.660.475
Off-balance sheet investments	4.015.861	3.772.177	3.285.735	2.787.845	2.801.630	2.416.930
Private lending	3.043.941	2.631.339	2.328.371	2.202.059	2.056.606	1.797.619
Equity capital	410.965	258.671	243.731	222.599	206.577	224.371
Net profit (share of the Group)	21.407 * / 54.880	25.664	23.317	20.619	22.384	24.397
Cost-income ratio	61%	57%	60%	60%	58%	57%
Personnel	462	418	399	403	399	403

(*) Net profit excluding profit contribution resulting from the acquisition of ABK for the amount of Euro 33.476 (including negative goodwill)

JMFinn&Co (Ltd)
Soul Sister in the UK

The key event of 2011 for Delen Investments was without doubt the purchase of 73,49% of the London-based asset manager JM Finn & Co (Ltd), which works as an asset manager for private customers and has already been operating since 1945. In JM Finn, Bank Delen has found a soul sister focused on the same activity and with similar roots in stock broking. As a majority owner, Delen Investments intends to help JM Finn to continue expanding and develop its operational model and thus become a prominent player in the British asset management market.

Steven Sussman

James Edgedale

JM Finn & Co (Ltd) started as a stock broker, similar to Delen Investments. It was founded as a partnership in 1945 and incorporated as a private limited company in 2006. Under the leadership of James Edgedale and Steven Sussman, JM Finn gradually developed from a traditional brokerage firm into an asset manager. At the end of 2011, JM Finn had £ 6.904 million (£ 5.767 million) of assets under management or administration, of which 59% are under discretionary management.

Its headquarters are in the City of London, on Coleman street, close to the Bank of England. In addition to its headquarters, it has offices in Bristol, Bury St Edmunds, Cardiff, Ipswich, and Leeds. At the time of the acquisition, JM Finn had 299 employees of which many were shareholders. The management and a group of senior investment managers were asked to retain a portion of their shares and they own the remaining minority interest of 26,51%.

The Management Committee is composed of James Edgedale and Steven Sussman who are also member of the Board of JM finn and completed with Charles Beck the head of compliance and three further senior investment managers, Hugo Bedford, Paul Dyas and Simon Temple-Pedersen. Delen Investments has four representatives in the executive committee and four members in the Board.

The clients of JM Finn are wealthy UK families and entrepreneurs who entrust JM Finn with the management of their financial wealth. At the end of 2011, JM Finn had over 15.000 clients. JM Finn has built a trust relationship with its clients and a strong reputation as an independent investment manager providing tailored investment services. The firm's performance rests on timeless values and modern strength.

JM Finn and Delen Investments decided on this partnership because of their similar corporate culture, investment philosophy and commercial approach, which focus on the personal relationship with the customer.

In 2011, the contribution of JM Finn to the net results of the Group is 1,1 million € for 3 month of consolidation. The full effect of the acquisition of JM Finn in the financial results of Delen Investments will become clear in 2012. As a result of JM Finn's existing cost-income ratio of 85%, its contribution at the level of net profit will be more modest than at the level of entrusted funds and gross operating income.

JM Finn's position in the attractive UK onshore asset management market, combined with the skill and experience of Delen Private Bank, must enable JM Finn to continue expanding and develop its operational model and thus become a prominent player in the British asset management market. ■

Management and supervision
Corporate governance

Executive Committee
In 1 January 2012, the Executive Committee of Delen Private Bank consisted of nine members. All members are appointed by the board of directors, of which they are also a part.

The executive committee is responsible for implementing the strategy of the bank, within the guidelines laid down by the board. It undertakes 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 performances and ensures that profitability targets are achieved.

The composition of the executive committee is as follows:

Chairperson
Jacques Delen

Members
Christian Callens
Filips De Ferm
Paul De Winter
René Havaux
Eric Lechien
Thierry Maertens de Noordhout
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.

On 1 January 2012, the Board of Directors consisted of 19 members:

Chairperson
Jan Suykens

Directors
Tom Bamelis
Luc Bertrand
Christian Callens
Michel Delbaere - independent director
Filips De Ferm
Piet Dejonghe
Eric Dekeuleneer
Jacques Delen
Comm. VA Delen Investments
(represented by Paul Delen)
Paul De Winter
René Havaux
Carlo Henriksen
Eric Lechien
Mark Leysen
Thierry Maertens de Noordhout
Pierre Sureda
Arnaud van Doosselaere
Bernard Woronoff

Boy & Eric Stappaerts (°1969)
Conflictpainting,
2011, car paint, 37,5 x 88 cm

The Executive Committee of Delen Private Bank. In the back from left to right: Christian Callens, Arnaud van Doosselaere, Bernard Woronoff, Eric Lechien, Thierry Maertens de Noordhout. In the front from left to right: René Havaux, Jacques Delen, Paul De Winter, Filips De Ferm.

Audit committee

An audit committee has been set up within the Board of Directors; its responsibilities include monitoring the financial reporting process, compliance with administrative, legal and tax requirements and for defining internal auditing procedures.

The audit committee is composed as follows:

Chairperson
Luc Bertrand

Members
Michel Delbaere
Jan Suykens

All members of the audit committee possess the required bookkeeping and auditing expertise:

Luc Bertrand graduated from the K.U. Leuven in 1974 as a business engineer. He worked for Bankers Trust Co in New York, Amsterdam and London until 1986 (Vice-President, North Europe Area Manager). In 1985 he was appointed a director of Ackermans & van Haaren NV and in 1987 its administrative and financial director. Since 1996 he has chaired the Executive Committee of Ackermans & van Haaren NV. He is also the chairperson of Finaxis. He holds several directorships within and beyond the Ackermans & van Haaren Group and he has also been appointed an independent director at Schroders and ING Belgium. Luc Bertrand was a director at Banque Indosuez Belgique and at the Generale Bank of Belgium until its acquisition by Fortis.

Michel Delbaere is a graduate in law and economic sciences. He is director of various financial and economic corporations and associations. He is also the founder of companies such as Crop, Hesbayefrost SA, Monliz SA, MDC Foods Ltd and Crop's & Partners, and he is a director of several of these companies. Michel Delbaere is also the managing director of Crop's Holding and he is a member of the executive committee of VBO.

Jan Suykens holds a degree in business economics and subsequently obtained an MBA at the Columbia University in New York. He started his career in the Corporate & Investment Banking department of Fortis Bank. He has been the CFO and a member of the Executive Committee of Ackermans & van Haaren NV since 1990. He also holds several mandates within the Ackermans & Van Haaren Group and he has been appointed an independent director of Mercator Verzekeringen.

Auditors

Bank Delen has appointed Ernst & Young Auditors as the company auditors:

Ernst & Young company auditors BCVBA, with Mr Pierre Vanderbeek De Kleetlaan 2, B-1831 Diegem acting as the legal representative. ■

Asset Management
Beautiful things take time to grow

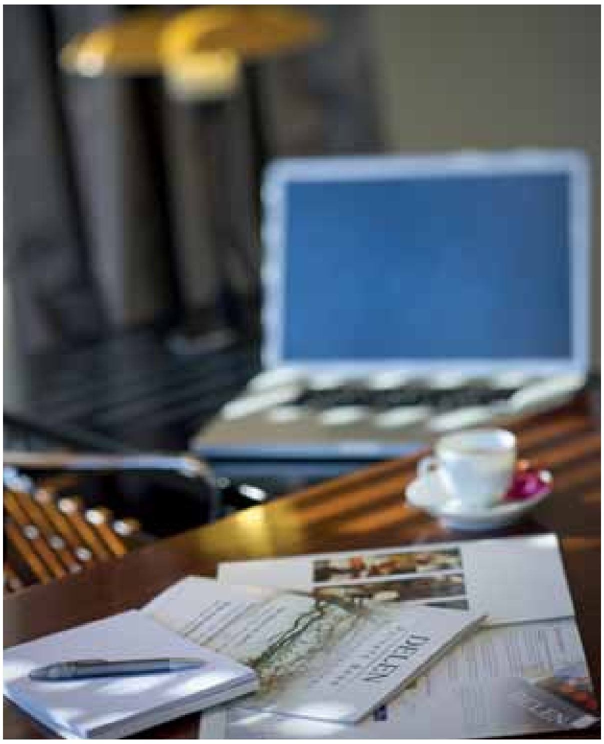
At Delen Private Bank private wealth grows in the long term. Each office includes a well-oiled team of managers that continuously monitor the markets and effortlessly anticipate its developments. Ethical behaviour and integrity, two values that are deeply engrained in the 'Delen DNA', are of inestimable importance in this. They are the cornerstones that ensure the continuous positive development of the Bank and the growth of private wealth.

Our asset managers promote personal contact and transparent communication in which the client always comes first. Wealth managers meticulously map clients' assets in order to optimise development from generation to generation. The trust our clients show in us is rewarded with the best possible personal service.

Finger on the pulse

The managers at Delen Private Bank continuously monitor international news to identify relevant events. The teams of experienced employees put the Bank's tried and tested investment strategy into practice on a daily basis. European and intercontinental stock exchanges, from Tokyo to New York, are closely monitored through the curves on the Bloomberg site. In addition, they manage the accounts of clients and answer their personal calls.

Significant events in the world - such as the earthquake in Japan and the crisis in Greece - have an immediate effect on the stock market. In times like these, it is important to remain calm and to respond properly to each situation: by



monitoring current events, answering phone calls, consulting vigorously and processing purchase and sale orders until the calmness returns.

The managers immediately translate current events into proven investment strategies

Discretion and efficiency

Transparent communication and a balanced investment strategy combined with quality service and staff training are the main objectives of Delen Private Bank. This allows us to provide optimum service to our clients without creating unrealistic expectations. This is part of the reason why the Bank has been able to present a constant average growth of 12 to 13%. Our focus on clients is the main reason behind this. Delen Private Bank is not a listed company, but achieves returns based on good service - not through its own portfolio or by taking irresponsible risks.

Because of our focus on clients the bank has been able to present a constant average growth of 12 to 13%.

The wealth managers at Delen Private Bank enjoy acting as personal advisers to their clients and they manage their assets with discretion and effectiveness. Appointments between wealth managers - often accompanied by an adviser specialised in property law - and clients are well planned and they are held in a personal atmosphere. Clients who entrust their assets to Delen Private Bank can count on a personal approach. Portfolio managers regularly make time for in-depth discussions. This allows them to get to know their clients better to help them cater more efficiently to their needs and desires. Based on these conversations, the wealth manager makes adjustments to the client's file, so that he also has an up-to-date overview of the client's expectations and risk profile.

On the back of years of experience, the wealth managers know very well which shares and bonds are reliable and which ones are in need of thorough screening. They only offer investments that they know inside out and that have undergone thorough internal inspections. In addition, they ensure an optimal diversification and far-reaching risk management. Clients of Delen Private Bank can rest easy. Their assets are in good hands. ■

Victor Servranckx (1897 - 1965)
Pont brun Opus 2,
1923, 37 x 105 cm

Human Resources
The Human Capital of Delen Private Bank: long-term returns from talent

In 2011 the recruitment policy at Delen Private Bank was mainly focused on reinforcing support services. This year the Bank is mainly concentrating on the further expansion of local branches.

Delen Private Bank has slowly but surely grown into an important player on the market. This position is mostly due to the strong commitment employees have to the strategy, standards and values of the Bank. Delen Private Bank currently has more than 250 employees, with subsidiaries in three countries.

Support for continuous growth

The support services of the Bank ensure that the internal processes operate smoothly. Smooth operation is in turn an important pillar of the highly focused and efficient service that clients receive from Delen Private Bank. The significant influx of new employees for these services during the past year guarantees good service over the long term. Delen Private Bank allows these new employees to grow steadily and with proper support in the duties and responsibilities assigned to them. Clients are thereby assured of quality and efficient service in the future.

Investing in the future

The local branches are important assets for the future growth of Delen Private Bank. In 2012 a strong emphasis was placed on Human Resources for the further development of the local branches, coupled with the completion of major infrastructure projects. Besides the necessary recruitment of managers and commercial and administrative profiles, the Bank has also made significant efforts in continued on-the-job training and guidance this year. Delen Private Bank is making these investments now to ensure that in the future there is the potential for guaranteeing clients a qualitative, sustained and sustainable relationship in local branches.

Constantly looking for Delen DNA

Operations at Delen Private Bank are based on family values such as passion, integrity, openness and ethical behaviour. These values form the core of the Delen DNA. The Bank is convinced that there are sufficient potential future




employees in the labour market who carry the Delen DNA within them and who can identify with the strategy, culture and methods at our bank.

We identify these people and help them discover Delen Private Bank as a most suitable and attractive employer. The Bank has very strong assets as an employer, such as a distinct strategy, focus on a profession and team commitment with an open and informal atmosphere, to name only a few. The Bank has planned several specific projects to this end for 2012.

Long-term returns from talent

The long-term commitment between Delen Private Bank and its employees is of paramount importance for a successful, sustainable relationship with its customers. It is therefore essential for the Bank to limit staff turnover to a minimum. It is therefore important to offer staff sufficient challenges and variety within their existing positions and/or professional domain. The Bank therefore prefers the experience, knowledge, autonomy and responsibilities of its employees to evolve gradually in the long term along with its own needs.

This ensures that employees are first provided with a solid base of new knowledge, which is then converted into experience. In this way, one can gradually assume greater autonomy and responsibilities. And Delen Private Banking is assured that every staff member has sufficient confidence to carry out his/her work in line with the strategy, philosophy and quality required by the Bank. Moreover, guidance by more experienced colleagues and close involvement of management create a stimulating and supportive learning environment.

In this manner the Bank strives for a long term approach to the best possible deployment of the talent of its employees. This keeps employees motivated for the long-term and ensures that they enjoy their work. ■

In 2012 the Bank will place a strong emphasis on Human Resources to support the further development of its local branches. To do so the Bank is looking for people with Delen DNA.

Seats

Working on offices with character with a sense of home

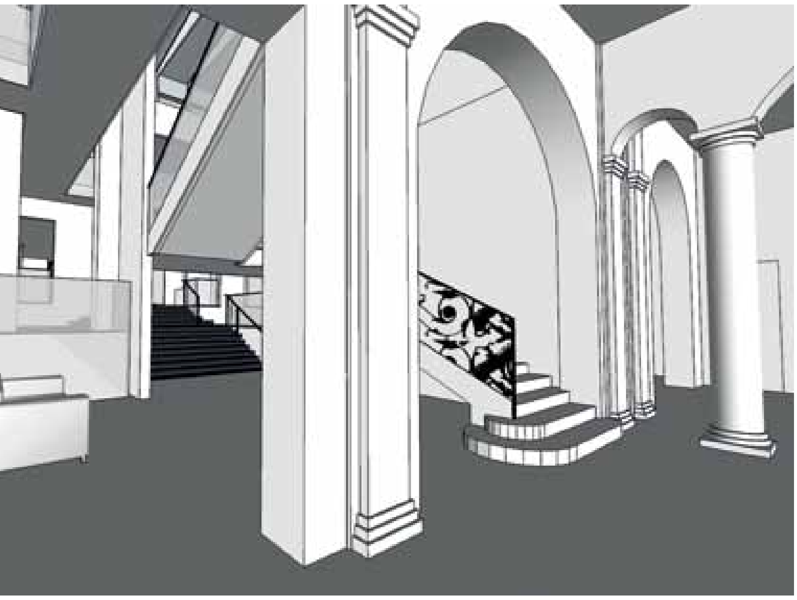
At Delen Private Bank we find it important that everyone - both our clients and our employees - feel at home in our offices. We have therefore opted for a warm, homely atmosphere. Project leader Thierry Shichem: “We prefer authentic buildings with a distinctive look and a modern touch, which fit perfectly into our philosophy and integrate seamlessly with the image of our Bank.” He keeps track of the various on-going projects and at the moment the offices in Brussels and Ghent demand most of his attention.

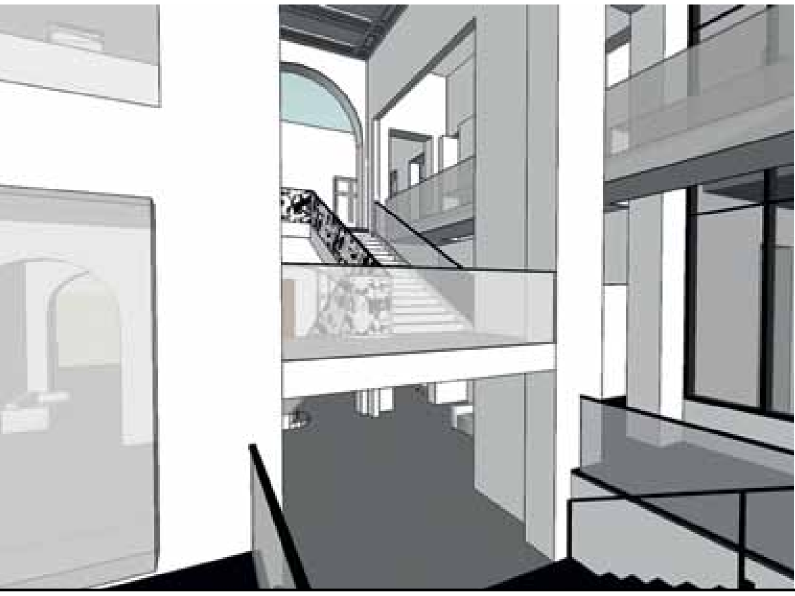
Coupure, Ghent: stylish main building with an annex in French stone

“Alongside the historic building on Coupure we are building a completely new additional building set in French stone. We are also building an underground parking area below the garden, which is connected to the main building. We are also trying to renovate this property with attention to detail and so preserve the authentic character of the building. The interior walls were completely stripped to the brick and the old structure under the roof was renovated. Specialists in this field are painstakingly renovating the windows and woodwork.”

In order for the work to progress as smoothly as possible we maintain good communications with local residents. We keep them informed of the different phases during the work and we listen to their comments.

“Here again we are trying to renovate as far as possible with attention to detail and so preserve the authentic character of the building.”





Tervurenlaan, Brussels:

historic building with modern rear extension

“This historical building on Tervurenlaan has been given a complete makeover during the past year. Both the interior and exterior are in the process of being completely renovated, with great respect for the authenticity of the property.”

“In our buildings we always opt for durable materials such as stone, Italian marble and Belgian blue stone. Just as with the work on site we also monitor the production of the materials used from start to finish. This helps us to keep every aspect of each project under full control. To place greater emphasis on this historic building we decided on a modern building at the rear and a glass stairwell. The contrast brings out the best of both styles.” A beautiful piece of architecture comes more into its own when it is surrounded by greenery and for this reason we are already working on a green wall. The plants are currently being grown in a greenhouse and when they are large enough they will be planted against the wall. The rear building will also have a green roof.”

“The underground parking will be located at the rear of the building and to build it we acquired a garden plot. The Bank intends to guarantee the green character of this inner area and where possible we will try to work with other partners in the context of the green garden network in Brussels. Work is progressing on schedule. We are completing the building from top downwards and the third and second floor are ready and only need to be painted. We will complete this project during the summer of 2012.”

We also started a project in Brussels for the deployment of a few electric cars. These environmentally friendly cars could be made available to the staff of Delen Private Bank for local trips. This, along with the various energy saving measures in place in buildings and preservation of green areas all form a part of our green programme. In this way we are trying to contribute to general awareness of the need to create a long term vision of environmental conservation. This is an extension of our due diligence policy.

Once these two major projects are completed, there is still a lot that needs to be done. Preliminary studies have already started for the next two projects in Liege and Luxembourg. During such a study many aspects are considered: materials have to be selected and the entire time frame must be laid down in advance. Since our staff will continue working in the buildings during reconstruction, this work will take more time. A large part of the work will only take place at the weekend.

Boulevard d'Avroy, Liege:
time for renovation and modernisation

"The historic building in the centre of Liege is in need of renovation. It is a very beautiful building that needs to be freshened up after many years; an upgrade is also necessary to ensure that the available space is better utilised. The commercial area needs to be completely renewed. Modern meeting rooms will be added and new sanitary facilities will be installed for clients. A new cafeteria will also be added for our employees and extensive technical work will also be carried out on the electricity and air conditioning."

Route d'Arlon, Luxemburg:

more discretion in a homely atmosphere

"Our offices in Luxembourg are located in a modern building. The 'open space' that we currently use needs to be reorganised to create a homely feeling for our clients so that we can receive them in greater comfort. We are currently in the last phase of the planning for this project and perhaps we can start the work during the autumn." ■

Capfi Delen Asset Management
Cadelam 2011

From left to right: Chris Bruynseels, Michel Vandenkerckhove, Guy Reynaerts, Lindsay Verbist, Sven Simons, Benedicte Smets, Paul De Meyer, Patrick François and Gregory Swolfs. Missing on picture: Ida Van Hees.

Cadelam (Capfi Delen Asset Management) is a part of the Delen Group, and the company is responsible for management of the funds that are promoted by Delen Private Bank. The company is a management company of CII (a special license for fund management) and recognised by the FSMA (Financial Services and Market Authority). It manages 30 portfolios totalling Euro 8.9 billion and is responsible for the bookkeeping for 23 funds and Euro 1.8 billion.

Delen Private Bank makes use of a number of funds for managing the assets that clients have entrusted to the Bank. These include equity, bond and cash funds, and more frequently mixed funds. The latter is also known as patrimonial funds as clients often invest a substantial part of their movable assets in them. A patrimonial fund can actually be seen as an efficient packaging for a whole range of individual stocks and bonds. Both the portfolio management and administration (coupon payments, splits, exchange etc.) are implemented within the package by two specialist teams.

Cadelam employs a team of six portfolio managers/analysts who take care of the financial management of these funds and a team of five specialist accountants that is responsible for the accounting, administration, audits and risk management for the different compartments.

Financial management involves decisions about asset allocation. For equities these also include sector distribution, geographical distribution and the choice of individual stocks are also included. For bonds, dispersion is done according to rating, maturity and individual choices. An investment committee formally reviews these strategic decisions a few times per month. The members of the committee monitor the practical implementation thereof each day.

The good results achieved in recent years through the funds, both in terms of returns for investors and new entrusted capital, show that this approach with its short lines of communication is beneficial for investors.

Cadelam's fine results prove that its approach is beneficial for investors

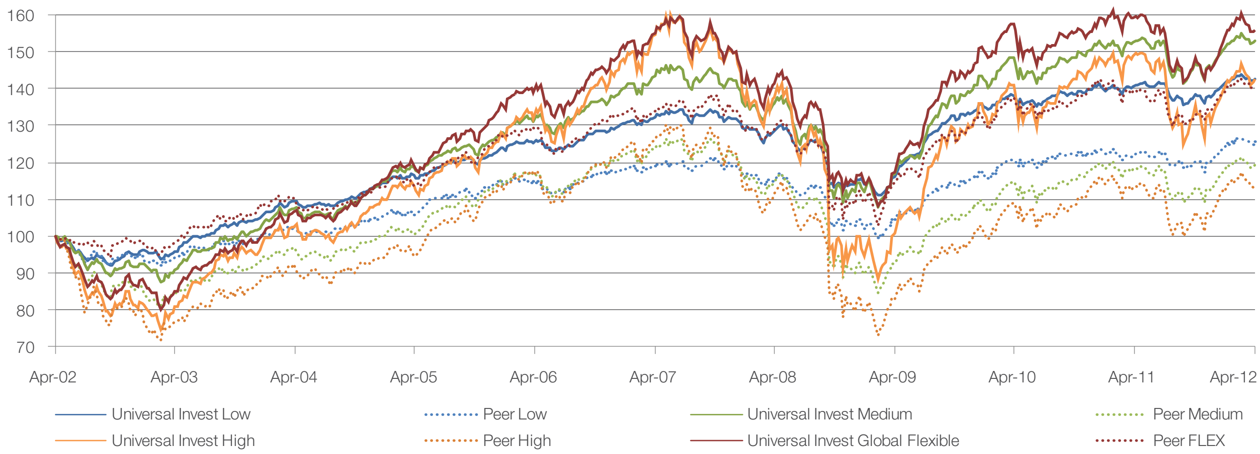
Administration is responsible for the bookkeeping of the funds, for the calculation of net asset values, for the processing of the entries and exits, for the preparation of statistics, brochures, articles and annual reports and for the organisation of boards of directors and general meetings. A significant portion of time is also spent on risk control of portfolios, internal audits on procedures and finally on contact with the authorities (FSMA).

Portfolio management was hampered by the volatility of the markets following the debt crisis and fears of a sharp slowdown in the economy. For equities this was the third year in the past ten years with heavy negative returns in Europe. Many government bonds in the Euro zone, which used to be considered as ultra-safe, have also taken a beating. Thanks to our prudent approach in the fixed income portion of the portfolios, we were able to maintain our position relatively well. Results were under control and damage was generally limited.

The teams that are responsible for the financial management of the various funds were able, despite market conditions, to keep a cool head and to continue applying the strategy within each fund based on the long term objectives of investors.

Cadelam funds selection

Name	Actuarial returns 10 years	Morningstar Rating*	Investment Fund Sector (Morningstar)
Universal Invest Low	3,67%	★★★★★	Cautious Allocation: 0-30% stocks
Peer Group Low	2,32%		
Universal Invest Medium	4,34%	★★★★★	Moderate Allocation: 20-50% stocks
Peer Group Medium	1,83%		
Universal Invest High	3,79%	★★★★★	Aggressive allocation: 40-90% stocks
Peer Group High	1,40%		
Universal Invest Global Flexible	4,69%	★★★★★	Flexible Allocation: 20-80% stocks
Peer Group Flexible	3,51%		



Each peer group is a selection of funds from the concerning Morningstar category.
**For additional information about the Morningstar rating, please consult www.morningstar.be or the financial service of Delen Private Bank in Belgium.*

Roughly 75% of the long term returns result from the spread of assets

To ensure that liquidity in the funds remained under control, the portfolios were regularly subjected to stress tests.

The main added value that is created in the management of patrimonial funds lies in our flexible approach to asset allocation and the face that we do not blindly follow reference indexes.

We employ flexible asset allocation. This means that within the risk profile of clients, we actively shift between equities, bonds and cash, depending on market conditions. For example: the asset spread of a client with a defensive risk profile will not permanently see his assets stabilised in 20% stocks and 80% investments with fixed interest. We will rather work with a split of 0 to 30% in equities. If the valuation of shares and the sentiment on the market turns, the equity exposure is reduced or hedged in order to reduce the risks involved with the portfolio, thereby reducing volatility. Later, when conditions improve, the positions can be increased again. Studies have shown that approximately 75% of long-term return is determined by asset allocation. Most of the long-term performance is dependent on whether the portfolio is invested in equities or bonds.

Furthermore, in our active portfolio management we try not to be tied down to reference indexes or benchmarks. Several examples illustrate this. The weight of financial stocks in the indexes amounts to about 25%. Why should we invest a quarter of our stock component in financial values, when we still see risks in some of those companies? A careful investor opts for government bonds. If the investor had invested conforming to a benchmark in a fund of government bonds, he/she would have been faced with issuers such as Greece, Ireland, Portugal or others, with all the resulting consequences. We have chosen not to be involved in countries with weaker public finances. ■

Louis Van Lint (1909 – 1986)
Tanks in Pernis,
1955, oil on canvas, 64,5 x 79 cm

Legal analysis
The year of major tax changes

The many announcements and implementations of fiscal changes last year have most likely not escaped your attention. 2011 was also the year when the Patrimonial Department at Delen Private Bank was expanded with an out-and-out tax expert. This allowed us to further develop our advisory services with company law, savings tax and more.

F.l.t.r.: Marjolein Van Brabant, Tessa Van den Bergh, Vincent De Cort, Katrin Eyckmans, Niklaas Claeysoone, Claudia Nuyts, Steven Osaer

An example of a successful initiative in fiscal terms is the campaign concerning the conversion of bearer securities which we set up in December 2011. At the start of December 2011, it was confirmed that one of the measures of the Di Rupo government was that the conversion of bearer securities would be subject to taxes from 1 January 2012. We took immediate steps to inform our clients and to assist them, not only with their investments but also with the shares in their family companies.

During the month of December we supported hundreds of clients who had already placed their shares in family companies in an account with Delen Private Bank with advice and assistance for the conversion of these shares into registered or dematerialised shares. The number of family companies that actually concluded dematerialisation agreements with Delen Private Bank tripled in one month. It was far from obvious that this result would be achieved, but thanks to the hard work and dedication of a team of motivated employees, we succeeded in completing this exercise in a very short period of time.

In these times when significant fiscal changes rapidly follow one another, it is important that we continuously inform our clients about these changes and also that we assist them in their decisions. Thus we have already sent out a detailed communication in January 2012 to our clients in which we explained the changes around savings tax. We were also one of the few banks that provided clients with an effective choice from 1 January 2012 to continue to receive specified income in their portfolio in an efficient and discreet manner for an additional levy of 4%. We conclude that the savings tax is continuing to change and at the time of writing this report there was still no certainty about what the future will hold. We will continue, to keep our clients updated and we will do our utmost best to help them understand the practical consequences of the changes in the tax law and to respond to these changes in the most appropriate way.

We didn't hesitate to take the necessary steps to guide our clients in the fiscal measures taken by Di Rupo I

Obviously the corporate values of Delen Private Bank also play a crucial role here: the focus on integrity, ethics and due diligence must shine through in the fiscal advice that we provide. Acting in a fiscally correct manner remains our motto, even in today's uncertain fiscal climate where people, more than ever before, are feeling attracted to complex solutions, inspired only by fiscal motives. ■

www.delen.be
moving with the times

Delen OnLine

The Internet landscape has evolved dramatically in recent years. Delen Private Bank could not afford to be left behind and our website has been given a new and contemporary feel, while taking into account the house style of the Bank.

During the design of this new website we paid special attention to the user experience on tablets/touchscreens and to some extent on smartphones. This resulted in improved user experiences with this new media, without ignoring our desktop and laptop users.

The website retained its former content and underlying structure. Those who are familiar with the previous website will quickly learn to rediscover their favourite pages. Clear and simple navigation allows new users to find their way around on their very first visit.

Delen OnLine takes the momentum further

The private section of the website has been given a new layout, which corresponds with the public website. Our clients can still gain access seven days a week, from anywhere in the world, to follow the evolution of their portfolios and to search through a wealth of information in no time.

Delen OnLine provides transparent, autonomous, safe and top service!

Transparency

Delen Online allows users to consult a chronological overview of all movements on their accounts, to trace the history of all returns achieved, to consult interest and background information or to obtain extracts from the history of the account, or to download portfolio statements. Thanks to the strong and user friendly structure, clients can monitor their portfolio in a transparent manner.

Autonomy

Clients who want to enter stock exchange orders themselves can make use of the Delen OnLine trading account. It allows them to send their stock orders directly to a large and very complete range of stock exchange options. The efficient information platform allows for implementation to be booked in real-time.

Security

Security is of paramount importance for Delen OnLine and for this reason Digipass from Vasco Data Security, a world leader in “strong authentication”, was chosen. Clients only need to enter their username and the password generated by the Digipass, after which the information is checked for authenticity by the system. All Digipass users can thereby enjoy maximum security with their OnLine Accounts.

Top service

Delen OnLine is more than just a website. The team behind it makes this online tool a personalised service: users can call in any day to get direct answers to their questions from Delen Online staff. They talk to them directly and help them with any issues, questions or obstacles they may encounter.

Delen OnLine App?

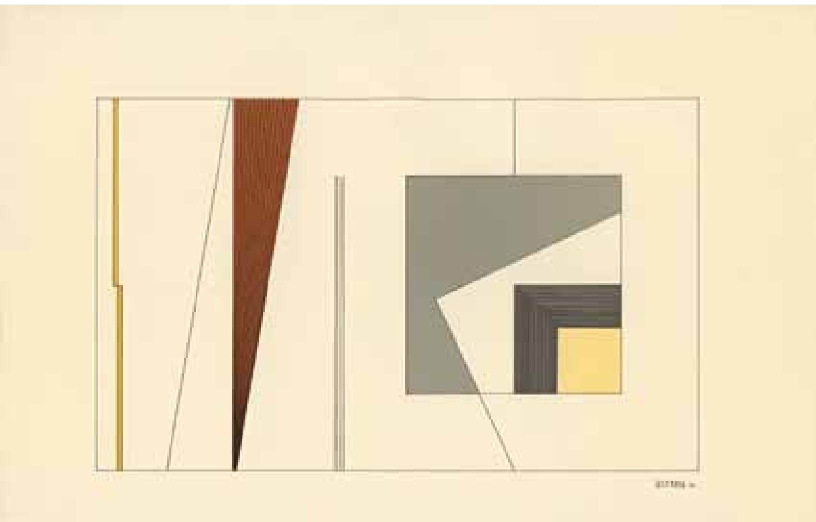
Given the rising popularity of tablets and smartphones, the Delen OnLine team is increasingly looking in this direction. An App with a number of new functions and the integration of existing functions is essential. We would like to add a customisable news reader, especially for our newsletters and annual reports, plus perfect integration with the general website.

Through regular updates of the App users can remain up to date with the latest development at Delen Private Bank.

Visit www.delen.be regularly to ensure that you are always aware of the latest developments. ■

Global economy
2011: an economic analysis

The world
After the strong recovery in 2010 (+5.1%) the growth of the global economy fell back to about 4%. The slowdown was most pronounced in the fourth quarter, where growth fell to 2.5%. The Euro zone, the UK and Japan even showed negative growth. During the second half of the year it became increasingly clear that Europe in particular came under heavy economic pressure, while the U.S. remained remarkably strong. In the U.S., confidence in the central bank and the government policy is better than in Europe, where economic divisions between countries can sometimes hinder decisive and effective policies. After Greece, Ireland and Portugal in 2010, Italy, Spain, France and even Belgium are now also faced with rising interest rates as bond investors have become concerned about their repayment capabilities. This also has implications for emerging countries. Since the Euro zone is an important market for many of them, their export figures came under pressure. China has succeeded in 2011 to bring inflation back under control through monetary tightening measures.



Jean Rets (1910 - 1998)
Composition,
1974, collage on paper, 39 x 59 cm

United States
At the start of 2011 confidence in a sustainable economic recovery grew and that was reflected in economic data. In the run-up to the summer, however, concerns about the continuing imbalances in public finances gained the upper hand. During the second half we could clearly see that there was a downward trend in the economic data. Growth for the full year finally came to 1.7%.

The housing market managed to stabilise somewhat, but at a very low level. Prices remain weak. With a slight decrease in unemployment (currently 8.3%), it looks unlikely that the repayment capacity of borrowers will dramatically improve. The debt reduction over the coming years will probably continue to weigh on the labour and housing markets and hence also on economic growth.

The central bank is aware of this too and continues to provide extreme stimuli for the economy. An informal guarantee has for instance been given to keep interest rates at 0% until the end of 2014. Of course, this also indicates that no sustainable economic recovery is expected during this period. Tax incentives are also limited by the high fiscal deficit. Substantial savings to push back this deficit will probably also be delayed until after the elections towards the end of 2012.

Euro zone
The mood with regard to the Euro zone became more negative during 2011. Growth fell to 1.5% and the economic indicators also suggest that the region will be entering a recession from 2012. The reason for this is that the authorities took too long to adopt one line and take decisive action. The European Central Bank was not prepared to resolve the debt problems of the governments on its own and the leaders of European countries found it difficult to find a solution. Because of the economic diversity of the countries and political pressure they did not come out and speak with one voice, which had a negative impact on trust levels.

Italy and Spain were thus confronted with ten-year yields above 7%, while Belgium (interest rate of 5.86%) and France have come under fire. Ireland managed to recover somewhat, but the situation in Portugal and especially in Greece, became untenable. The latter received a second bailout package, but did not adhere to the measures imposed (privatisations, reforms, downsizing government etc.), which resulted in increasing frustration among other European countries. The question also arises of to what extent, in a debt crisis, it is appropriate to link aid packages to drastic savings? That places so much pressure on the economy that debt ratios cannot fall.

The strategy of the ECB is now to calm the markets through bond purchases, while European leaders are working on a temporary and permanent rescue mechanism (the European Financial Stability Facility [EFSF] and the European Stability Mechanism [ESM] respectively). Their restraint meant that they did not succeed in their intent to fully restore trust levels. Eventually they managed to reach some form of a breakthrough in December with the LTRO deal (Long Term Refinancing Operation). The banking sector was thereby given the chance to borrow cheaply (at 1%) for a long period of time (three years), in the hope that the cash would be used to buy bonds of vulnerable countries (so that interest rates would fall) or to lend to the private sector. Success is not guaranteed, however, because this does not immediately solve the solvency problems and most of the riskier sovereign bonds remain on the balance sheets of banks. This intervention ensured, however, that European countries have been given time to take the necessary measures to be able to bring the economy back on the right track. The coming months will show whether the leaders of the European countries are living up to their responsibilities.

United Kingdom

The United Kingdom also saw a slump in growth from 2.1% in 2010 to 0.9% in 2011. Those are positive signs, however. Budgetary efforts are slowly beginning to bear fruit and the markets are clearly not or are no longer that apprehensive about the fiscal health of the UK. Evidence of this is that the long-term interest rates have shown a further downward trend.

The optically high inflation rate of 4.2% is continuously mitigated by pointing to temporary factors. The central bank has even assumed that the target of 2% will soon be reached in the UK. The hole in the budget (9.4% of the BBP) is mostly compensated by the combination of budget cutting measures (including wages of officials) and higher public taxes (increase in VAT and taxes on large capitals).

Eastern Europe

Growth in this region remains poor, but it is clear that some countries will probably come out of the crisis much stronger. Hungary and the Czech Republic have shown relatively limited growth, but growth in Poland has accelerated to 4.4% in 2011, which has a heavy impact as it is the largest market. The unemployment rate in Poland has been high for a long time already and it currently sits at 12.5%. Hungary had to call on the IMF again and hindered the negotiations for a new loan with a number of legislative initiatives, whereby the central bank would for instance have become less independent.

Latin America

The crisis in Europe and the U.S. has also affected the Latin American economy. Growth fell from 6% in 2010 to 4% in 2011. The unemployment rate is 6.8%, the lowest level in 20 years. Poverty fell by one percentage point, but extreme poverty rose by half a percentage point due to rising food prices. Brazil, the engine of the economy in the region, achieved a growth of barely 2.9%. Argentina recorded growth levels of 9%.

Japan

The nuclear disaster in the spring of 2011 resulted in a negative economic year for Japan (-1%). The country has the dubious honour of holding the record in the field of public debt. It currently stands at about 233% of GDP, which puts a constant brake on future growth. The spectre of deflation remains with inflation levels at about -0.2%.

Far East (excl. Japan)

The policy makers in China have successfully combatted the overheating of their economies. Growth fell from 10.4% to 9.3%. Inflation pressure has also noticeably decreased, whereby the authorities have created additional strength to combat any economic shocks.

India again had trouble keeping inflation under control (currently more than 9%) because of the rise in many food prices. Growth remains strong but is now at a more sustainable level (the latest figures indicate growth of 7%). With the higher interest rates this figure will perhaps remain under downward pressure. Together with China they will ensure a high demand for infrastructure works over the coming years, possibly even decades.

Indonesia has re-acquired the status of investment grade and during the first auction it was shown that there is considerable interest in their bonds. We continue to believe in the good long-term prospects of most Asian currencies, but this will also involve the necessary volatility and shocks.

Monetary policy

In the U.S. the base rate remained between 0 and 0.25% due to the difficult economic climate. The Federal Reserve implicitly promised to continue using this rate until the end of 2014 and have already published their expectations for a number of indicators for the coming years. In that way, Ben Bernanke hopes to provide greater insight into the decisions taken and the path that probably lies ahead.

The ECB first raised interest rates to 1.5%, only to reduce them again to 1% due to turbulent market conditions and rising tensions in the Euro zone. After the crisis of early May 2010 the ECB conducted a policy of quantitative easing and this was continued towards the end of 2011 in crescendo. With the unlimited provision of liquidity for 3 years (LTRO), the banks are given oxygen in the hope that they will purchase bonds of vul-

Ferdinand Vonck (°1921)
Construction,
1957, metal, 206 x 34 x 24 cm

nerable European countries or lend money to the economy. The question is whether during a debt crisis, where the focus in the private sector is on debt reduction, the intended effect will be achieved.

The Bank of Japan kept interest rates at 0.10%. Following Fukushima they intervened through the provision of liquidity in order to preserve financial stability. This was implemented with measures such as buying government bonds and lending to the market in brackets.

The Bank of England continues to maintain a flexible policy with interest rates that have remained stagnant at 0.5% since the beginning of 2009, the lowest point since 1694. In addition they decided in February 2012 to print an additional Euro 50 billion by buying corporate and government bonds over a period of three months.

The Exchange Markets

The credibility of the dollar first came under pressure, which led to a sharp drop (the Euro rose to nearly 1.50). When concerns about the Euro problems flared the value of the Euro was corrected, however, to almost 1.30 in the second half of the year. The fact that the dollar zone, where there is currently an intense debate going on related to raising of the debt ceiling and the weak outlook for the economy, was also not spared from the bad flow of news changed very little.

China is once again leaving some room to allow the Renminbi to appreciate, but this will only happen very gradually. Asian currencies have the healthiest fundamentals in place, but there are large differences in the region and this volatility can significantly affect yields.

Commodities

Most commodities declined slightly in 2011. Oil prices, however, benefited from the unrest in Libya and the rate is no less than 18% higher in Euro terms. The gold price also managed to continue its upward trend and increased by 14%.

The bond markets

Long-term interest rates remained low after a fairly stable first half of the year. The rate in the U.S. and Germany dropped to 1.7%. It is true, however, that the interest rate differences between various countries increased significantly to reflect a different risk profile. The interest rate difference between Belgium and Germany rose to 3.6%, to end at 2.3% at the end of December. At one point, Greek ten-year securities offered nearly 34% extra. The market for corporate bonds performed well, but liquidity came under pressure due to the crisis in Europe. The interest rate differences with government bond yields came in at a slightly lower level when compared to 2010, but yields are still reasonable when compared to other asset classes, given the limited risks associated with that.

Stock markets

The first half of the year was volatile, with a slightly positive trend. However, in the summer a sobering awaited: the debt crisis in Europe worsened and discussions about raising the debt ceiling in the U.S. broke loose. In the third quarter stock exchanges were hit hard. Despite a rebound in the fourth quarter, Europe and Asia delivered double-digit negative returns at the end of the year. The best performing sectors were defensive ones such as pharmaceuticals, food and oil. Cyclical and financial shares posted heavy losses.

During the first quarter many banks made use of the relatively favourable market conditions to raise capital through capital increases. This was by no means unnecessary bearing in mind the results of the stress tests conducted in mid-July. The IPO market was weak (a lot of deals were called off at the last moment, such as the Médiacité real estate certification in Belgium) but in terms of M&A there was some activity (including the acquisition of Rhodia by Solvay, which was a high-flyer for Belgium).

Operating results continued to evolve favourably and there was a normal level of profitability. Where companies initially managed to beat market expectations in general, more of a balance was obtained between windfalls and setbacks. Ratings fell back as a result of falling rates and are gradually offering attractive entry levels for Europe and Asia. ■

Huib Hoste (1881 - 1957)
Behind glass painting,
1925, 29,5 x 22,5 cm

2011

During 2011, investors continued their impatient search for some guidance in this exceptional and not very transparent market climate. Traditionally we have succeeded in protecting the capital of our clients in this dangerous market. Shares were clearly undervalued and for the most part we held quality stocks from defensive sectors. As stress increased on the bond markets we saw our chance to exploit opportunities in this part of the portfolio. We have increased the weight in bonds that provided more than adequate compensation for the risks taken.

Each and every time, the European leaders elaborate rescue plans that lack complete solutions.

2012

If Europe does not speak with one voice and political interests continue to prevail, it will be difficult to recover trust in a sustainable fashion. European leaders are continuously working on rescue plans that do not provide a complete solution. What's more, they are also linked to drastic savings cuts. That places the economy under pressure and ensures that the proposed targets of debt reduction are not easily achievable. It is notable that the ECB is approaching the crisis in a different way to other central banks. They always point to inflation risks and they mainly want to give banks more oxygen in the hope that they will provide more loans or buy government bonds. The question is whether this is achievable if Europe continues to force the banks to increase their capital ratios as soon as possible.

The worse a crisis becomes, the more opportunities for investment present themselves.

We are convinced that the crisis in Europe can only be solved if the correct policy methods are unanimously applied. The role of the ECB is important in this regard. By taking the correct action, they can bring interest rates back down. The central bank is the only authority in a position to provide unlimited printed money, which gives them the power to guarantee the bonds of targeted nations. The fear that this will create inflation - which would run counter to their rationale - is perhaps of less importance during a debt crisis. Furthermore, the negative impact of savings on the economy must be rendered bearable. If both conditions are met, Europe will step out of the crisis.

Despite our critical attitude towards the economic changes we, as investors, are looking to the stock exchanges with a more positive feeling than during the past few years. Now that most of the market risks have become visible to everyone, they can now be processed in the prices. The European equity market gradually started to reach valuations that are becoming interesting from a longer term perspective. In 2011 we especially saw investment opportunities in the bond markets overloaded with stress, but we do not exclude the possibility that we will not increase our weight in shares in 2012 should the opportunity arise. Indeed, the worse the crisis becomes, the more interesting investment opportunities become. Investors that have managed to protect their capital in recent years are now in an excellent position to make optimum use of investment opportunities. ■

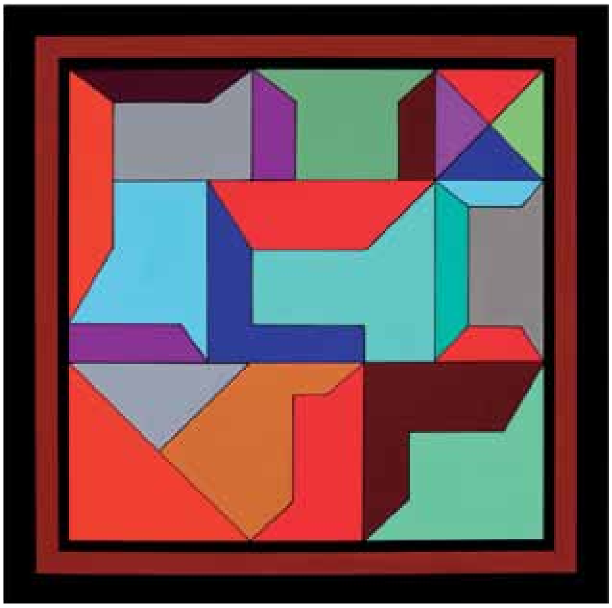
Delen Private Bank in figures
Financial overview for 2011

Delen Investments Comm. VA focuses on asset management and patrimonial advice for a broad clientele of mainly private individuals. Delen Private Bank ended on 31 December 2011 at a record level with assets under management totalling Euro 15.7 billion. In 2011 Delen Investments also obtained a foothold in the British market with the acquisition of a majority stake (73.49%) in JM Finn & Co (Ltd), a leading London investment manager, with Euro 6.9 billion (GBP 5.8 billion) in assets under its management or administration on 31 December 2011. This brings the total private client assets entrusted to the Delen Investments Group to Euro 22.6 billion.

Assets managed by Delen Private Bank increased from Euro 15,272 million (31 December 2010) to Euro 15,666 million (31 December 2011). Delen Private Bank experienced significant net organic growth through newly acquired assets, both from existing and new private clients. The difficult financial markets had a negative impact on assets under management, but this was well compensated for by the influx of new capital from private clients. The continuously high influx of assets in Belgium reflects the confidence of clients in Delen Private Bank. The prudent investment strategy combined with the dynamic and prudent management model keeps proving their added value.

In September 2011 the Delen Investments Group acquired a 73.49% stake in the British asset manager JM Finn & Co. (Ltd). At the end of 2011 JM Finn managed assets totalling Euro 6,904 million (£ 5,767 million).

This increased the assets under the management of the Delen Investments Group at the end of 2011 to a total of Euro 22,570 million.

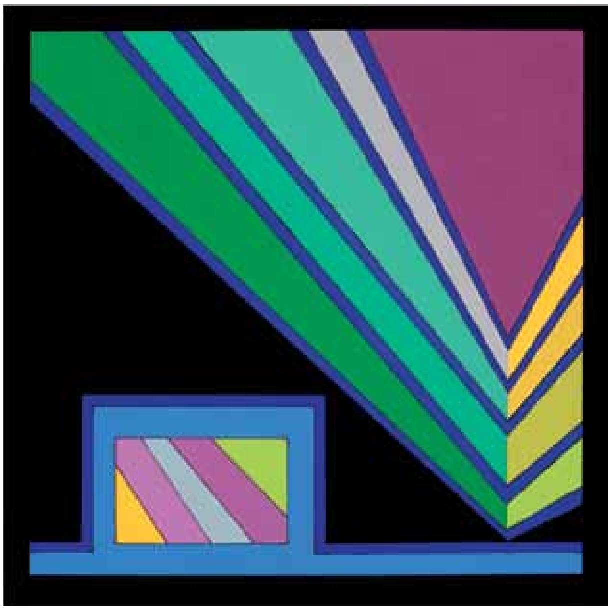


Guy Vandenbranden (°1926)
Composition,
1971, gouache on paper, 55 x 55 cm

The gross operating income of the Delen Investments Group rose to Euro 162.5 million. The share of JM Finn amounted to Euro 13.2 million. When compared to last year gross revenue of the Group increased by 15% (6% excluding JM Finn), mainly due to the higher level of assets under management. Operating expenses increased by 26% (4% excluding JM Finn). At the end of 2011 the staff at Delen Investments Group totalled 530 employees, 232 of whom worked at Delen Private Bank and 298 at JM Finn. The cost-income ratio remained highly competitive at 44.2% (41.7% in 2010). In 2012 this ratio will evolve to a level above 50% as a result of the consolidation of JM Finn for a full financial year. Net profit amounted to Euro 57.2 million in 2011 (compared to Euro 54.3 million in 2010). The contribution (3 months) of JM Finn to net income of the Group was Euro 1.1 million.

The consolidated equity capital of Delen Investments amounted on 31 December 2011 to Euro 364.3 million (compared to Euro 344.1 million on 31 December 2010). This amount takes into account the JM Finn management option to sell the remaining shares (valued at Euro 27 million) after some time to Delen Investments. The beneficial equity capital of the Group (taking into account intangible assets of Euro 243.0 million, of which Euro 55.6 million comes from customers of JM Finn) amounted to Euro 114.9 million at the end of the year (compared with Euro 144.9 million at end of 2010). This decrease in beneficial equity is due to the choice of Delen Investments to finance the acquisition of JM Finn shares without recourse to its shareholders. In 2012 the beneficial equity capital will increase again through the contribution of the profits of Delen Private Bank and JM Finn.

The Delen Investments Group is well capitalised and easily meets the Basel II and Basel III requirements in terms of equity capital. The Core Tier 1 capital ratio was 20% at the end of 2011, which remained well above the industry average, taking into account the acquisition of the stake in JM Finn and the long-term commitment to buy out JM Finn minority shareholders. Delen Investments has a solid and easy to understand balance sheet. The cash balances continue to be conservatively invested in high-grade public sector bills (no PIIGS exposure), as well as in high-grade short-term liabilities of blue-chip companies, short-term liabilities with high-quality banks or placed with the National Bank. The impact of the Basel III rules will be limited for Delen Private Bank, especially considering that the bank's capital only consists of Core Tier1 capital, the investment portfolio is conservative and the bank's ratios already exceed future requirements by a comfortable margin. The return on (average) equity adds up to 16.1%, which is a very satisfying figure. ■



Guy Vandenbranden (°1926)
Composition,
1971, gouache on paper, 55 x 55 cm

Delen Private Bank in figures
Operational overview for 2011

Under difficult and volatile conditions the **stock exchanges in 2011** resulted in negative indexes. Investors were concerned about the lack of a structural solution to the debt crisis, which translated into falling stock markets worldwide. The stress was felt in the bond market where an increasing number of countries were faced with higher interest rates. Investors looked for guidance in a volatile and not very transparent stock market. Delen Private Bank applied its traditional investment principles in 2011 of dynamic investment due diligence, and thereby successfully managed to protect the capital of its clients. That was also the case for JM Finn, which additionally enjoyed improved market conditions in the Anglo-Saxon countries. In these highly volatile markets daily monitoring of the various assets contained in portfolios is more important than ever. Delen Private Bank continued to practice the necessary caution in its search for investment for its customers. Preference is given to companies with healthy balance sheets and that have a presence in emerging markets, as well as defensive or undervalued sectors. With regards to government bonds as a part of the portfolios Delen Private Bank has opted for short term investments and quality authorities. True to its conservative management principles no debt was bought from the PIIGS countries and financial stock in the portfolio of its clients was limited.

Jos Leonard (1892 – 1957)
Composition,
1925, oil on canvas, 89 x 67 cm

The Euro was under pressure due to the continuing political tensions and the lack of a conclusive solution to the debt crisis. Diversification into other strong currencies was an important part of the strategy, but nevertheless, the Euro has remained the most prominent currency for the clients of Delen Private Bank.

In December 2011 the incoming government of Di Rupo started changing existing tax legislation. Patrimonial lawyers helped clients comprehend the complex revisions in the fiscal environment. Delen Private Bank has proven that high level asset management always involves professional patrimonial assistance.

Delen Private Bank continued its strategy in 2011 to improve the quality and efficiency of asset management by optimising the quest for greater share management mandates. At the end of 2011, 73% (Euro 11.377 million) of the assets entrusted to Delen Private Bank were managed directly discretionary or by own patrimonial funds. This represents more than 15,000 management mandates.

Delen Private Bank continues to increase its share in the Belgian private banking sector through strong growth of new private assets. All subsidiaries of Delen Private Bank contributed to this in 2011 and the focus of growth has shifted from the historical offices to the new offices. Two thirds of the net influx of capital now comes through offices other than the headquarters in Antwerp. The development of the local roots of the Bank is paying off and this encourages Delen Private Bank to invest in staff and infrastructure to be able to receive and serve its clients even better.

Bank J.Van Breda & C° made a significant contribution to the results of Delen Private Bank through its 41 offices. On 31 December 2011 Delen Private Bank had Euro 2,115 million on its accounts on behalf of clients through the network of Bank J.Van Breda & C°. Delen Private Bank was also responsible for providing securities administration for Bank J.Van Breda & C° (Euro 302 million). In this way, Bank J.Van Breda & C° represented approximately 15% of the total assets managed by Delen Private Bank. ■

Vic Gentils (1919 - 1997)
Composition,
1957, oil on canvas, 65 x 60 cm

Annual accounts 2011

Consolidated annual accounts

Income statement On 31 December, in € thousands	**2011**	2010
Gross revenues	**149.743**	**141.193**
Net interest margin	7.482	3.457
Gross fee income	138.155	133.787
Profit (loss) on financial instruments held for trading	-1.230	327
Realised gains on financial assets available for sale	4.114	1.320
Other income	1.223	2.303
Fees Paid	**-16.961**	**-15.995**
Expenses	**-50.851**	**-49.838**
Staff expenses	-28.672	-28.280
General and administrative expenses	-18.287	-17.897
Deprecation	-3.619	-3.266
Provisions	123	-88
Impairment	-22	-15
Other expenses	-373	-293
Profit before tax from continuing operations	**81.932**	**75.361**
Share in the profit (loss) of mutual subsidiary companies on basis of the equity method	0	0
Profit before tax	**81.932**	**75.361**
Income taxes	-22.317	-20.488
Profit after tax	**59.614**	**54.873**
Minority interest	4	-169
Net profit	**59.618**	**54.704**

Balance sheet On 31 December, in € thousands	2011	2010
Assets	**1.636.005**	**1.321.291**
Cash and balances with central banks	162.337	14.151
Financial assets held for trading	36.603	12.396
Loans and advances to banks and other counterparties	563.202	317.705
Loans and advances to clients	131.485	66.040
Financial assets available for sale	674.698	836.997
Tax assets	1.198	2.753
Tangible assets	33.669	28.179
Client relationships	24.627	24.643
Other intangible assets	1.008	827
Other assets	7.179	17.601
Liabilities and equity total	**1.636.005**	**1.321.291**
Liabilities	**1.418.011**	**1.103.377**
Financial liabilities held for trading	33.949	8.451
Deposits from credit institutions and other counterparties	556	4.710
Deposits from clients	1.356.943	1.064.557
Provisions	602	725
Tax liabilities	8.382	11.203
Other liabilities	17.579	13.731
Equity	**217.994**	**217.915**
Equity share Group	217.731	217.488
• Subscribed capital	42.261	42.261
• Revaluation reserve	2.417	4.562
• Consolidated reserve	173.053	170.665
Minority interests	263	427

Statutory annual accounts

Balance sheet after appropriation – Assets	**2011**	2010
I. Cash in hand, balances with central banks and post office banks	**162.047**	**13.235**
II. Treasury bills eligible for refinancing with central banks	**440.109**	**420.207**
III. Loans and advances to credit institutions	**532.152**	**277.349**
A. Repayable on demand	146.493	45.885
B. Other loans and adv. (with agreed maturity dates)	385.659	231.464
IV. Loans and advances to customers	**122.112**	**59.433**
V. Debt securities and other fixed-income securities	**154.006**	**353.836**
A. Issued by public bodies	46.532	131.305
B. Issued by other borrowers	107.474	222.531
VI. Shares and other variable-yield securities	**4.085**	**1.735**
VII. Financial fixed assets	**1.753**	**1.757**
A. Participating interests in affiliated enterprises	1.751	1.755
B. Participating interests in other enterprises linked by participating interests	2	2
C. Other shares held as financial fixed assets		
D. Subordinated loans to affiliated enterprises and to other enterprises linked by participating interests		
VIII. Formation expenses and intangible fixed assets	**2.309**	**2.397**
IX. Tangible fixed assets	**35.268**	**29.866**
X. Own shares		
XI. Other assets	**910**	**345**
XII. Participating interests in affiliated enterprises	**2.130**	**11.170**
Total assets	**1.456.880**	**1.171.329**

Balance sheet after profit distribution – Liabilities	2011	2010
Liabilities	**1.368.924**	**1.080.214**
I. Amounts owed to credit institutions	**420.539**	**237.880**
A. Repayable on demand	420.528	234.581
B. Amounts owed as a result of the rediscounting of trade bills	0	0
C. Other debts with agreed maturity dates or period of notice	11	3.300
II. Amounts owed to costumers	**892.561**	**792.209**
A. Savings deposits	9.958	11.012
B. Other debts	882.603	781.197
1. Repayable on demand	790.775	667.492
2. With agreed maturity dates or period of notice	91.828	113.706
3. As a result of the rediscounting of trade bills	0	0
III. Debts evidenced by certificates	**0**	**0**
A. Debt securities and other fixed-income securities in circul.	0	0
B. Other	0	0
IV. Other liabilities	**48.440**	**42.652**
V. Accrued charges and deferred income	**216**	**231**
VI. Provisions and deferred taxation	**145**	**219**
A. Provisions for liabilities and charges	102	173
1. Pensions and similar obligations	41	112
2. Taxation	0	0
3. Other liabilities and charges	61	61
B. Deferred taxes	44	46
VII. Fund for general banking risks	**7.023**	**7.023**
VIII. Subordinated liabilities	**0**	**0**
Capital and reserves	**87.956**	**91.115**
IX. Capital	**41.850**	**41.850**
A. Subscribed capital	41.850	41.850
B. Uncalled capital (-)	0	0
X. Share premium account	**411**	**411**
XI. Revaluation gains	**0**	**0**
XII. Reserves	**4.270**	**4.274**
A. Reserve legal	4.185	4.185
B. Reserves not available for distribution	0	0
1. In respect of own shares held	0	0
2. Other	0	0
C. Untaxed reserves	85	89
D. Reserves available for distribution		
XIII. Profits (losses) brought forward	**41.424**	**44.579**
Total liabilities	**1.456.880**	**1.171.329**

Statutory annual accounts

Profit and loss account	2011	2010
I. Interest recievable and similar income	**15.835**	**10.153**
A. Of which from fixed-income securities	10.398	6.278
II. Interest payable and similar charges	**-9.269**	**-5.466**
III. Income from variable-yield securities	**28.434**	**17.720**
A. From shares and other variable-yield securities	64	78
B. From participating interests in affiliated enterprises	28.313	17.569
C. From participating intrests in other enterprises linked by participating intrests	0	0
D. From other shares held as financial fixed assets	56	73
IV. Commissions receivable	**94.321**	**82.629**
A. Brokerage and commission fees	29.969	29.171
B. Fee for service management, consultancy and preservation	57.822	48.488
C. Other fees received	6.530	4.970
V. Commissions payable	**-21.148**	**-19.482**
VI. Profit (Loss) on financial transactions	**7.717**	**8.082**
A. On trading of securities and other financial instruments	3.600	6.795
B. On disposal of investment securities	4.116	1.287
VII. General administrative expenses	**-34.506**	**-32.146**
A. Remuneration, social security costs and pensions	-23.095	-21.058
B. Other administrative expenses	-11.411	-11.088
VIII. Depreciation/amortisation and other write-downs on formation expenses, tangible and intangible fixed assets	**-3.450**	**-3.167**
IX. Decrease/Increase in write-downs on receivables and in provisions foroff balance sheet captions “I. Contingent liabilities” and “II. Commitments which could give rise to a risk”	**22**	**14**
X. Decrease/Increase in write-downs on the investment portfolio of debt securities, shares and other fixed-income or variable-yield securities	**1.079**	**407**
XI. Utilisation and write-backs of provisions for liabilities and charges other than those included in the offbalance sheet captions “I. Contingent liabilities” and “II. Commitments which could give rise to a risk”	**-71**	**-45**

XII. Provisions for liabilities and charges other than those included “I. Contingent liabilities” and “II. Commitments which could give rise to a risk”	0	-2
XIII. Transfer from (Transfer to) the fund for general banking risks	0	0
XIV. Other operating income	983	491
XV. Other operating charges	-1.161	-753
XVI. Profits (losses) on ordinary activities before taxes	76.725	57.681
XVII. Extraordinary income	39	46
A. Adjustments to depreciation/amortization of and to other write-downs on intangible fixed assets		
B. Adjustments to write-downs on financial fixed assets		
C. Adjustments to provisions for extraordinary liabilities and charges		
D. Gain on disposal of fixed assets	39	46
E. Other extraordinary income		
XVIII. Extraordinary charges	-29	-14
A. Extraordinary depreciation/amortisation of and extraordinary write-downs on formation expenses intangible and tangible fixed assets	-4	
B. Write-downs on financial fixed assets		
C. Provisions for extraordinary liabilities and charges		
D. Loss on disposal of fixed assets	-25	-14
E. Other extraordinary charges		
XIX. Profit (Losses) for the period before taxes	76.736	57.714
XIXbis.		
A. Transfert to deferred taxes (-)		
B. Transfer to deferred taxes	2	2
XX. Income taxes	-16.426	-13.650
A. Income taxes	-16.671	-13.900
B. Adjustment of income taxes and write-back of tax provisions	246	250
XXI. Profit (Losses) for the period	60.312	44.066
XXII. Transfer to untaxed reserves	4	4
XXIII. Profit (Losses) for the period available for approbation	60.316	44.070

Statutory annual accounts

Off-balance sheet captions	2011	2010
I. Contingent liabilities	**8.287**	**4.049**
A. Non-negotiated acceptances		
B. Guarantees serving as direct credit substitutes	4.142	3.107
C. Other guarantees	4.145	942
D. Documentary credits		
E. Assets charged as collateral security on behalf of third partie		
II. Commitments which could give rise to a risk	**350.190**	**214.883**
A. Firm credit commitments		
B. Commitments as a result of spot purchases of transferable or other securities	329.328	211.723
C. Undrown margin on confirmed credit lines	20.862	3.160
D. Underwriting and placing commitments		
E. Commitments as a result of open-ended sale and repurchase agreements		
III. Assets lodged with the credit institution	**28.151.748**	**26.374.634**
A. Assets held by the credit instituition for fiduciary purposes	0	0
B. Safe custody and equivalent items	28.151.748	26.374.634
IV. Uncalled amounts of share capital		

Approbation account

	2011	2010
A. Profit (Losses) to be appropriated	**104.895**	**74.170**
1. Profits (Losses) for the period available for appropriation	60.316	44.070
2. Profit (Losses) brought forward	44.579	30.100
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 reserve		
D. Result to be carried forward	**41.424**	**44.579**
E. Shareholders' contribution in respect of losses		
F. Distribution of profits	**63.471**	**29.591**
1. Dividends	63.471	29.591
2. Director's entitlements (a)		
3. Other allocations (a)		

Supporting fine arts
Delen Private Bank estimating the value of art

Delen Private Bank is actively involved with arts through personal passion, through community involvement, through our faith in young talent... For these reasons the Bank has invested in its art collection, provides support for a number of major art events and makes its offices available for art exhibitions. "Art enhances your image, the image of solidity and long-term thinking," explained Anne-Sophie Delen, marketing and communications at Delen Private Bank.

Art contributes to the homely atmosphere and coziness in our offices

That love for design has been passed on from generation to generation. At first Ms Delen was responsible for the interior design of the offices and she paid extensive attention to atmosphere and friendliness. We consider it very important for our clients to feel at home in the Bank and the works of art that we have in the buildings certainly contribute to this.

Art is not so much an investment, but rather a passion. Filips De Ferm, a member of the executive committee and an avid art lover, has been building an attractive, yet modest art collection for Delen Private Bank during the past few years. “When you come across a beautiful work at a reasonable price we are quite happy to look into it. We add around one piece a year in this way. Some of my personal favourites are Gaston Bertrand, Henry Van Straten, Floris Jespers and many others.”

Our clients can view our collection with their manager in our office in Antwerp during opening hours, and soon also in Brussels and Ghent.

Supporting fine arts
A sense for art in 2011

Brussels Antiques & Fine Arts Fair

For the past six years Delen Private Bank has been a partner and sponsor of the renowned ten-day event BRAFA (Brussels Antiques and Fine Art Fair), which annually welcomes thousands of visitors in the Thurn & Taxis building. The fair has become a permanent fixture on the international art scene. Annually more than 130 Belgian and international antique and art dealers exhibit their finest pieces, ranging from antiques to furniture and modern art. Delen Private Bank also has a large and innovative stand each year and a lounge that underlines the harmony between the partners and those exhibiting their art collections. This is where we receive our guests and we also organise a few additional events such as nocturnes and guided tours.

"After a guided tour with an art history guide our clients can admire our own collection in our lounge."

ClassicA

The 13th edition of Biënnale Classic A was held in Kortrijk XPO in November 2011, Delen Private Bank was the main sponsor of the event for the first time. The Bank is celebrating its 20 year presence in West Flanders. Thousands of visitors came to our stand at the event for an opportunity to take a look behind the scenes of our offices.

"At our events all of the details are selected with the greatest care to ensure that our house style is perfectly conveyed. The homely feeling is naturally very important."

In addition to our presence at various events, we also regularly organise temporary exhibitions in our own offices. Several artists have already been included, such as Benoit Feron, Benjamin Struelens, Clotilde Ancarani, Catherine François, Jean Groenen, Petrus De Man, Virginie Buytaert, Margaret Eden, Cathy De Vylder, Laurent Laporta, Serge Van de Put, Patrick Selinger. In 2011 Stephan Vanfleteren and Ronny van de Velde had their turn in the spotlight.

Stephan Vanfleteren exhibition

From April to September 2011 photography enthusiasts were given a treat when an exhibition by Stephan Vanfleteren was presented in the Antwerp office of Delen Private Bank. Vanfleteren is well-known as the in-house photographer at De Morgen. His subjects are often very diverse, ranging from the disappearance of everyday events from Belgium to images from war zones. He also pays attention to portrait artists, actors, writers, directors and musicians.

"We give artists a domestic context to exhibit their work. This allows the art to come into its own. This is a win-win situation as the walls at the bank have been given a different appearance for a period of nearly three months. Clients are given the opportunity to discover other artists."

Gallery Ronny van de Velde expo

To mark the 75th anniversary of Delen Private Bank, the Antwerp gallery owner Ronny van de Velde presented 75 years of Belgian Art in the premises of the Bank. The gallery trades in sculptures, drawings and graphic works from the 19th and 20th centuries and with its broad expertise the gallery has gained a leading position in the art world. Clients were given the opportunity to view the collection in the main office in Antwerp for three months from September to December 2011.

M HKA

Delen Private Bank has as the exclusive sponsor put its weight behind the new project M HKA (in collaboration with the KMSKA): New Art in Antwerp 1958-1962. With five different exhibitions M HKA wants to put the spotlight on the twentieth-century avant-garde in Antwerp. Delen Private Bank is proud to be able to contribute to this research project into the brief but very active period in which Antwerp was recognised again in the international art world. The cooperation between Delen Private Bank and M HKA is expected to last one year. ■

"As an art-loving bank we are proud of the fact that we can put our weight behind a project like this, to bring the neo-avant-garde in Antwerp back to life."

Louis Van Lint (1909 - 1986)
Strange tree,
1963, oil on canvas, 175 x 206 cm

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