DELEN

PRIVATE BANK







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2013, the turnaround year: slowdown in emerging markets, recovery in developed countries

The crisis will soon be seven years old. Are we finally going to experience some good times after seven hard years? This is the question being asked by Christine Lagarde, President of the IMF (International Monetary Fund). The slight improvement in the situation in developed countries augurs well, especially in the USA, but also in Europe and Japan. Unfortunately, the slowdown in emerging countries has sullied this picture, particularly in Latin America (where growth is becoming anaemic), but also in India and other Asian countries. Even China's growth has decreased to nearly 7%, and the government is beginning to worry about the exponential rise in the volume of lending.

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Unfortunately, the slowdown in emerging countries has sullied this picture.

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The announcement by the Fed (Federal Reserve System) of a reduction in its American debt purchasing programme – by \$85 billion per week to \$75 billion and then \$65 billion recently – has been like a cold shower. Interest rates on government bonds have begun to rise again and the financial markets have begun to worry about the situation in emerging countries. These countries generally do not have sufficient local savings to finance their economies and are greatly dependent on financial flows from developed countries. They had previously benefited from the abundance of liquidity generated by the actions of the

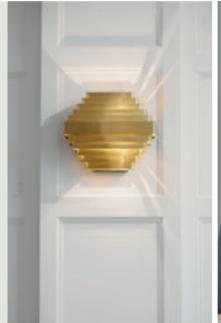
central banks, which had naturally been directed towards such countries, attracted by the higher returns and eluding the countries affected by the crisis.

In 2013, Europe seems to have stabilised. The Anglo-Saxon countries are experiencing growth and the Fed's monetary injections are starting to dry up. Just some of the reasons why monetary flows are being directed away from the emerging countries with all the consequences that have been observable in those countries for several months: sharp falls in currencies, declining economies, rises in interest rates.

Investors, still torn between the fear of losing and the desire to earn ("fear and greed"), have deserted emerging countries (Latin America - 19% in 2013, Eastern Europe - 7%, Asia ex Japan - 4%), low-yield bonds and raw materials (-1.4%) and gold (-31%), in order to return to shares, especially in the USA (+24%) and Europe (+18%). As far as currencies are concerned, the euro is the biggest winner of 2013 (+4% against the \$US, +26% against the Yen, +13% against the Norwegian Krone).

What is at stake in 2014?

During the crisis, some unsuspected consensuses emerged: the central banks coordinated their actions, the States coordinated their stimulus measures, and Europe and the IMF came to the aid of the "European periphery". The end of the first phase of the crisis has brought with it a slowdown in these consensuses while identity-based, individualistic and nationalistic movements have begun to gain the upper hand. The emerging countries, affected by the





From left to right: Didier Willemssens, Benoit Leloup and Caroline Van der Veken, managers.

announcement of the start of a period of monetary restriction in the USA, are asking the Fed to take their situation into account: but this is in vain because the Fed will only act in the USA's interest, as the new President of the Fed, Mrs Yellen, has again just pointed out. In Europe, each region that considers itself stronger thinks it is better to separate itself from the weaker regions: is Scotland, rich thanks to its oil, going to give up an alliance of more than 300 years with England? Is England going to withdraw from Europe, or Catalonia from Spain? In France, the Front National dreams of breaking up the euro, and the Germans dream of a unified Europe but without having to pay for it. The future of the European Union is under threat, as is its common currency. However, would the peripheral countries have withstood the crisis better if they had retained their economic and monetary sovereignty? One only has to look at Turkey, whose economy is now in crisis and whose currency is in free fall, while the European periphery is recovering, with Greece even showing a primary budget surplus of €1.5 billion, a year ahead of the IMF's schedule, and Portugal recording a growth in its GNP in 2013 and falling unemployment!

The main risks today, for the developed countries, are insufficient growth and a return to the

type of monetary disorders affecting the peripheral countries. For the emerging countries, the risks are a liquidity crisis and a credit crisis - especially in China. There is also the threat of deflation in the developed countries: businesses are putting a curb on their investments, consumers are saving, banks are reducing their loans, central bankers run the risk of putting too sharp a brake on their accommodating monetary policy. The currency falls and the decline in the emerging economies are also contributing to the deflation. All of this calls for caution. But it is not all gloom, however: the unemployment curve is being reversed, property is recovering in the USA and the economy is picking up in Europe and is continuing its recovery in the USA. Hasn't Arcelor Mittal just announced that its steel production has returned to growth worldwide in general, and in Europe in particular? Politically, tensions are reducing in the Middle East, Iran is coming back to the negotiating table and the parliamentary blockades in the USA are being resolved. A solution through diplomatic channels also seems to have been found for the recent ten-

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sions in Ukraine.

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Positive results of our management

In our 2012 report, we predicted that the year 2013 would confirm the developed economies' recovery and would be favourable for shares. Our management strategy therefore led us to increase the share portion of our portfolios by selectively selling bonds whose return had ceased to correctly reward the risk.

This strategy has been favourable for our management; nevertheless, as a precaution, we maintained a significant currency diversification, in view of the European periphery risks. The rise in the euro (but also the poor performance of the emerging stock markets) has thus somewhat eroded the gains made in shares in the developed markets.

The climate is more favourable for portfolios which can allow for more risks to be taken. Returns on instruments which are suitable for low risk-taking are still modest, whether they are government bonds from stable countries or blue-chip company bonds.

2014 is a year in which vigilance is required - we have shown this in our macro-economic overview above. It is essential to show caution from an early stage - otherwise it's likely to be too late. It is certainly not the time for Delen Private Bank to renounce its natural caution which served it so well at the start of the crisis, even if it has somewhat affected its management in 2013. The crisis is not over and, in all probability, it will still last a long while yet. This will not stop us from continuing to look for opportunities for returns, more often than not going against received wisdom and fashionable investments. We believe that shares and higher yield bonds are the most attractive investments at the current time in this climate of low interest rates and low inflation.

Changes in the Belgian tax environment

Belgium is still a good student in terms of budgetary performance, as it should achieve a deficit of less than 3% in 2013. But the level of absolute public debt (100% of the GNP) is still a major concern. The government has taken decisions on savings and competitiveness which are not strong enough, as also noted by VOKA (Federation of Flemish Enterprises) in its 2014 Memorandum, but it has, however, considerably increased taxation on savings: withholding tax has gone up from 15% to 25% on interest rate income (except for savings accounts), and these arrangements have been extended to SICAVs not subject to European Directive 2009/65/EC (including our Hermes Universal investment fund). Since 1st July, the capital gains made on these investment funds, corresponding to income and capital gains from bonds and cash since June 2008, have been subject to a 25% withholding tax. The procedures for calculating this taxation only became known very painstakingly during the second half of 2013. We should congratulate our IT teams who successfully followed, almost in real time, the development of this new tax rule. A new tax amnesty measure - a third DLU (one-off declaration) - was put in place until 31st December 2013, allowing a one-off payment to be made on capital not yet repatriated under the 2004 amnesty and the second DLU which had subsequently been in force. A particular feature of this third DLU is to have highlighted the fact that tax offences (defined previously as "serious and organised" fraud, and since 2013 simply as "serious" fraud, which is covers any fraud involving a "significant" amount) are not time barred criminally, and to have allowed offences time barred for tax purposes (but not criminally) to be put right. These measures have been extended into 2014, which, in practice, excludes any new repatriation in the future.

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Our other offices have also been strengthened, and they are experiencing growing success, highlighting the importance of always being close to our clients.

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Delen Private Bank in 2013: growth and investments!

Our prudent management philosophy continues to attract new clients and new capital: the capital under management exceeds 20 billion euros, compared to 17.9 billion in 2012. Discretionary management (via our SICAVs or directly) accounts for 74% of the assets entrusted, representing more than 16,500 accounts under management.

In order to constantly improve our service and be closer to our clients, our bank has continued to make commitments in all services, be they operational, commercial or managerial. Since the start of the crisis in 2008 we have increased our staff numbers by more than 20%. We have also invested in our infrastructures, illustrated by the reopening of two new offices, in Ghent in March 2013 and in Brussels in June 2013, with Brussels now housing our two sales teams (Delen and Capfi) as well as the Brussels Cadelam team, manager of our investment funds Universal Invest and C+F.

Our other offices have also been strengthened, and they are experiencing growing success, highlighting the importance of always being close to our clients. The raising of new capital continues in all of Delen Private Bank's Belgian branches and also as a result of good collaboration with our sister bank, Bank J.Van Breda. Liège and Hasselt will be the next sites to undergo significant renovation.

Hence, at no time has the crisis affected our investment dynamism: we are convinced that asset management requires a long-term vision and great stability in investment decisions, in terms of both people and infrastructures. Only an attitude of ongoing prudence will allow this course to be maintained, even through periods of continued financial crisis like the one that we are currently experiencing.

Two chairmen share their philosophy



For the last four decades CEO Jacques Delen has successfully piloted Delen Private Bank through the turbulent waters of a fast-changing world and a succession of financial hurdles. Paul De Winter, who stood by Delen's side 25 years ago in pioneering a successful strategy for discretionary asset management, will take over the torch as CEO of the bank on 1 July 2014. Today a highly engaged team of over 250 experienced people ensures that Delen Private Bank will continue on its planned course, serving over 16,500 private clients.

A clear vision applied consistently throughout the years

Paul De Winter: In 1975 the brothers Jean-Pierre, Paul and Jacques Delen took over at the helm of the stock broker Delen & Co, founded by their father André Delen in 1936. Securing the family legacy across the generations, the prudent management approach, and the long-term vision that characterises the company today were all already present at that time. These factors constitute the very foundations of our strategy's success, and throughout the years these values have always been reflected in our working methods.

The drive of Jacques Delen when it came to optimising operational processes saw the introduction of far-reaching automation at a very early stage. Our own IT team - which has a thorough understanding of our business - conducted the computerisation, resulting in a very

high-performance process. The result was that the strategies and principles of the bank could be upheld and that we were able to adapt at great speed to amended legislation, set against a highly variable economic backdrop.

Jacques Delen: Our efficient approach and our cautious and transparent strategy exist primarily for our clientele and create stability and confidence. When we became a bank in the early 1990s, we grew in leaps and bounds because our clients saw that we did not just take care of administrative custody of their financial assets. We were also employing diligence and caution to manage and monitor their portfolios. Based on this observation and our long term vision, we chose the course of discretionary asset management that might not have been the easiest approach at that time, but it was certainly the most logical evolution.

Spurred on by Paul De Winter, in 1990 we put our discretionary asset management strategy into practice, endeavouring to achieve it in the most efficient, cautious and transparent manner.

Paul De Winter: Our clients' wealth is coherently managed in accordance with their investment profiles. True to our dynamic yet prudent approach, we also know that patrimonial advice is an essential component of discretionary asset management. It ensures that the family estate is maintained and properly structured over the generations. These have turned out to be very important strengths in the stormy periods that we have been sailing through since 2008.



Left: Paul De Winter Right: Jacques Delen

Internal and external growth

Jacques Delen: We are grateful to our clients for the confidence they have shown in our bank. They are our frontline ambassadors, and over the years we have been able to count on an ever-growing number of clients, mostly private individuals, who can identify with our philosophy. We moreover continue to find talented and passionate people who can bolster this strong autonomous growth, and together we make up a tight team that can build a strong bond with our clients and disseminate our outlook.

Paul De Winter: Notwithstanding our growth, we are always receptive to external partners who shared our values. The many teams that have joined us since we started off have been part of the backbone of our strategy. It is no coincidence that Filips De Ferm (who came aboard in 1996), René Havaux (2000), and Arnaud van Doosselaere and Bernard Woronoff (who both joined us in 2007) are a part of our management committee, or that the likes of Michel Vandenkerckhove and Patrick François (2007) are part of the management team of our ICBs manager, Capfi Delen Asset Management.

Continuity and dynamism

Paul De Winter: Starting on 1 July 2014 Jacques Delen will take over the chair of the Board of Directors from Jan Suykens, who will become deputy chairman. In remaining faithful to our prudent philosophy, we are preparing for the challenges we will face in the future. The company will be able to

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The clients must be helped in every possible way when it comes to retaining and structuring their assets without having to worry about the day-to-day affairs of the financial market.

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continue counting on their experience and simultaneously retain our strong bond with our shareholders - Ackermans & van Haaren and the Delen family.

Paul De Winter: Integrity, professionalism and continuity are household values at Delen Private Bank. And that is why we are set to welcome Alexandre Delen on 1 July 2014 as a new member of the management committee. He has worked for over 14 years as a computer specialist, a decade of which has been spent in the IT department of our organization.

Jacques Delen: Thanks to the computerisation process, our investment managers now have more time to devote to our clients. Today it is more important than ever before that a discretionary investment manager pays attention and listens properly to the questions a client may have. They must be helped in every possible way when it comes to preserving and structuring their assets without having to worry about the day-to-day affairs of the financial market.

Proximity is a strength

Paul De Winter: We are also conscientiously investing in renovating and extending our branch offices. Mobility is no longer a given. We are a local and independent actor and consequently we also strive to have a local presence, close to our clients. This means that every one of our offices must first and foremost function as a discreet and comfortable meeting place; a place where our clients and their families - irrespective of age - can feel at home. Our offices reflect our character, our individuality, our receptive family-oriented approach that focuses on tradition, and our sense of dynamism and efficiency. To us, every client is unique, and we provide each one of them with an outstanding service and will always welcome them in a warm and cordial environment.

Our commitment to you

- A direct and open relationship, members of the Management Committee are also in daily contact with our clients.
- Simplicity, balance and transparency in our analyses, advice and choices.
- A solid wealth management and well-founded patrimonial advice.
- Creating a comfortable environment for our customers.
- Respect for and compliance with the fiscal laws.
- A family-like, sincere and ethical environment.

Key figures and prospects Group Delen Investments

(organisational chart p.14)

2013: successful growth strategy for Delen Investments

Delen Investments continues to grow and reached on 31 December 2013 a new record level of assets under management of EUR 29.5 billion. This represents growth of 14.2% compared to assets under management of EUR 25.9 billion at the end of 2012. All offices of the group contributed towards this growth. The key figures for the last three years show how the group has successfully continued to apply its strategy, providing its clients with the best service.

Assets under management Gross operating income 250 30 25 200 20 150 15 100 10 50 5 Λ 2011 2011 2012 2012 2013 2013 with JM Finn 2013 with JM Fi 2012 2012 Of which discretionary Cost-income ratio (%) 50 40 15 30 10 20 5 10 0 2012 2012 2013 2013 with IM Fin 2012 2012 2013 2013 with JM Finn with JM Fin Of which Delen Group Net profit (share of the 70 60 50 10 40 30 20 10 0 2012 2012 2013 2013 with JM Fin

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

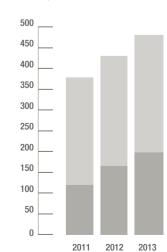
Delen Private Bank remained true to its traditional investment principles in 2013 in order to enable its clients' asset portfolios, within the bounds of their risk profile, to benefit from positive markets.

Delen Investments has experienced further growth in revenue and net profits as a result of the increase in assets under management. The contribution of JM Finn towards Delen Investments' consolidated financial results rose slightly in 2013 to a contribution of EUR 4.6 million in the net result. Delen Investments' cost-income ratio decreased slightly to 54.8%.

Thanks to continued growth and positive markets, Delen Investments finds itself in a favourable position for 2014.

Equity capital (€ million)

Equity capitalTier one capital





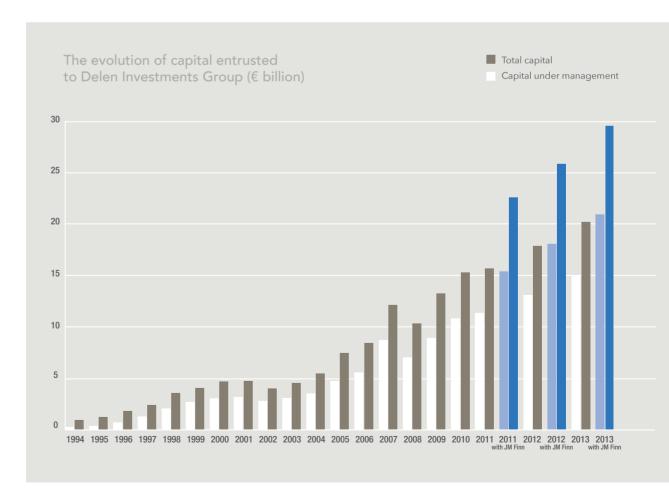
2014: focusing on growth

Both Delen Private Bank and JM Finn & Co will continue to strive to attract new capital, with a focus on the regions where their reputation is on the rise.

New employees who have come on board in Belgium and the United Kingdom in 2013 are already actively contributing towards this growth.

The further impact of the increase in assets under management on the Delen Investments group's financial results will become clear in 2014.

The Delen Investments group continues to evaluate external growth opportunities. However, the emphasis mostly remains on the successful implementation of the strategic initiatives to enhance the JM Finn & Co model. The group is convinced that its business model, which has developed at a steady rhythm in Belgium, is also applicable to other markets.



A balanced growth strategy

Delen Private Bank has grown steadily since 1936, true to our own identity and together with our clients. Over the years we have acquired various private banks and asset managers. Their teams are still part of the Delen Investments group today. Continuity is key to this growth strategy. A healthy structure and many years of experience have given Delen Private Bank a unique market position.

9	1936	André Delen establishes the Delen stock broker.
999	1975	The sons Jean-Pierre, Paul and Jacques Delen follow in their father's footsteps to head the brokerage firm.
	1989	The Delen holding company is listed on the Brussels stock exchange.
17	1990	Paul De Winter provides the impetus for discretionary asset management.
	1992	The Delen holding company merges with investment company Ackermans & van Haaren.
	1994	The company strengthens itself by acquiring Banque de Schaetzen in Liege and several listed companies in Brussels and Antwerp.
P	1996	Signature of a cooperation agreement with stock brokers De Ferm.
Bank J.VanBreda&C*	1997	Ackermans & van Haaren and the shareholders of Bank J.Van Breda & Co place their subsidiaries under the Finaxis holding company.
(13	2000	Acquisition of the stock broker Havaux further strengthens the position in Brussels.
7	2003	Reorganisation of the shareholder structure; the Delen family acquires a 25% share in Finaxis through Promofi.
	2004	Acquisition of the Luxembourg Axa subsidiary Banque Ippa & Associés, which became known as Banque BI&A.
99	2007	Merger of Capital & Finance with Delen Private Bank.

Local roots and market recognition

Delen Private Bank intentionally chooses a presence close to its clients. For this reason, more offices were opened countrywide from 2007. Our expertise and the quality of our management have been repeatedly recognised with awards over the years.

2007 Opening of new office in Ghent (Merelbeke).

 $\label{thm:eq:continuous} \mbox{Euromoney awards Delen Private Bank the title of 'Best Private Bank in Belgium'.}$

2008 Opening of the office in Hasselt.

Multiple awards for Delen Private Bank and Capfi Delen Asset Management, including 'Best Private Bank in Belgium' again.

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

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

2011 Majority shareholding in JM Finn & Co in London.

Euromoney awards Delen Private Bank the title of 'runner-up Best Private Bank in Belgium'. High score for Cadelam funds at the Fund Awards and in De Tijd.

Eric Lechien and Christian Callens join the Executive Committee.

2013 Delen Private Bank Ghent moves from Merelbeke to a renovated historical building at Coupure in Ghent.

The Brussels office at Tervurenlaan reopens after extensive renovations.

2014 Paul De Winter becomes the CEO of Delen Private Bank.
Jacques Delen becomes chairman of the Board of Directors of Delen Private Bank.
Jan Suykens becomes deputy chairman of the Board of Directors of Delen Private Bank.
René Havaux becomes deputy chairman of the Executive Committee of Delen Private

Alexandre Delen becomes a member of the Executive Committee and of the Board of Directors of Delen Private Bank.







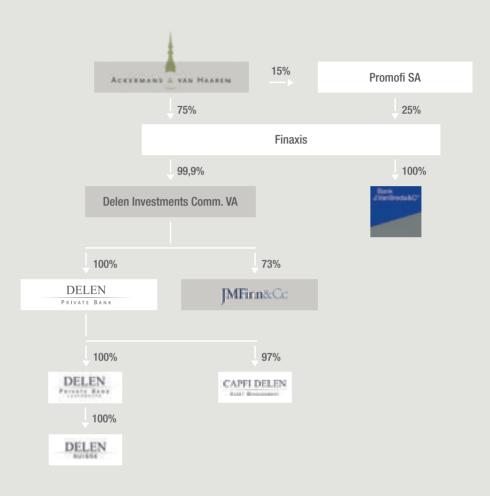








A strong financial group



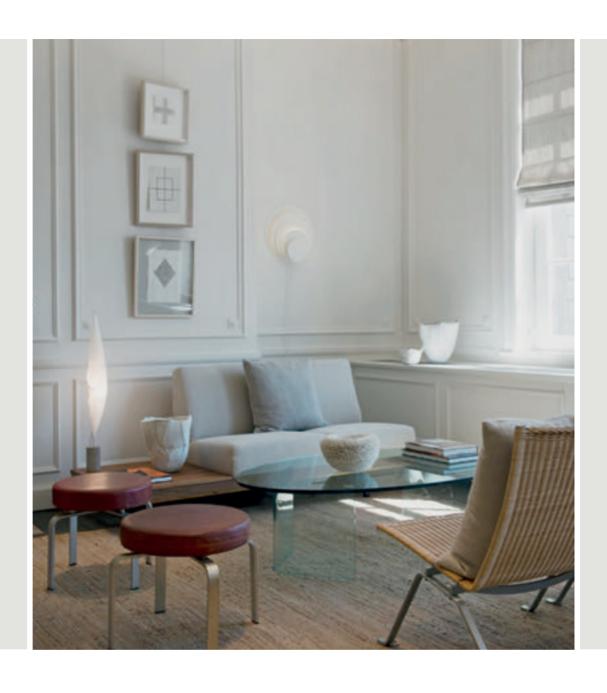
Delen Investments

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

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



All but a few of the shares of Delen Private Bank are held by Delen Investments. The shares of Delen Investments Comm.VA are, in turn, almost all held by Finaxis NV, incorporated in 1997. As a manager appointed under the articles of association, the Delen family and the AvH group each hold several shares in Delen Investments Comm.VA. Cooperation with Ackermans & van Haaren NV (AvH) started in 1992, when the Delen holding company merged with this Antwerp investment company.



As a reference shareholder, AvH currently holds 75% of the shares of Finaxis NV. The Delen family has a 25% participating interest in the capital of Finaxis NV through the company Promofi SA. AvH owns 15% of Promofi. Delen Investments' main participating interests are Delen Private Bank (100%) and, since 2011, JM Finn & Co (Ltd) (73.49% participating interest), a leading investment manager in the United Kingdom.

Delen Private Bank has two subsidiaries: Delen Private Bank Luxembourg SA and Capfi Delen Asset Management NV (Cadelam), an authorised asset management company for Collective Investment Schemes. Delen Private Bank Luxembourg SA holds 100% of the shares in Delen Suisse SA.

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

Ackermans & van Haaren



Ackermans & van Haaren is a diversified group and represented a turnover of EUR 5.7 billion in 2013. The group opts for a limited number of participating interests with growth potential.

Ackermans & van Haaren is active in five key sectors: Marine Engineering & Infrastructure (DEME, one of the largest dredging companies in the world - CFE and A.A. Van Laere, two construction groups headquartered in Belgium), Private Banking (Delen Private Bank, one of the largest independent private wealth managers in Belgium, and investment manager JM Finn 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 closed-end property investment company - Extensa, a major land and property developer focused on Belgium and Luxembourg, Energy & Resources (Sipef, an agro-industrial group in tropical agriculture) and Development Capital (Sofinim and GIB).

The AvH group represented an economical footprint with a turnover of EUR 5.7 billion in 2013, through its share in participations (including CFE), and employs 22,706 people.

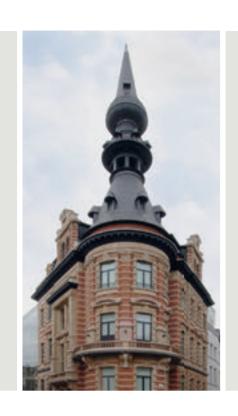
The group focuses on a limited number of strategic participating interests with significant growth potential and is led by an experienced, multidisciplinary management team. AvH is involved in the selection of top management and in defining the long-term strategy for its participations.

As an investor, AvH assumes the role of proactive shareholder. AvH concentrates on systematically creating value for shareholders through a long-term strategy.

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(in € '000)	Ackermans & van Haaren (consolidated)							
	2013	2012	2011	2010	2009	2008	2007	
Market capitalisation	2,852,596	2,085,852	1,930,762	2,092,890	1,741,504	1,219,287	2,244,293	
Equity capital	3,277,362	2,514,231	2,364,994	2,153,375	2,020,873	1,926,109	1,997,428	
Equity capital (share of the group)	2,251,539	2,003,267	1,882,631	1,711,350	1,595,501	1,517,147	1,580,059	
Net profit (share of the group)	293,901	167,343	177,506	160,804	117,450	114,558	241,390	

(in € '000)	Finaxis (consolidated)							
	2013	2012	2011	2010	2009	2008	2007	
Equity capital	921,418	852,926	785,769	613,549	547,768	486,177	437,275	
Net profit (share of the group)	1116 U23	89,950	111,857	79,553	56,532	51,046	57,890	



Bank J. Van Breda & C°

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



Bank J.Van Breda & C° is known today for its successful niche strategy and the strict definition of its target group: it is solely for entrepreneurs and professionals.

Every self-employed person knows it is necessary to accrue pension capital to be able to comfortably maintain their lifestyle later. Whoever simply relies on the value of their company, practice or office for this purpose is taking a considerable risk. The Bank assists its clients in accruing and protecting sufficient wealth to become financially independent and able to maintain their lifestyle in the long term.

Clients can rely on a wide range of financial products and services, both privately and professionally, throughout their life. Some 150 account managers ensure an entirely personal approach, always monitoring the long-term interests of their clients.

Bank J.Van Breda & C° was not affected by the banking crisis and never had to rely on State aid. On the contrary, the Bank has considerable equity capital and already complies with all the requirements that the regulator has set for 2019.

Bank J.Van Breda & C° has a national network of 39 branches in Flanders, Brussels and Wallonia. Everyone works with the same mission everywhere: the best partner in wealth development for entrepreneurs and professionals.

(in € '000)	Bank J.Van Breda & C°					
	2013	2012	2011	2010	2009	
Total invested by clients	9,017,851	8,010,469	7,469,140	6,368,943	5,644,268	
Client deposits	3,683,174	3,424,426	3,453,279	2,596,766	2,358,533	
Off-balance sheet products	5,334,676	4,586,043	4,015,861	3,772,177	3,285,735	
Total private lending	3,455,495	3,306,419	3,043,941	2,631,339	2,328,371	
Group equity capital	447,907	427,267	394,969	258,620	243,667	
Net income	31,546	27,739	54,880	25,664	23,317	
Cost-income ratio	59%	58%	61%	57%	60%	
Staff	466	465	462	418	399	



JMFinn&Co (Ltd)

From a traditional listed company to a modern investment manager

JMFinn&Co



Back row from left to right:
Paul De Winter, Hugo Bedford,
Gregory Swolfs, Charles Beck,
Eric Lechien
Front row from left to right:
Simon Temple Pedersen, Jacques
Delen, James Edgdale, Steven
Sussman, Paul Dyas

The acquisition of 73.49% of the London investment manager JM Finn & Co Ltd in 2011 was an important step for the Delen Investments group. At the end of 2013, JM Finn & Co had EUR 9,326 million (GBP 7,775 million) in assets under management, of which 63% were under discretionary management. The growth in assets under management and the percentage under discretionary management compared to the end of 2012 confirms that JM Finn & Co is a healthy company with potential for growth.

JM Finn & Co's position in the attractive British onshore investement management market, combined with the drive and experience of Delen Private Bank must allow JM Finn & Co to grow further and evolve into a prominent player on the English investment management market.

At an operational level, 2013 was a very busy year for JM Finn & Co. A new software system was implemented and important initiatives were introduced to comply with the stricter compliance environment. Cooperation with Delen Private Bank intensified and various steps were taken to support the evolution of JM Finn & Co's business model into a more efficient one. One of those steps was the creation of a JM Finn patrimonial investment fund to enable JM Finn & Co to start its Coleman Street Investment Service. JM Finn & Co's executive committee now has the important task of ensuring that the strategic initiatives and priorities will be gradually and successfully implemented from 2014. These will allow JM Finn & Co to evolve further from a traditional listed company into a more efficient and modern asset management company, without affecting the trust that exists between asset managers and their

clients. Where relevant, JM Finn & Co will still be able to make use of Delen Private Bank's experience and infrastructure. The Delen Investments group fully supports JM Finn & Co in the challenge to combine a successful growth strategy with necessary improvement of profit.

JM Finn's net result in 2013 was GBP 6.3 million. JM Finn & Co's contribution towards the group's net result was EUR 4.6 million (after client amortisation expenses and 26.51% minority interests, collectively totalling EUR 2.9 million). As JM Finn's current cost-income ratio is 85%, the contribution to net profit is more modest than the contribution towards assets under management and gross operating income.

(in £ '000)	JM Finn & Co
	2013
Assets under management	7,775,000
Of which descretionary	4,905,000
Equity capital	27,353
Gross operating income	56,947
Net result	6,316
Cost-income ratio	85%
Staff (FTEs)	298

Management and supervision Delen Private Bank

Executive Committee

All members are appointed by the board of directors, of which they are also members.

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

The current composition of the Executive Committee is as follows:

Chairman

Jacques Delen (until 1 July 2014)

Members

Christian Callens
Filips De Ferm
Alexandre Delen (from 1 July 2014)
Paul De Winter (until 1 July 2014)
(chairman from 1 July 2014)
René Havaux (until 1 July 2014)
(deputy chairman from 1 July 2014)
Eric Lechien
Arnaud van Doosselaere
Bernard Woronoff

Board of Directors

The Board of Directors of Delen Private Bank is responsible for determining the general policy of the Bank and for supervising the Executive Committee. The board members each have a wealth of experience and they assess the policies and performance of the Bank from different angles.

Chairman

Jan Suykens (until 1 July 2014) (deputy chairman from 1 July 2014)

Directors

Tom Bamelis Luc Bertrand

Christian Callens

Paul Delen

Filips De Ferm

Alexandre Delen (from 1 July 2014)

Paul De Winter

Piet Dejonghe

Eric Dekeuleneer

Michel Delbaere - independent director

Jacques Delen (chairman from 1 July 2014)

René Havaux

Carlo Henriksen (until 17 April 2014)

Eric Lechien

Mark Leysen

Pierre Sureda

Arnaud van Doosselaere

Bernard Woronoff

Dirk Wouters (from 17 April 2014)



Alexandre Delen, member of the Executive Committee and of the Board of Directors from 1 July 2014.



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

Audit Committee

An Audit Committee has been established within the Board of Directors that is responsible for monitoring the financial reporting process and compliance with administrative, legal and tax requirements, and for defining internal audit procedures. It is comprised as follows:

Chairman Luc Bertrand

Members Michel Delbaere Jacques Delen (from 1 July 2014) Jan Suykens

All the directors of the audit committee have the necessary accounting and audit expertise.

Luc Bertrand graduated from K.U. Leuven as a business engineer in 1974. He worked for BankersTrust Co in New York, Amsterdam and London until 1986 (Vice President, North Europe Area Manager). In 1985 he was appointed a director, and in 1987 the administrative and financial director of Ackermans & van Haaren N.V. He has chaired the Executive Committee of Ackermans & van Haaren N.V. since 1996 and is also the chairman of Finaxis. He holds various directorships within and outside the Ackermans & van Haaren group, and has also been appointed an independent director at Schröders and ING Belgium. Luc Bertrand also used to be a director of Banque Indosuez Belgique and of Generale Bank Belgium until its acquisition by Fortis.

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

Jacques Delen qualified as a stock broker in 1976. Jacques Delen will become the chairman of the Board of Directors of Delen Private Bank from 1 July 2014 and chair the Executive Committee until that date. In 1992, he was appointed director of Ackermans & van Haaren and has been chairman of the Board of Directors since 2011. He is also director of the listed plantation group Sipef and Bank J.Van Breda & C°.

Jan Suykens holds a degree in applied economic sciences and obtained an MBA from Columbia University in New York. He started his career in Corporate & Investment Banking at Fortis Bank as CFO. He has been a member of the executive committee of Ackermans & van Haaren since 1990. He holds various board mandates within the Ackermans & van Haaren group and has also been appointed as independent director of Baloise Belgium.

Statutory auditor

Delen Private Bank has appointed E&Y auditors as Statutory Auditor:

E&Y auditors BCVBA, with Mr Pierre Vanderbeek as its legal representative De Kleetlaan 2, B-1831 Diegem. ■



Guy Baekelmans



An exceptional 2013

Delen Private Bank can look back on a splendid 2013. Our absolute focus on wealth management, intensive risk management and transparency towards our clients was rewarded with a new record amount of assets under management.

Delen Private Bank: the ideal partner for your wealth

Our prudent approach and attention to clients manifests itself at various levels. We are keen to alleviate them from financial concerns, we provide patrimonial advice to a multi-service level, build on solid returns and use transparent technology. Delen Private Bank is one of the few market players whose banking status focuses 100% and unambiguously on wealth management. Our centralised management, streamlined back office and superior IT systems mean that we work with a high degree of efficiency and a low cost-income ratio.

Our transparent approach is moreover appreciated by clients. We have seen an increasing interest in online consultations, since every client has 24/7 access to their portfolio and can check their status. This not only provides added security and reassurance, we also save on postage costs.

Our strong focus and efficient procedures translate literally into increased togetherness with our clients. We have, for instance, doubled client visits within just two years! We also share the positive sides of life with our clients: our participation in BRAFA (Brussels Antiques and Fine Art Fair) this year was an unprecedented success with more than 8,000 visiting Delen clients (out of a total of around 50,000 fair visitors!). Our cooperation with the Classic Event fair in Kortrijk has led to an increased client drive in West Flanders and enjoyment of our many cultural events.

Patrimonial management with a view to additional income

Due to ageing and ever-increasing life expectancy, one of our managers' tasks is guaranteeing additional income. In view of the inadequacy of statutory pension, we gladly assist clients in determining what financial resources they wish to have in the coming years. A regular withdrawal plan will ensure that they have the necessary money to live comfortably. In the meantime, our managers will attend to the appropriate and optimal investment of their capital.

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Delen Private Bank is one of the few market players whose banking status focuses 100% and unambiguously on wealth management.

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From left to right: Bernard Woronoff, Filips De Ferm, Paul De Winter, Arnaud van Doosselaere and René Havaux, members of the Executive

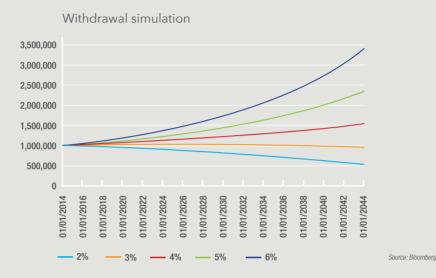












This graph shows the effect of a monthly withdrawal of €2,500 on an initial capital of €1,000,000, taking into account annual returns ranging from 2% to 6%.

The graph and table on pages 24 and 25 is a 'simulation of instalments'. Depending on the capital, the monthly

instalments and the time period, you can combine this additional income with further capital accrual. Every situation is different. Our managers will gladly discuss this with you, so you can rest assured that everything is under control. Because your quality of life is something we take very seriously.

For instance, an initial capital of EUR 1,000,000 and a monthly instalment of EUR 2,500 can even result in capital growth if the return on the capital investment exceeds 3%. The table on page 26 summarising our average returns for each strategy over the last five years shows that this well exceeds 3% for all our strategies. Our transparency and good relationship with our clients form the bedrock of this success.

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The combination of our disciplined organisation and total focus on patrimonial management has proved a success in this increasingly complex financial world.

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A successful business model!

Our business model is now regarded as excellent in financial circles. The combination of our disciplined organisation and total focus on patrimonial management has proved a success in this increasingly complex financial world. Our experienced directors moreover welcome the increasing number of unsolicited applications from enthusiastic employees of other financial groups. To us this is simply confirmation that the quality of our work and our long-term approach mean we are moving along the right path - the path that we intentionally plotted out and are consciously following.

2013: Emerging markets and their currencies face hard tests

Although 2012 ended positively for equities, bonds and currencies, the trend suddenly reversed again in 2013. The press reported on the first signs of tapering in May 2013 and triggered a turnaround in the financial markets. From May 2013, we witnessed increasing volatility and the start of adjustments in emerging markets. Latin American countries

Year	Date	2%	3%	4%	5%	6%	Withdrawa
	19/03/2014	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	2,500
	01/01/2015	992,350	999,775	1,007,200	1,014,625	1,022,050	2,500
1	01/01/2016	981,922	999,355	1,016,938	1,034,669	1,052,548	2,500
2	01/01/2017	971,286	998,923	1,027,064	1,055,715	1,084,876	2,500
3	01/01/2018	960,436	998,479	1,037,598	1,077,813	1,119,142	2,500
4	01/01/2019	949,370	998,020	1,048,552	1,101,016	1,155,466	2,500
5	01/01/2020	938,082	997,549	1,059,946	1,125,379	1,193,968	2,500
6	01/01/2021	926,568	997,063	1,071,792	1,150,960	1,234,780	2,500
7	01/01/2022	914,824	996,562	1,084,114	1,177,821	1,278,040	2,500
8	01/01/2023	902,846	996,046	1,096,928	1,206,025	1,323,898	2,500
9	01/01/2024	890,628	995,515	1,110,254	1,235,639	1,372,504	2,500
10	01/01/2025	878,166	994,969	1,124,116	1,226,733	1,424,032	2,500
11	01/01/2026	865,454	994,405	1,138,530	1,229,382	1,478,650	2,500
12	01/01/2027	852,488	993,826	1,153,520	1,333,664	1,536,544	2,500
13	01/01/2028	839,262	993,229	1,169,110	1,369,660	1,597,912	2,500
14	01/01/2029	825,772	992,614	1,185,324	1,407,455	1,662,964	2,500
15	01/01/2030	812,012	991,981	1,202,186	1,447,140	1,731,916	2,500
16	01/01/2031	797,978	991,327	1,219,724	1,488,809	1,805,508	2,500
17	01/01/2032	783,662	990,655	1,237,962	1,532,562	1,882,486	2,500
18	01/01/2033	769,060	989,962	1,256,932	1,578,503	1,964,608	2,500
19	01/01/2034	754,166	989,248	1,276,658	1,626,741	2,051,662	2,500
20	01/01/2035	738,974	988,513	1,297,176	1,667,391	2,143,936	2,500
21	01/01/2036	723,478	987,757	1,318,514	1,730,573	2,241,748	2,500
22	01/01/2037	707,672	986,977	1,340,704	1,786,414	2,345,428	2,500
23	01/01/2038	691,550	986,173	1,363,782	1,845,047	2,455,330	2,500
24	01/01/2039	675,106	985,345	1,387,784	1,906,612	2,571,826	2,500
25	01/01/2040	658,334	984,493	1,412,746	1,971,255	2,695,312	2,500
26	01/01/2041	641,226	983,614	1,438,704	2,039,130	2,826,208	2,500
27	01/01/2042	623,776	982,711	1,465,702	2,110,399	2,946,958	2,500
28	01/01/2043	605,976	981,781	1,493,780	2,185,231	3,112,030	2,500
29	01/01/2044	587,820	980,821	1,522,982	2,263,805	3,267,928	2,500
30	01/01/2045	569,302	979,834	1,553,352	2,346,308	3,433,180	2,500

This table shows the effect of a monthly withdrawal of €2,500 on an initial capital of €1,000,000, taking into account annual returns ranging from 2% to 6%.

suffered heavy financial losses and many currencies came under pressure. Although the negative impact on foreign exchange received less attention, many currencies (including the Australian dollar, Norwegian krone, etc.) recorded heavy losses. The Asian markets likewise could not escape the malaise and there was an outright exodus of capital from the emerging countries.

Thanks to our prudent approach and risk management, we were not too heavily invested in the countries that suffered under this new market context. We believe in the potential of emerging markets, but in those specific markets that have reached a certain level of maturity. The European economy has meanwhile found its second breath. The major turbulence in emerging markets and the fact that the old continent could disentangle itself from successive crises means the picture in Europe is less bleak.



Bert De Beul

	Return on our patrimonial funds for each risk profile						
	2009	2010	2011	2012	2013		
LOW	7.41%	3.80%	-1.42%	6.72%	1.82%		
MEDIUM	14.02%	6.22%	-3.07%	9.95%	4.55%		
HIGH	19.97%	9.40%	-8.35%	16.16%	9.42%		
FLEXIBLE	28.47%	6.36%	-6.44%	15.28%	11.68%		

2013: a splendid year for Delen Private Bank

Despite entering 2013 with mixed feelings, it turned into a splendid year for Delen Private Bank.

A new record was established with more than EUR 2 billion of new capital in our portfolio. This exceptional growth is also accompanied by a younger clientele. However, we have noted an increased willingness among our clients to make riskier investments. This attitude is the logical result of decreasing and consistently low interest rates and the search for a minimum desired return.

Our funds therefore remain one of the most ideal instruments for patrimonial management and transparently translate Delen Private Bank's long-term strategy.

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Corporate tax policy for private patrimonial companies is an integral part of our patrimonial management.

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This transparency gives our clients complete clarity and reassurance, which is key to both our and their success.

Patrimonial management includes more disciplines than ever. In addition to the proper management of capital, Delen Private Bank also ensures appropriate advice for legal issues. True to our philosophy, we always opt for maximum security and minimal risks. 2013 was characterised by two legal events: the last tax amnesty and the liquidation bonus. We expect or are hoping for a 'back to basics' tax evolution for 2014. In the meantime, we are advising our clients to make use of the advantageous tax policy on gifts, since passing on assets can still be done in a relatively tax-friendly manner. We also assist clients in relation to corporate tax policy, more specifically for private patrimonial companies. After all, they form an integral part of wealth management.

Arnaud van Doosselaere and Bernard Woronoff, members of the Executive Committee







Filips De Ferm, Paul De Winter and René Havaux, members of the Evecutive Committee

2014: against all expectations

2014 announced itself in surprising fashion. At the beginning of January, the consensus was clear and we noted an increased interest in equities to the detriment of bonds. However the opposite proved the correct choice at the end of February: the equities markets were very volatile, while bonds performed well. At present we are seeing a lasting uncertainty because the markets are literally trapped between deflation and growth. We moreover cannot ignore the lack of fundamental adjustments

in the market. Although the economic formulas are known, politicians continue to muddle along and structural reform is not forthcoming. We are seeing an increase in risks and new bubbles emerging at various levels. The escalating hype surrounding internet

equities and takeovers in the US raises our eyebrows and urges us to be particularly prudent. European equities on the other hand are correctly valued, while Asian markets are now cheap. We are thus waiting for the ideal time. We see little short-term potential for property. True to our philosophy of maximum risk management, we remain prudent and underweight in technologies and banks. We prefer defensive sectors and consumption.

Diversification as protection against increasing uncertainty

Local instability is increasing worldwide. Egypt, Thailand, Ukraine, etc. have suddenly become hotbeds of uncertainty and destabilised the financial markets. We are moreover seeing acceleration in such events with a direct impact on prices. Diversification thus forms the basis of healthy risk management.



Capfi Delen Asset Management 2013



Cadelam (Capfi Delen Asset Management) is part of the Delen Investments group, and is responsible for the management of funds principally promoted by Delen Private Bank. It is an FSMA-accredited Management Company of CISs (Collective Investment Schemes) and thus has a special fund management licence.

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These include equity, bond and cash funds, but primarily mixed funds.

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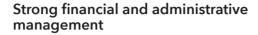


From left to right: Gregory Swolfs, Michel Vandenkerckhove, Chris Bruynseels and Patrick François, Executive Committee Cadelam (Capfi Delen Asset Management).

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A patrimonial fund is in fact an efficient packaging of a wide range of individual equities and bonds.

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Cadelam provides services to 40 sub-funds spread over more than 10 individual investment funds. This includes the administrative management of 10 units (more than EUR 600 million) outside the Delen group. Financial management is provided to almost 30 portfolios of the Delen group amounting to EUR 14.3 billion or almost one quarter more than at the end of 2012. Cadelam provides the administrative management for 14 of these 30 internal sub-funds. The rest are managed by Delen Private Bank Luxembourg. Cadelam is responsible for the risk management of each of these 40 sub-funds.

Delen Private Bank makes use of a number of funds for managing the assets under management of its clients. These include equity, bond and cash funds, but primarily mixed funds. The latter are also called patrimonial funds because the client often invests all or a substantial part of their movable assets in them. A patrimonial fund can in fact be seen as an efficient packaging of a coherent portfolio consisting of selected equities and bonds which the client - according to their needs - can buy a piece of in a very flexible manner and on a daily basis. Both the portfolio management and administration (coupon payments, splits, exchange, etc.) are monitored within the structure by two specialist teams.

Cadelam employs a strong team of portfolio managers/analysts to attend to the financial management of these funds.

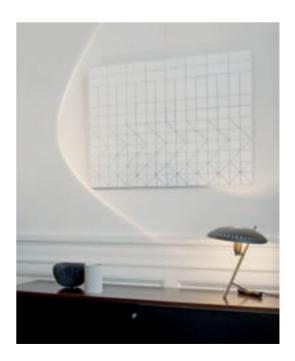
A further team of specialised accountants is responsible for the accounting, administration, audits and risk management of the different units.

Financial management involves decisions on asset allocation and specific investments according to the investment strategy and market conditions. Important elements for equities include the sector spread, geographic distribution and choice of individual equities. In case of bonds, the spread according to credit ratings, maturity and specific investment is important.

An investment committee formally considers these strategic choices several times a month. The committee members are in permanent contact with each other regarding practical implementation.

This approach with short lines of communication benefits the investor: the good results achieved in recent years, both as regards the return for the investor and inflow of new capital, are fine evidence of this.

Administrative management involves the accounting of the funds, calculating net asset values, processing entries and exits, preparing statistics, prospectuses, articles of association and annual reports, organising the boards of directors and general meetings, contact with the authorities (especially FSMA and CSSF) and external controllers (mainly auditors).



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The committee members are in permanent contact with each other regarding practical implementation.

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Permanent audits and monitoring are essential

A significant portion of time is also spent on the risk monitoring of portfolios and internal control of procedures. Risk monitoring is an extremely important aspect within the range of tasks of the management company. This relates to various aspects of how a sub-fund functions, including market risk, credit risk, settlement risk, currency risk, liquidity risk,

The content of the units is continually monitored to see whether the investments are adequately diversified to ensure optimal risk management. Investment funds are also subject to a strict regulatory framework imposed through European and Belgian legislation. These rules impose many investment restrictions that must be observed to protect the unit holders. The Risk Manager of the management company must assess these rules and report to fund administrators and fund managers, as well as the supervisory authorities (FSMA and CSSF).

The liquidity of the underlying securities is also a constant priority. Portfolios are reqularly subjected to a stress test to determine which part of the funds can be sold in one day, or how many days are needed to convert 20% to cash, for example, without excessive price losses.

Flexibility and fine results in 2013

2013 was a year in which equities markets nearly all performed well and where extra risk had to be chosen in the bonds segment in order to earn anything at all.

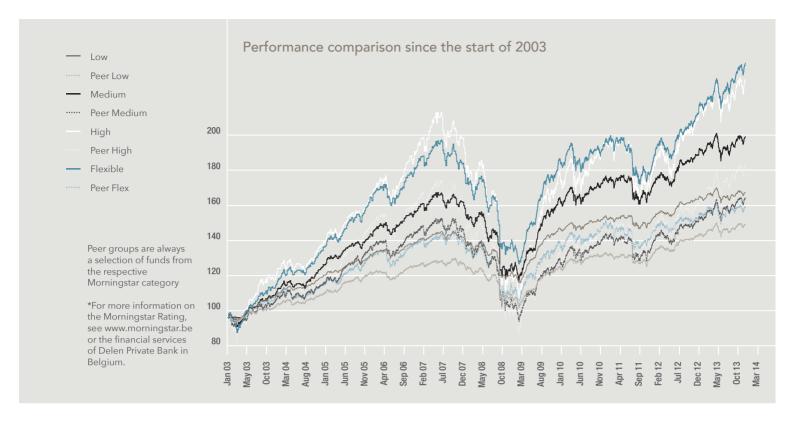
The American stock market with its already higher valuation performed particularly well again, while Europe could also post good returns; however the emerging markets, and thus also large parts of Asia, had to grapple with an exodus of investors due to Bernanke's monetary policy. The difference in return could extend to almost 30% depending on whether one chose for the US or Asia. Regional allocation was therefore decisive this year for the end result of investments.

Classic bonds from strong governments and healthy companies did not yield very much (between 1 and 3%). Better results could be achieved by opting for greater risk (lower credit quality, Mediterranean countries, and longer duration).

The content of the units is continually monitored to see whether the investments are adequately diversified to ensure optimal risk management. All assets expressed in foreign currencies (even the traditionally strong currencies such as Canadian or US dollars, Norwegian krone, British pound or Swiss francs) cost investors' money because of the exchange rate effect.

> " The liquidity of the underlying securities is also a constant priority.

		Cadelam Selection Funds				
Name		10-year actuarial yield	Morningstar Rating*	Investment Fund Sector (Morningstar)	M\range RNINE	
Low		3.85%	****	Cautious Allocation: 0-30% equities		
	Peer group Low	3.25%				
Medium		5.35%	****	Moderate Allocation: 20-50% equities		
	Peer group Medium	3.86%				
High		6.13%	****	Aggressive allocation: 40-90% equities		
	Peer group High	4.58%				
Flexible		6.87%	****	Flexible Allocation: 20-80% equities		
	Peer group Flexible	3.45%				



The significant added value that is created in the management of patrimonial funds lies, on the one hand, in our flexible handling of asset allocation based on a top-down (macro) approach and, on the other hand, in the strong convictions of the managers that must be translated in the portfolios through fundamental analysis (bottom-up or micro approach).

This flexible asset allocation means that equities, bonds and cash are actively moved around within the fund's risk profile, depending on market conditions. The asset allocation of a client with a defensive risk profile, for instance, will not permanently consist of 20% equities and 80% fixed-income investments. We will rather work with a portion of 0 to 30% in equities. If the valuation of equities and market sentiment turn, equity positions will be reduced or hedged in order to reduce the portfolio-related risks and volatility. Later, if conditions improve, the positions could be increased again. Studies have shown that more than 75% of long-term return is determined by asset allocation. Most of the long-term performance depends on whether the portfolio is invested in equities or bonds. Weighting within these asset classes will also be adjusted based on macro-economic data or sector-specific characteristics.

On the other hand, we are not bound in our active management of portfolios to reference indices or benchmarks. The weight of different sectors or countries in an index will be regarded as an indicator, but not a standard. The fact that the weight of financial equities in the indices amounts to around 25% does not mean that our portfolios must maintain the same weight, unless we feel comfortable with it.

The investment process also determines the portfolio content. Individual analyses and ratios will lead us to undervalued companies or attractive bonds. Our choice is always based on searching for a return that adequately compensates the risk taken. If we don't like it, we don't buy it.

Typical of our approach is that we do not necessarily follow fashion trends, that we dare to go against the grain now and then and that we also search for specific themes/asset classes that are not as well known or are less followed (e.g. the theme of dividend futures, convertible bonds or hybrid bond loans).

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Typical of our approach is that we do not necessarily follow fashion trends, that we dare to go against the grain now and then.

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2013: multitude of measures

Didier Willemssens, manager and Niklaas Claeysoone, senior patrimonial advice

In 2013 the government targeted fast, but partly also one-off income. A number of old piggy banks were slaughtered for this purpose: one last regularisation of foreign capital and a levy on accumulated corporate reserves. The increased withholding tax on fixed-interest investments also resulted in substantial additional income. Savers and entrepreneurs, in particular, were asked to make a significant effort. Both groups were extensively and directly targeted by the tax changes.

The implemented measures are moreover increasingly characterised by very short transitional periods. This is hard for taxpayers. It led to feelings of incomprehension, stress and discontent throughout the entire year. Citizens are appealing more than ever for a tax climate with more breathing space and particularly more stability.

Withholding tax: record income

Despite years of decreasing and currently exceedingly low interest rates, a record income from withholding tax of EUR 4.6 billion was achieved for 2013. This is an increase of 30% in relation to 2012 and 100% (double) in relation to 2008.

Entrepreneurs are feeling the tax increase on various fronts. These include an increase from 15% to 25% on the dividends of certain companies (including private limited companies) and from 10% to 25% on purchase bonuses and - from 1 October 2014 - on liquidation bonuses if the company is discontinued. A transitional arrangement for this increasing liquidation bonus offered the opportunity to still quickly distribute the historical reserves (accumulated corporate profits) at 10%, although with the requirement to then convert these into capital. The benefit of this was that

it quickly generated income for the State coffers and also ensured the continuity of the company. The time pressure imposed of only a few months shows just how quickly the government had to search for fresh money.

A lot has changed for investors and savers. They have lost the benefit of the reduced withholding tax rate on their VVPR (reduced taxation on investment income) equities and been faced with an increase of the rate on fixed-interest income to 25%. Investment funds without a European passport have been subjected to a 'retroactive withholding tax' (back to 2008) since July 2013, which was introduced and will be levied on part of the capital gain upon sale.



The last regularisation of foreign savings?

Approximately 22,500 files were regularised during 2013, the majority (17,000) of which were done before 15 July 2013, an absolute peak in the number of disclosures at 'Contactpunt Regularisaties'. Many taxpayers thus wished to regularise only their non-prescribed, undisclosed income (and thus not the underlying and often prescribed capital).

After 15 July and until 31 December 2013, the underlying, undisclosed capital could also be legally covered through a flat levy of 35%, even if the source fraud had prescribed. This gave immediate immunity from prosecution besides the tax cover and was an important guarantee for the ability to use capital and underlying peace of mind of those involved. As the scheme only really got going in October/November 2013, we feel that its full impact could not be achieved.

The expansion of preventive and repressive anti-money laundering legislation, which henceforth targets serious tax fraud (organised or otherwise) supported this more comprehensive cover on two levels: tax and criminal law. Due to increasing questions and uncertainty in the banking sector regarding the exact meaning of the concept 'serious tax fraud', Febelfin started proceedings for the first time in its existence to nullify this legislative expansion before the Constitutional

Court. This all demonstrates the relevance of the underlying concerns. The last regularisation round was again a budgetary godsend for tax revenue: EUR 1.9 billion or three times more than expected. However, this revenue is 'one-off' because the regularisation system was abolished on 31 December 2013. The question thus remains why this last system with a flat levy of 35% on capital could not have been given a longer lifespan, given that both the rate and the procedure have become somewhat entrenched. Can we assume that the last foreign file has been regularised? A new hunt will be on for those who have not regularised, involving intervention by the tax authorities and probably also the Public Prosecutor's Office.

Challenges for 2014

Savers and entrepreneurs have clearly made significant efforts once again and this will still be felt financially in future. In return they can rely on a stable and fair tax policy on capital in future because the imposed measures have been effective. The government would now best shift its attention and current focus on additional income to a structural clean-up and restriction of public spending. Hopefully that turning point will arrive quickly.

We are preparing within the patrimonial support department for some important changes in civil law matters in 2014. Changes to matrimonial property law and the succession law have been announced. As a result of this, the legal department may refocus its attention on estate planning.

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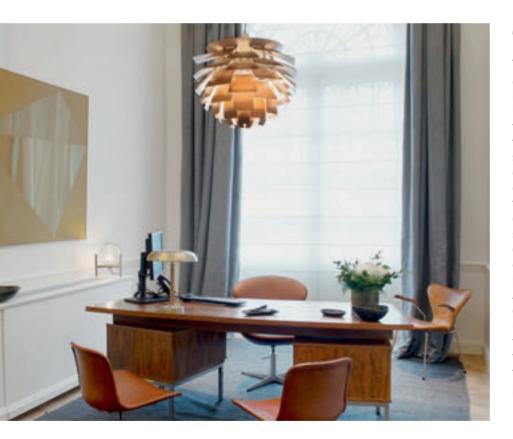
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Global economy 2013: an analysis

The global economy performed somewhat below expectations in 2013. It has meanwhile become clear, particularly for the Western economies, that measures to avert a depression should be scaled down.

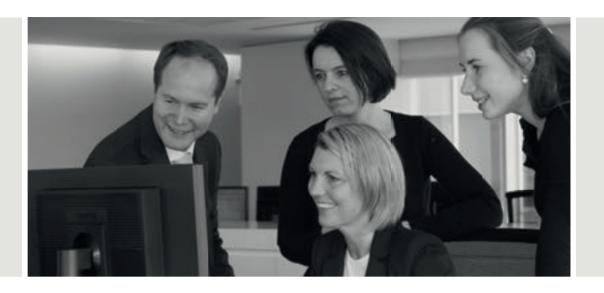


Global economy

The global economy grew by 3.1% in 2013, again somewhat less than expected. The recovery in the Eurozone, in particular, took longer than anticipated. In contrast, the drastic approach taken by Premier Abe to pull the Japanese economy out of its deflationary spiral in the past year has already proved successful. Although growth in China has slowed down further, this has been done intentionally to facilitate the transition to a more consumer-driven economy. However, this structural change has had an adverse effect on raw material prices because of decreased demand from China. Many countries that export raw materials, such as Brazil, Russia and Australia, have therefore felt pressure on their growth. The announced winding down of the rate of money creation in the US increased this trend. This has also led to the realisation that the stimulus implemented in recent years to protect the Western economies from a depression will ultimately have to be reversed.

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Roeselare Team:
Didier Vandoorne, Petra
Coussement, Katie Vandewiele
and Jolien Danneels

United States

The US has implemented the correct measures in recent years to successfully combat the debt crisis. Radical tax and monetary stimuli have enabled the private sector to noticeably reduce their debt. As a result of this, the housing market was able to recover, consumer spending picked up again, and the unemployment rate decreased to 6.7% in 2013. The industrial competitiveness of the US was also given a significant boost through the advanced exploitation of shale reserves. This mostly compensated for the negative economic impact of the necessary budget constraints, and growth of close to 2% was achieved. The government shutdown in October - for the first time in 17 years - ultimately had only a limited impact on economic momentum.

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Many countries that export raw materials, such as Brazil, Russia and Australia, have therefore felt pressure on their growth.

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Growth in the US is expected to reach at least 2.5% again, driven by further recovery in the private sector and less negative pressure from public cuts. Much will obviously depend on the impact of the monetary constraints placed on interest rates by the central bank. After all, in the middle of last year, it already seemed that the economy was possibly too vulnerable to be able to absorb increasing rates.

Eurozone

The Eurozone had a very difficult first six months. The vulnerability of the Eurozone was once again highlighted when tiny Cyprus managed to cause a major stir in European politics. This together with the political impasse in Italy weighed on sentiment and led to negative growth figures for many countries. Luckily this was reversed by the summer. Investor confidence in the government bonds of far more important vulnerable countries such as Italy and Spain was not affected, so the interest rates in those countries decreased further. This created scope to implement a number of essential economic reforms in those countries. The reduction of current account and government deficits led to increasingly better consumer and corporate sentiment. Growth therefore recovered slightly in the second half of the year, so the economic loss for the entire year was better than expected (-0.5%). It is anticipated that the foundation has been laid and that we can expect an average growth of 1% in 2014.

Despite this underlying progress, we are not yet through the crisis. Firstly, the Eurozone as a whole is still burdened by high unemployment, particularly in the peripheral countries, and this has increased dramatically among young adults. Secondly, the downward trend in lending has not yet been reversed and inflation is thus decreasing to a level that

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Despite this underlying progress, we are not yet through the crisis.

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Although we continue to believe in the promising long-term perspectives of the region, this will be accompanied by inevitable volatility and shocks.

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could indicate a growing risk of deflation. The fact that the central bank does not have the mandate to support economic policy simply through money creation once again highlights the need to take the right steps towards far-reaching European integration. Hopefully the ECB also realises that the risk of deflation has increased and is taking the right steps to combat it.

United Kingdom

As in the US, the UK maximally stimulated the economic recovery after the crisis began through monetary policy. This enabled them to work on improving government balance sheets. The budget deficit was reduced from 11.3% in 2009 to 6.1% in 2013. Job creation is surprisingly strong and this, coupled with higher house prices, has made consumers more positive about the future. This led to growth of almost 2% in 2013. Nevertheless, recovery is still weak from an historic perspective and the economy is taking longer to recover than after the Great Depression of the 1930s. It is thus important that interest rates are also kept low here, otherwise it is expected that higher growth will be difficult to achieve.

Eastern Europe

Growth remains below par for this region, although it is becoming clear that some countries will probably emerge strengthened from the crisis. As the largest market, Poland is seriously affected by the crisis and unemployment - which is currently at 13% has remained at a high level for some time. Although Hungary has a difficult two years behind it, its problems are not yet resolved. Nevertheless, there has been slight growth in 2013, with reasonable inflation. Russia has experienced a trend-related lower growth due to infrastructural restrictions and a poor business climate that growing energy production and exports have long been able to mask. The consensus is that there will be little change in 2014.

Latin America

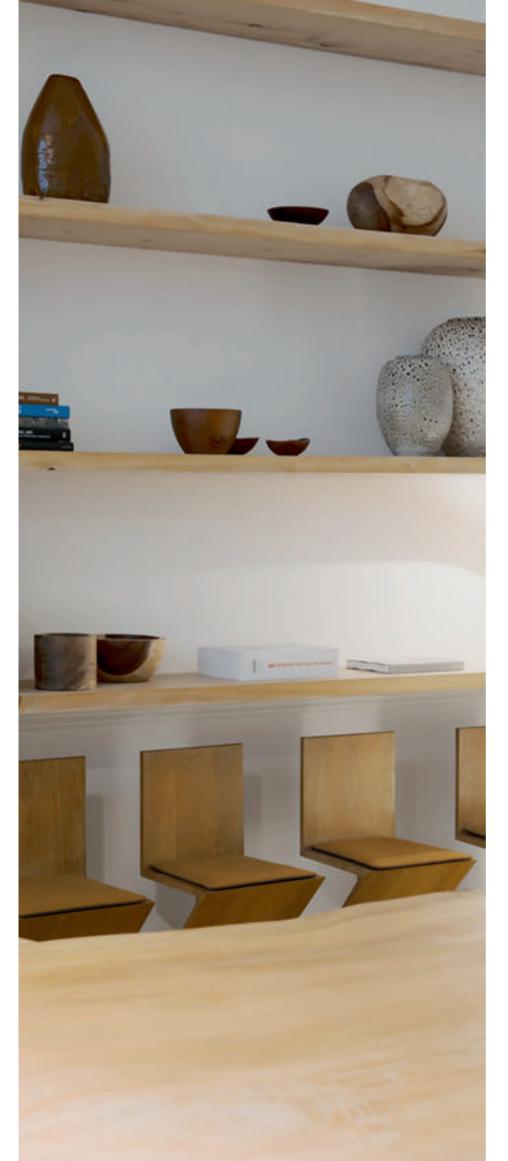
Brazil is by far the most important equities market in Latin America and this fell sharply again in 2013 (by 30%). The cause was twofold: firstly, increasing concern about corporate governance (government intervention in corporate decisions) and, secondly, weakening growth. A growth rate that falls sharply to 2%, while inflation takes hold at around 6%, is not healthy for an emerging country. Lower raw material prices are also a significant problem for a producing country such as Brazil.

Japan

Premier Abe's drastic approach, which aimed to pull the economy out of its deflationary spiral through three policy initiatives, was able to unblock economic growth in 2013 (+1.8% in 2013). The first two pillars, a significant budgetary impulse of around 1.4% of GDP and a doubling of the monetary base, went according to plan. The third pillar, i.e. structural reforms to reinforce the success of the first two pillars, does not seem to have been launched yet. The growth and inflation path is in any event strewn with slight margins of error. A long-term strategy also needs to be developed to bring the large government deficit (almost 10%) and high government debt (245%!) to a sustainable lower level.

Far East (excluding Japan)

In 2012, the markets were still concerned about inflation in China and now weaker growth is the problem child. Although monetary stimulus could have been increased somewhat, this is not necessary for the time being. Growth still lies at 7.6% and policymakers have clearly indicated that they also find quality and sustainability important. Some have already indicated that they can live with growth of 7% as long as this is more consumption-driven (instead of investment-driven, which was clearly the case in the last few years). The new government has already given hopeful signs that it is com-



mitted to a number of significant reforms (one-child policy, a freer market, economic zones, etc.).

India continues to struggle to get its inflation under control (currently about 11%). Growth is now at a minimal level (the latest figures show growth under 5%) and with higher interest rates (the ten-year rate is almost 9%), will probably remain under downward pressure. Although the country, together with China, ensures a strong demand for infrastructure works over the next few years, and perhaps even decades, the macroeconomic climate is currently less advantageous.

Many Asian countries grappled with outflows as a result of reduced money creation in the US. Countries with a current-account deficit or high external debt were confronted with higher interest rates and depreciation of the exchange rate. Although we continue to believe in the promising long-term perspectives of the region, this will be accompanied by inevitable volatility and shocks. Government balance sheets are more robust than during the Asian crisis at the end of the 90s and the American economy cannot allow itself, for the time being, to step any harder on the monetary brake.

Monetary policy

In the US, the base rate remained between 0 and 0.25% in the previous semester due to the difficult economic climate. At the end of May, Bernanke, who was the chairman of the **Federal Reserve** at that time, gave a first indication that they expect to reduce monetary stimulus (known as tapering) from September. After all, lending is picking up again and if the Fed were to do nothing, inflation could quickly increase. The markets reacted very negatively to the announcement with adjustments to equities and interest rates that soared to levels that we had not seen in a long time (but that still remained low in absolute terms).

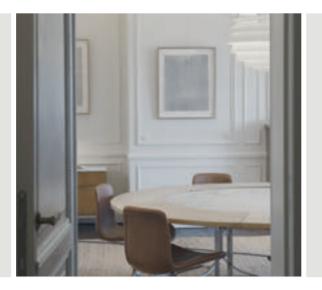
They finally decided to wait until December to start the tapering and the reaction was then rather positive. This is because they indicated that money creation would be reduced at a very slow rate and depend on economic circumstances. The short-term interest rate will also remain at its lowest level ever for a long time.

The ECB was faced with a reduction of its balance sheet because banks began to repay the LTRO loans that they received several years ago from the central bank. Together with the expansion of central banks' balance sheets in the US and Japan, this placed upward pressure on the euro and downward

pressure on inflation. The ECB is not overly concerned for now because it believes that the current economic recovery will manage to reverse the deflationary trend. This is a dangerous assumption and we hope that Europe will not shoot itself in the foot again that way.

The **Bank of Japan** kept interest rates at 0.10%. One of their main concerns is an excessively strong yen and their interventions in this area are continuing to have the desired effect. There was a more or less continuous and intentional weakening of the currency (-21% in 2013). The central bank's assets are well on the way to reaching 45% of GDP and monetary policy here can therefore be labelled as more flexible than in the other regions.

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 since 1694. When the Canadian Carney took office as Governor, this also signalled the start of forward guidance. In concrete terms, this means that clear quantitative criteria are given to the market, and these determine what direction is given to monetary policy. Monetary stimulus has been kept at the current level since the end of March.



Exchange markets

Because the ECB pursues a less aggressive most foreign currencies decreased in relation regard this time.

Asian currencies have the healthiest fundamentals but the outflows that many countries have had to contend with have caused a currency decline coupled with a current-account deficit in those countries. Many currencies have therefore lost considerable market share, such as the Indian rupee (-15%) and the Indonesian rupee (-24%). There are nevertheless significant differences in the region and volatility will probably not decrease quickly. It is noteworthy that the Chinese renminbi has shown considerable resilience and has only had to give up 1% in relation to the euro.

Investors also swallowed heavy losses on foreign currency positions in other regions. The Australian dollar declined by 18%, the Brazilian real by 17%, the Canadian dollar by more than 10% and the Turkish lira by as much as 21%. This latter currency has come under particular pressure these last few months because of increased political unrest.



The pertinent question, therefore, is whether the economy is already robust enough to be able to support a stronger euro. We thus expect that the ECB will have to take measures to halt the rise in the euro.



monetary policy than most other regions, to the euro, notwithstanding lower growth in the Eurozone. Tensions in the Eurozone remain limited, but we have only just started with reforms. The pertinent question, therefore, is whether the economy is already robust enough to be able to support a stronger euro. We thus expect that the ECB will have to take measures to halt the rise in the euro. As Germany is an export country, it will probably not have any veto right in this

> France has the greatest demand of the entire Eurozone after Italy for 2014. For the first time in seven years, investors in Belgian state securities lost money in 2013 and that applies to most investors in state securities. Only those who dared to invest in weaker European countries could ultimately show good returns.

Bond markets

The corporate bond market performed well and as a result the yields have now become less attractive again. The interest rate differential with government bonds came in at a slightly lower level from the end of 2012, but the returns compared to other asset classes are still acceptable, given the more limited risks associated with this asset class.

Long-term interest rates bounced back from

the end of June to a level of around 3% in

the US and 2% in Germany. Because of the

lower risk aversion, a healthy convergence

of European countries. Ireland pried itself

loose from the IMF's infusion by issuing

could be observed among the interest rates

bonds on the market. They were able to pla-

ce long-term securities and the difference

with Germany decreased from 3% to 1.5%.

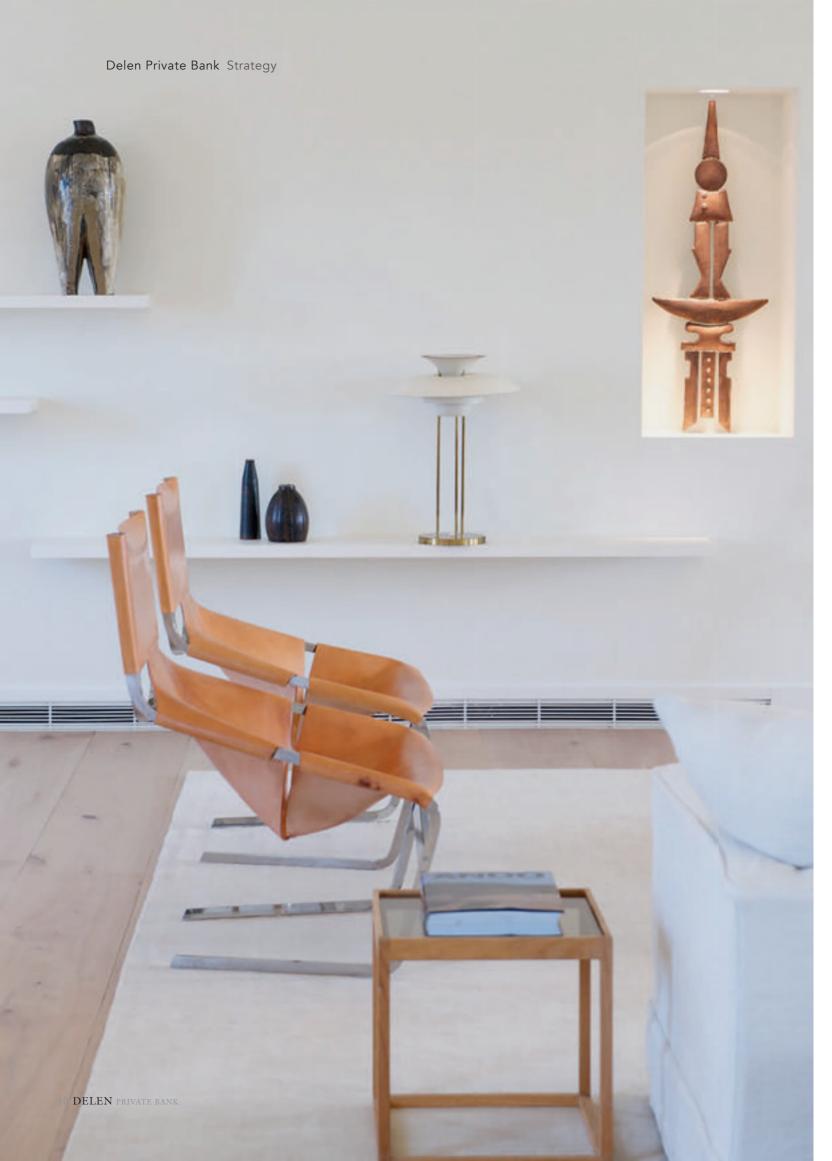
For the first time since 2005, Belgium paid

less than France on ten-year securities, while

The introduction of perpetual bonds continued strongly with more than a doubling of the market size in 2013. On the face of it, this is still a very young market, but it is already clear that it has performed excellently over the last three years. It was possible to diversify further by sectors (the telecom sector, in particular, was very active) and regions (the first Asian player launched a perpetual bond). Combined with a stable legal framework and interest among a larger group of investors, these instruments have earned their place in many investment portfolios.



Amaury Peers, manager.



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Equity markets

It was a volatile year: first prices rose briskly until mid-May and then lost significant ground in June when the Fed announced that it would reduce money creation later that year. However, when it became clear that this would happen gradually and short-term interest rates, in particular, would still remain very low for several years, optimism returned and the world index was even able to close the year with a profit of 19%. Markets in the US (+24% in euros) and Japan (+23% in euros) are the driving force, but even Europe could hitch its wagon this time with a profit of 18%. Markets in the emerging countries performed very weakly. In euro terms, the Latin American region was under particular currency pressure with a loss of 19% and Asia (excluding Japan) had a loss of 4%. Corporate results have evolved less favourably, but a normal level of profitability has been attained and financing costs are very low (if one is able to finance through the bonds market). Profits and turnover are under pressure in all regions. It is noticeable that business figures in Europe are far worse than in the US, but market expectations have already been adapted accordingly. Valuations remain at attractive levels in emerging countries but are high in the United States. Europe occupies the middle ground between these two zones.

Strategy of Delen Private Bank

Opting for corporate bonds with a short duration

We continue searching within the various asset classes for the securities that offer the most favourable yield perspectives for the associated risk. In view of the extremely low interest rate, we cannot expect too much from cash or strong government bonds. We therefore continue to prefer corporate bonds, but after their excellent performance the last few years, we no longer expect large profits. At the current interest rates, we also resolutely opt to keep our average duration as short as possible. The present economic climate with its many uncertainties and low growth forces us to opt for secure companies and countries.

Within that selection of issuers, we selectively try to achieve additional return through perpetual bonds.

Shifting the focus to equity markets

Our focus has therefore gradually shifted to opportunities in the equity market. Valuations have fallen to an historic low, particularly in Europe and Asia, implying that the risks are more than adequately factored into the prices. Since the summer of 2012, we have started to increase the low equity weight in these regions for the first time in a long time. With our management philosophy in mind, we have not rushed but have rather followed the gradual route so the portfolios will be optimally invested once this crisis is over. We currently feel comfortable with a neutral weight in equities.

Concerned and cautious

Although we are seeing an improvement in many areas, there are still many risks that oblige us to remain cautious.

Europe continues to move towards greater integration and this takes the pressure off countries such as Spain and Italy. The flip side of the coin is that these countries are still grappling with a number of problems, such as 25% unemployment in Spain and government debt of more than 130% in Italy. The US is attracting growth. The challenge here is to make government finances fundamentally healthy again in the long term and to gradually remove the radical monetary stimulus from the system. There is thus still a long way to go. The markets are not very concerned about this at the moment, but we are



Paul Joostens

Financial overview 2013

Delen Private Bank and JM Finn & Co achieve solid growth



Fric Lachian CEO

The assets under management of the Delen Investments group reached a record level of EUR 29,536 million at the end of 2013. Both Delen Private Bank and JM Finn & Co contributed towards this growth of 14.2% (end 2012: EUR 25,855 million).

Cautious investment strategy inspires confidence

The strong growth at Delen Private Bank, where assets under management rose from EUR 17,884 million (2012) to EUR 20,210 million (2013), resulted from the positive impact of financial markets on its client portfolios and a substantial organic growth from both existing and new private clients. The constant inflow of assets, to which all Belgian branches contribute, reflects the confidence that clients have in Delen Private Bank and confirms its leading position in discretionary asset management in Belgium. Both the cautious investment strategy and dynamic and prudent management model continue to prove their added value.

The assets under management at the British investment manager JM Finn & Co (Delen Investments 73.49% since September 2011) increased from EUR 7,971 million (GBP 6,505 million) at the end of 2012 to EUR 9,326 million (GBP 7,775 million) at the end of 2013. This mainly resulted from the positive impact of the financial markets, particularly the British and American markets, on client portfolios, and was to a lesser extent the result of organic net growth.

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

The gross revenue of the Delen Investments group rose to EUR 255.2 million, with JM Finn & Co's share amounting to EUR 67.6 million. This increase of 18.8% in the group's revenue (21.4%, excluding JM Finn & Co) compared to the previous financial year is primarily due to the higher level of assets under management. Operating expenses increased by 16.6% (25.9%, excluding JM Finn & Co). At the end of 2013, the group had 552 members of staff, 254 of whom worked at Delen Private Bank and 298 at JM Finn & Co. The rise in expenses at Delen Private Bank results mainly from the necessary support of the growing activity. The recruitment of commercial staff led to higher staff expenses and the occupation of two renovated office buildings in Brussels and Ghent meant higher depreciation. The increase in value of securities in custody also led to an increase in custodians' fees. The increased expenses at JM Finn & Co can mostly be explained by the rise in staff expenses among commercial staff. The cost-income ratio is very competitive at 54.8% (only 42.4% at group Delen excluding JM Finn & Co, 84.5% at JM Finn & Co) and decreased slightly compared to the previous year (55.2% in 2012). Net profit amounted to EUR 76,0 million in 2013 (compared to EUR 62.6 million in 2012). JM Finn & Co's contribution towards the group's

	Delen Investments (consolidated) in € '000				
	2013	2012	2011	2010	2009
Assets under Management	29,535,684	25,855,182	22,570,394	15,272,179	13,242,868
Equity capital (share of the group)	464,073	414,513	364,280	344,089	303,597
Net result (share of the group)	76,033	62,617	57,171	54,281	34,570
Cost-income ratio	55%	55%	44%	42%	48%
Staff (FTEs)	552	551	530	232	214

	Delen Private Bank (consolidated) in € '000				
	2013	2012	2011	2010	2009
Assets under Management	20,210,082	17,884,164	15,666,179	15,272,179	13,242,868
Of which is under discretionary management	15,055,760	13,112,775	11,376,611	10,819,499	8,901,127
Total group investment funds	14,220,158	12,096,877	9,403,398	8,709,091	7,625,547
Equity capital (share of the group)	255,488	255,602	217,731	217,488	182,051
Gross income	182,224	155,533	149,743	141,193	103,442
Net result (share of the group)	78,845	62,829	59,618	54,704	35,962
Cost-income ratio	37%	39%	38%	40%	47%

net result was EUR 4.6 million (after client amortisation expenses and 26.51% minority interests of EUR 2 million).

The consolidated equity capital of Delen Investments amounted on 31 December 2013 to EUR 464.1 million (compared to EUR 414.5 million on 31 December 2012). This amount already takes into account the JM Finn management option to sell the remaining equities (valued at EUR 33.6 million) after some time to the Delen Investments group. The group's tier one equity (taking into account intangible fixed assets of EUR 248.6 million, of which EUR 53.5 million is clients of JM Finn & Co) amounted to EUR 190.3 million at the end of the year (compared to EUR 159 million at the end of 2012). The Delen Investments group is well capitalised and easily complies with the Basel II and Basel III equity capital requirements. The Core Tier 1 capital ratio was 25.3% at the end of 2013 and lies well above the industry average, taking into account the acquisition of the participating interest in JM Finn & Co and the long-term commitment to buy out JM Finn & Co's minority shareholders. Delen Investments has a solid and easy-to-understand balance sheet. Cash balances continue to be conservatively invested at the National Bank of Belgium, in high-grade government securities (no PIIGS exposure), in the short term at high-quality

banks or in quality short-term commercial paper of blue-chip companies.

The impact of the Basel III rules will be limited for Delen Investments, as the group's capital consists solely of Core Tier 1 capital, the portfolio is conservatively invested and the group's ratios already comfortably exceed future requirements. The return on average equity capital amounted to 17.3%, which is a very satisfactory figure.



Karel Maes

Operational overview 2013 Delen Investments group

2013 was generally considered a good year on the financial markets. Equities performed well except in certain emerging Asian countries. Bond yields remained at a very low level, with the exception of bonds from weaker companies and countries, which evolved nicely in 2013.

Further diversification

Delen Private Bank applied its traditional investment principles in 2013 in order to enable its clients' assets, within the bounds of their risk profile, to benefit from positive markets. This was also the case at JM Finn & Co, where client portfolios with on average a stronger weighting in equities were able to benefit from the positive market conditions in Anglo-Saxon countries. Due to weaker bond yields, it was a year in which portfolios with a low risk profile were less rewarded. At the start of 2013, Delen Private Bank reduced the cash and bond portions of client portfolios under discretionary management in favour of equities, in order to be able to participate in the market growth in different geographical regions. As a result of the high valuation, exposure in the US was relatively low compared to Asia.

The bond portion of the portfolios remained mostly invested in short-term investments in strong companies and countries, but with a more dynamic contribution from investments in perpetual bonds. With a view to better diversification, investments in strong currencies outside the Eurozone had been implemented in the last few years. The discretionary management of the Delen Investments group is based on experience and long-term perspective. In 2013, Delen Private Bank was unable to take full advantage of certain opportunities, such as the strong performance of American equities and the euro. However, Delen Private Bank continues to stand by its cautious investment philosophy and is convinced that this approach will continue to make the difference in the long term.

JM Finn & Co, which performed strongly due to greater exposure to Anglo-Saxon equities, is also convinced of the advantages of further diversification and expanding knowledge in bond markets, so as to be able to better serve clients with a lower risk portfolio.

More management mandates and local dynamics

In 2013, Delen Private Bank continued its strategy of optimising the quality and efficiency of its investment management by increasing the percentage of discretionary mandates. By the end of 2013, 74% (EUR 15,056 million) of assets under management were discretionary managed directly or managed through our patrimonial investment funds. This now represents more than 16,500 client relationships. Even in its leading position, Delen Private Bank continues to gain market share in the Belgian private banking sector, due to the strong growth of assets from private clients.

The development of the Bank's local roots is paying off. More than two-thirds of the net inflow of capital is generated by offices outside the headquarters in Antwerp. This encourages Delen Private Bank to invest further in staff and infrastructure, in order to be able to better receive and serve its clients. The reopening of the renovated offices in Brussels and Ghent was successful and created a renewed dynamic. Further investments are planned in Liege and Hasselt.



Joined forces

Bank J.Van Breda & C° made a significant contribution towards the results of Delen Private Bank through its 39 offices. On 31 December 2013, Delen Private Bank managed EUR 3,036 million on behalf of clients introduced through the Bank J.Van Breda & C° network. Delen Private Bank is also responsible for the securities administration of Bank J.Van Breda & C° (EUR 470 million). In this way, Bank J.Van Breda & C° represents approximately 17% of the total assets managed at Delen Private Bank.

The acquisition of 73.49% of the London investment management company JM Finn & Co Ltd. in 2011 was an important step for the Delen Investments group. At the end of 2013, JM Finn & Co had EUR 9,326 million (GBP 7,775 million) in assets under management, of which 63% were under discretionary management. The growth in assets under management and the percentage under discretionary management compared to the end of 2012 confirms that JM Finn & Co is a healthy company with potential for growth. JM Finn & Co's position in the attractive British onshore investment management market, combined with the drive and experience of Delen Private Bank must allow JM Finn & Co to grow further and evolve into a prominent player on the English investment management market.

At an operational level, 2013 was a very busy year for JM Finn & Co. A new software system was installed and important initiatives were introduced to comply with the stricter compliance environment.

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Even in its leading position, Delen Private Bank continues to gain market share in the Belgian private banking sector, due to the strong growth of new private assets.

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Cooperation with Delen Private Bank intensified and various steps were taken to support the evolution of JM Finn & Co's business model into a more efficient one. One of those steps was the creation of a JM Finn patrimonial investment fund to enable JM Finn & Co to start its Coleman Street Investment Service. JM Finn & Co's executive committee now has the important task of ensuring that the strategic initiatives and priorities will be gradually and successfully implemented from 2014. These will allow JM Finn & Co to evolve further from a traditional listed company into a more efficient and modern investment management company, without affecting the trust that exists between investment managers and their clients. Where relevant, JM Finn & Co will still be able to make use of Delen Private Bank's experience and infrastructure.

The Delen Investments group fully supports JM Finn & Co in the challenge of combining a successful growth strategy with necessary improvement of profit.

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At the start of 2013, Delen Private Bank reduced the cash and bond portions of client portfolios under discretionary management in favour of equities, in order to be able to participate in the market growth in different geographical regions.

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Design and confidentiality



It is a true honour for us to receive clients, employees and other business acquaintances in a pleasant, exclusive setting - it is even a part of our DNA. Our buildings and office space are carefully selected to be able to reflect the 'house style' that we wish to promote as a wealth manager. Stylish interiors with an eclectic mix of selected furnishings, fittings and mostly Belgian art form the basis of the family ambience in which we look forward to welcoming you. Every refurbishment, renovation and fitting-out is the result of the dedicated efforts of the mother-and-daughter team of Marie-Alix and Anne-Sophie Delen. Their experience and boundless knowledge on the subject of interior design and art define the signature style of Delen Private Bank.

Family and artistic background

Anne-Sophie, who is also responsible for marketing, shares her mother's passion for decor and art. Some 28 years ago, Marie-Alix transformed the very first branch in Antwerp into a pleasant work environment for colleagues and a stylish, but above all, homely and warm area for receiving clients. The feel for aesthetics is passed on by the ladies in this family from generation to generation. This passion was continually fuelled by travelling, reading and visiting fairs and exhibitions together.

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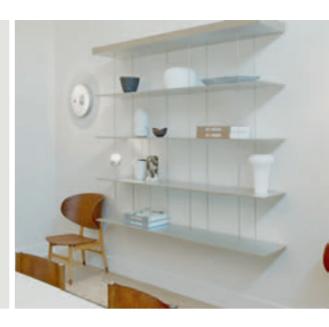
It is a true honour for us to receive clients, employees and other business acquaintances in a pleasant, exclusive setting - it is even a part of our DNA.











Sophisticated interior

Furniture for office space is always selected with care: Belgian, Italian, French and Scandinavian design, with impressive works of art to add to the effect. Jules Wabbes, Poul Henningsen, Hans J. Wegner, Jacobsen, Poul Kjaerholm, Serge Mouille, Angelo Brotto, Jean Nouvel, etc. ... all gleaned from various locations. Both ladies make use of their sound knowledge to acquire unique pieces for a reasonable price.

Thanks to the passion for art of Mr Filips De Ferm, member of the Executive Committee, some walls are colourfully decorated by often-borrowed paintings, of Belgian artists, mainly from the 1950s, including Alechinsky, Dan Van Severen, Van Hoeydonck, Swimberghe, De Sauter, and others. This allows the various rooms to have an authentic, family ambience.

Different architectural firms are hired to renovate the buildings. They ingeniously succeed in integrating modern, light-filled spaces into historical buildings, as recently happened in Ghent and Brussels.

Supporting culture

The aim over time is to renovate and stylishly fit out all of our branches with a refined selection of furniture and artworks on a tight budget. The ladies also try again here to lend a personal and contemporary character to these buildings. This art-loving approach and vision reflect Delen Private Bank's philosophy of transparency and simplicity in an intimate and, above all, confidential atmosphere. Due to this commitment, many collections can still be seen in their own country, which demonstrates that a private bank can perfectly combine asset management with design and art.

Mood book as guide

A large log book is kept for each branch. A ground plan of every space forms the basis and all measurements of windows, doors, panelling, etc. are noted down to the last detail. A particular atmosphere is determined for every lounge, office, kitchen, hall and furniture, lighting, colours, painting techniques and fabrics are then allocated to each individual space. This is an inventive and creative process of searching, choosing, sticking and scrapping ideas and then starting all over again, which can take up weeks. In fact, a refurbishment or renovation can often take a few years. In the last phase of this process, the 'decor ladies', receive invaluable help from the Bank's logistics team that puts it heart and soul into carefully moving and finally installing each item. The delighted faces of both the employees and clients are therefore the best form of reward and motivation.

Continuing to inspire

The various offices of Hasselt and Liege will continue with this design work in 2014. But the story is a new one every time and the inspiration never ends: the upholstery of an office is replaced by a new, fresh fabric; a new work of art is put up in the entrance hall ... the spaces change, live and evolve in step with our employees and clients.

The numerous exhibitions, concerts and events also ensure that our branches are warm and open houses where people can always look forward to meeting one another.

And you, too, are always welcome to come visit us.

As the branches in Brussels and Ghent have been renovated and adapted, Delen Private Bank also wishes to continue working towards a better reception area for clients in the other branches. Works are planned in the cities of Liege and Hasselt for 2014.



Banner with view of the façade of the renovation project in Liege

Delen Private Bank's office in Liege is a historical building that is well known to the city's inhabitants. Our duty here is to amalgamate old and new without doing any injustice to the building. The project was preceded by a two-year study to ensure that no aspect would be overlooked. The ground floor will have a mainly commercial function, with modern clients rooms equipped with all the necessary facilities. Even parking is set to become a more enjoyable experience: the garage will be linked to the bank through a passage that exits into a glass lift. The first floor will provide office space where our teams will be efficiently organised and work in a pleasant environment.

The building will be given a thorough structural overhaul that will lead, among other things, to improved energy performance.

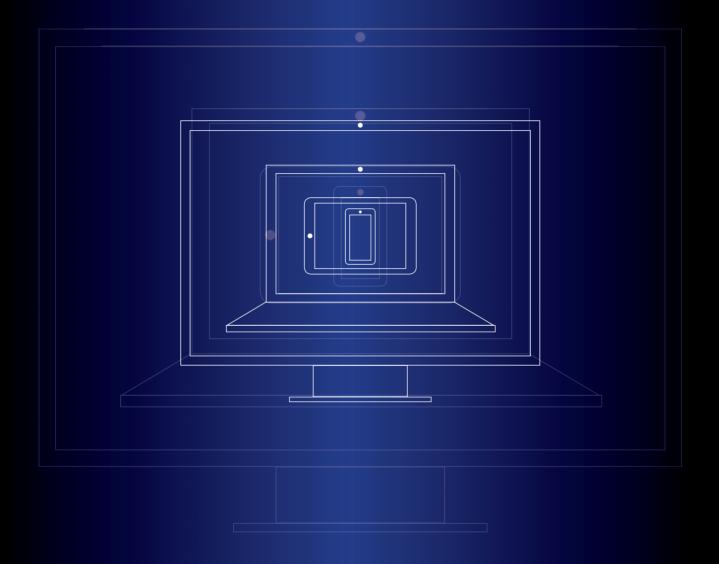
The works will begin in the summer of 2014 and are expected to be completed in 2016. This branch will convey the image of Delen Private Bank in this beautiful city, which will itself be revamped when boulevard d'Avroy is serviced by a tram from 2017.

In order to continue offering a complete service in a pleasing environment, our Liege colleagues will shortly be relocating to an office building that is 400 metres from our current branch: rue des Prémontrés no. 10, 4000 Liege. You will be able to go there from 2 June 2014 and also use the underground garage. In order to ensure smooth and practical organisation, we will only be seeing people by appointment.

Our branch in Hasselt is undergoing minor renovations to strongly enhance its aesthetic qualities. These works have been underway for some time and should be completed in May 2014. Delen Private Bank is based in a mansion here that has retained its family character.



Delen OnLine



Fully in line with your portfolio and yields!

Consult your portfolio and returns online. Are you looking for a quick and easy way to monitor your return? And are you interested in price-related information and financial news? You can enjoy all of this and much more by using Delen OnLine. It is not only informative and transparent, but also user-friendly and always available! Want to know more? Or are you interested in a personal account? You can always contact our Delen OnLine specialists on +32 (0)3 244 55 66. Ask for Laurence Roumieux or Geert Priem.

www.delen.be

Digitally via
Delen OnLine:
better for you and
the environment



Switching from paper to digital format means greater discretion, more control and ease of use for all of our clients.

More discretion / more security

Delen Private Bank considers security to be of paramount importance and therefore Delen OnLine offers maximum security to all users. Clients only need to enter their user name and Digipass-generated password to consult their online account and portfolio statements through the website in a highly secure manner.

This ensures that account statements sent by post do not land in the wrong post box and in the hands of strangers.

More control

Once account and portfolio statements become available, they are immediately published on the personal Delen OnLine account. This gives clients more control over the movements on their account and enables them to react faster when necessary. The evidential value of online statements is in any case the same as for those sent by post.

Greater ease of use

The history of account and portfolio statements can be downloaded from Delen OnLine with the click of a mouse. This strong and user-friendly structure also means that clients no longer have to make printouts and/or keep copies: Delen OnLine stores data in an orderly manner and clients can always access their accounts at any time via Delen OnLine. No more manual filing or shredding of documents.

The advantages are also very beneficial for the environment: the mountain of paper is smaller and emissions are significantly reduced.

Every little helps to reduce our ecological footprint.

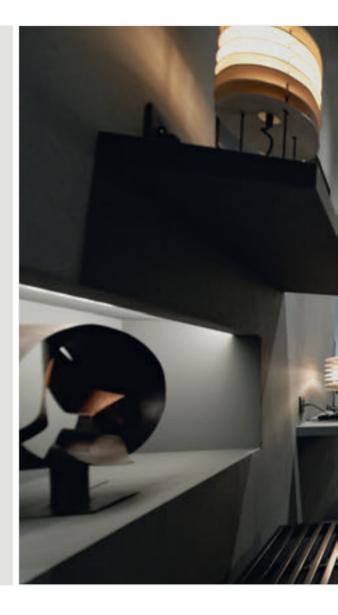
Even more benefits

- Freedom: it is not always easy for clients to contact managers during office hours.
 Delen OnLine allows clients to consult the status of their portfolio at any time and from anywhere.
- **Transparancy:** Delen OnLine allows each client to monitor their return, request a history of the transactions on their account, and consult detailed information on securities in their portfolio on a daily basis.
- Autonomy: clients who want to place stock market orders themselves can make use of the Delen OnLine trading account. It allows them to send their stock market orders to a large and very complete range of stock market options. The efficient IT platform allows transactions to be recorded in real time.
- **Free:** all clients of Delen Private Bank can open a free Delen OnLine account. The client only needs a computer or tablet with an internet connection.
- **Top service:** the Delen OnLine team is available every day to answer questions from clients by telephone. Clients get to speak to real people who can help them with any questions and issues that they may have.

For more information, please contact Geert Priem or Laurence Roumieux on +32 (0)3 244.55.66.

Sponsor of BRAFA

Delen Private Bank is passionate about beauty. Just as we carefully select our buildings and give detailed shape to their interiors, we likewise cherish excellent artistic initiatives. Our cooperation with BRAFA has now become an annual meeting with the crème de la crème of the art world and our clients.



This year Delen Private Bank was the partner and main sponsor of the Brussels Antiques and Fine Arts Fair (BRAFA) for the eighth consecutive year. This renowned fair for collectors and art lovers turns Tours & Taxis into a magical place for ten days. Each year, Belgian and international exhibitors present their exclusive collections in different styles and from all eras in a stunning setting.

As an international art event, BRAFA always has an acute sense of harmony in combining styles and eras. Visitors get to see a broad spectrum of periods and art trends: primitive art and old paintings alongside gold and silver masterpieces and decorative art. Numerous drawings and striking sculptures... all stylishly presented. Innovation and variation give BRAFA its own dynamic time and again.

The quality and authenticity of the exhibited works are evaluated by an independent vetting committee. Museum curators and academics from around the world ensure a strict selection process.

This unique fair lies close to our heart and we always hope to be able to welcome you in our lounge. We receive clients, partners and other business relations for a relaxing moment within this spacious and stylish stand, decorated by Marie-Alix and Anne-Sophie Delen. As always, against an excellent backdrop of vintage furniture and a fine selection of Belgian and international work from our collection.





The quality and authenticity of the exhibited works are assured through a strict selection process.









Consolidated annual accounts

Income statement

On 31 december in € '000	2013	2012
GROSS REVENUES	185,925	155,533
Net interest margin	3,110	4,450
Gross fee income	178,500	152,499
Profit (loss) on financial instruments held for trading	1,229	271
Realised gains (losses) on financial assets available for sale	-	-2,171
Other income	3,086	484
FEES PAID	-20,076	-19,051
EXPENSES	-61,788	-52,866
Staff expenses	-34,688	-30,826
General and administrative expenses	-21,667	-17,818
Depreciation	-4,988	-3,832
Provisions	43	-18
Impairment	-27	-25
Other expenses	-461	-347
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	104,062	83,616
Share in the profit (loss) of mutual subsidiaries on basis of the equity method	-	-
PROFIT BEFORE TAX	104,062	83,616
Income taxes	-25,037	-20,625
PROFIT AFTER TAX	79,025	62,991
Minority interest	-180	-162
NET PROFIT	78,845	62,829

Consolidated annual accounts

Balance sheet

On 31 december in € '000	2013	2012
ASSETS	1,414,674	1,411,428
Cash and balances with central banks	458,609	210,063
Financial assets held for trading	33,633	33,073
Loans and advances to banks and other counterparties	178,899	470,103
Loans and advances to clients	126,584	124,428
Financial assets available for sale	535,998	492,238
Tax assets	1,084	1,168
Tangible assets	50,483	46,773
Client relationships	24,595	24,611
Other intangible assets	979	1,030
Other assets	3,811	7,942
TOTAL LIABILITIES & EQUITY	1,414,674	1,411,428
LIABILITIES	1,158,886	1,185,551
Financial liabilities held for trading	30,267	28,146
Deposits from credit institutions and other counterparties	1,234	553
Deposits from clients	1,090,822	1,131,724
Provisions	536	618
Tax liabilities	6,577	6,561
Other liabilities	29,450	17,948
EQUITY	255,788	225,878
Equity - Group Share	255,488	225,602
Subscribed capital	42,711	42,261
Revaluation reserve	2,226	3,825
Consolidated reserves	210,551	179,516
Minority interests	300	275

Balance sheet after appropriation

Assets

		2013	2012
l.	Cash in hand, balances with central banks and post office banks	457,278	203,410
II.	Treasury bills eligible for refinancing with the central banks	289,764	172,777
III.	Loans and advances to credit institutions	163,763	473,831
	A. Repayable on demand	145,527	155,075
	B. Other loans and advances (with agreed maturity dates)	18,236	318,756
IV.	Loans and advances to customers	111,801	116,509
V.	Debt securities and other fixed-income securities	162,117	244,930
٧.	A. Issued by public bodies	66,608	168,905
	B. Issued by other borrowers	95,509	76,025
VI.	Shares and other variable-yield securities	1,901	10,909
VII.	Financial fixed assets	1,769	1,770
	A. Participating interests in affiliated enterprises	1,751	1,751
	B. Participating interests in other enterprises linked by participating interests	-	18
	C. Other shares held as financial fixed assets	18	-
	D. Subordinated loans to affiliated enterprises and to other enterprises linked by participating interests	-	-
VIII.	Formation expenses and intangible fixed assets	1,875	2,123
IX.	Tangible fixed assets	52,002	48,342
Χ.	Own shares	-	-
XI.	Other assets	2,149	774
XII.	Prepayments and accrued income	1,899	4,318
TOTA	AL ASSETS	1,246,318	1,279,693

Liabilities

		2013	2012
LIAE	BILITIES	1,131,622	1,183,595
I.	Amounts owed to credit institutions	258,113	437,881
	A. Repayable on demand	257,561	437,881
	B. Amounts owed as a result of rediscounting of trade bills		-
	C. Other debts with agreed maturity dates or period of notice	552	_
	or other debte with agreed materily dates or period or netter	302	
II.	Amounts owed to customers	821,212	700,677
	A. Savings / deposits	5,346	8,465
	B. Other debts	815,867	692,211
	1. Repayable on demand	802,593	650,318
	2. With agreed maturity dates or period of notice	13,274	41,894
	3. As a result of the rediscounting of trade bills	-	-
	Daluta avidanced by contificates		
III.	Debts evidenced by certificates	-	-
IV.	Other liabilities	45,060	37,696
V.	Accrued charges and deferred income	175	176
VI.	Provisions and deferred taxation	40	142
	A. Provisions for liabilities and charges:	-	100
	Pension and similar obligations	-	39
	2. Taxation	-	-
	3. Other liabilities and charges	-	61
	B. Deferred taxes	40	42
VII.	Fund for general banking risks	7,023	7,023
VIII	Subordinated liabilities		
VIII.	ousor unated nasmitos		
CAP	ITAL AND RESERVES	114,696	96,098
IX.	Capital	42,300	41,850
IA.	A. Subscribed capital	42,300	41,850
	B. Uncalled capital (-)	42,300	41,000
	B. Officialied Capital (-)		
Χ.	Share premium account	411	411
XI.	Revaluation gains		
ΛI.	nevaluation gains	-	-
XII.	Reserves	4,324	4,266
	A. Legal reserve	4,247	4,185
	B. Reserves not available for distribution	-	-
	1. In respect of own shares held	-	-
	2. Other	-	-
	C. Untaxed reserves	77	81
	D. Reserves available for distribution	-	-
XIII.	Profit (losses) brought forward (+)/(-)	67,661	49,571
	(17(1)	,	,•
TOTA	AL LIABILITIES	1,246,318	1,279,693

Profit and loss account

	(€ '000)	2013	2012
l.	Interest receivable and similar income	4,237	7,275
	A. Of which: from fixed-income securities	2,149	4,663
II.	Interest payable and similar charges	-1,809	-3,806
III.	Income from variable-yield securities	32,178	27,224
	A. From shares and other variable-yield securities	58	30
	B. From participating interests in affiliated enterprises	32,120	27,189
	C. From participating interests in other enterprises linked by participating interests	-	-
	D. From other shares held as financial fixed assetss	-	4
13.7	O-maria da mara da Maria	440.007	00.005
IV.	Commissions receivable	113,667	98,965
	A. Brokerage and commission fees	27,441	26,435
	B. Fees for management services, consultancy and custody	82,991	67,753
	C. Other fees received	3,235	4,777
V.	Commissions payable	-26,640	-24,041
VI.	Profit (Loss) on financial transactions (+)/(-)	4,864	3,771
	A. On trading of securities and other financial instruments	4,873	4,922
	B. On disposal of investment securities	-9	-1,150
VII.	General administrative expenses	-40,013	-36,239
	A. Remuneration, social security costs and pensions	-26,876	-24,756
	B. Other administrative expenses	-13,138	-11,483
1/111	Downsisting/amountiesting and althous write daying		
VIII.	Depreciation/amortisation and other write-downs on formation expenses, tangible and intangible fixed assets	-4,813	-3,618
IX.	Decrease/increase in write-downs on receivables and provisions for off-balance sheet items 'I. Contingent liabilities' and 'II. C Commitments which could give rise to a risk: appropriations (write-backs)' (+)/(-)	27	25
	(1)()		

	(€ '000)	2013	2012
	(0.000)		
Χ.	Decrease/increase in write-downs on the investment portfolio of debt securities, shares and other fixed-income or variable-yield securities: appropriations (write-backs) (+)/(-)	707	-474
XI.	Utilization and write-backs of provisions for liabilities and charges other than those included in the off-balance sheet captions 'I. Contingent liabilities' and 'II. Commitments which could give rise to a risk': uses (write-backs) (+)/(-)	-100	-2
XII.	Provisions for liabilities and charges other than those included in 'I. Contingent liabilities' and 'II. Commitments which would give rise to a risk'	-	-
XIII.	Transfer from (transfer to) the fund for general banking risks (+)/(-)	-	-
XIV.	Other operating income	4,538	658
XV.	Other operating charges	-1,314	-785
XVI.	Profit (loss) on ordinary activities before taxes (+)/(-)	84,260	69,853
XVII	Exceptional income	157	63
7.011	A. Reversal of depreciation/amortisation and write-downs on intangible and tangible fixed assets	-	-
	B. Reversal of write-downs on financial fixed assets	-	-
	C. Reversal of provisions for exceptional risks and expenses	-	-
	D. Capital gains on the disposal of fixed assets	157	63
	E. Other exceptional income	-	-
XVIII	Exceptional expenses	-117	-32
	A. Exceptional depreciation/amortisation and write-downs on formation costs, tangible and intangible fixed assets	-88	-
	B. Write-downs on financial fixed assets	-	-
	C. Provisions for exceptional risks and expenses: appropriations (spending) (+)/(-)	-	-
	D. Capital losses on the disposal of fixed assets	-29	-32
	E. Other exceptional expenses	-	-
XIX	Pre-tax profit (loss) for the financial year (+)/(-)	84,301	69,884
XIX	Bis	07,001	03,004
	A. Transfer to deferred taxes	-	-
	B. Transfer from deferred taxes	2	2
XX	Taxes on result (+)/(-)	-17,547	-14,398
	A. Taxes	-18,162	-14,920
	B. Regularisation of taxes and reversal of provisions for taxes	615	522
XXI.	Profit (loss) for the financial year (+)/(-)	66,755	55,488
XXII.	Transfer to (transfer from) untaxed reserves (+)/(-)	4	4
XXIII	Profit (loss) for the financial year to be appropriated (+)/(-)	66,760	55,492
WIII	Tront (1000) for the financial year to be appropriated (+)/(-)	00,700	30,432

Off-balance sheet items

	(€ '000)	2013	2012
I.	Contingent liabilities	9,140	9,111
	A. Non-negotiated acceptances	-	-
	B. Guarantees serving as direct credit substitutes	4,458	3,649
	C. Other guarantees	4,682	5,462
	D. Documentary credits	-	-
	E. Assets charged as collateral security on behalf of third parties	-	-
II.	Commitments which could give rise to a risk	70,713	92,129
	A. Firm credit commitments	-	-
	B. Commitments as a result of spot purchases of transferable or other securities	36,760	74,758
	C. Undrawn margin on confirmed credit lines	33,953	17,371
	D. Underwriting and placement commitments	-	-
	E. Commitments as a result of open-ended sale and repurchase agreements	-	-
III.	Assets entrusted to the credit institution	43,329,341	35,969,900
	A. Assets held by the credit institution for fiduciary purposes	-	-
	B. Safe custody and equivalent items	43,329,341	35,969,900
IV.	Uncalled amounts of share capital	-	-

Appropriation account

(€ '000)	2013	2012
A. Profit (Losses) to be appropriated (+)/(-)	127,598	96,916
1. Profits (Losses) for the period available for appropriation (+)/(-)	66,760	55,492
2. Profit (Losses) brought forward(+)/(-)	60,838	41,424
B. Transfers from capital and reserves	-	-
1. From capital and share premium account	-	-
2. From reserves	-	-
C. Appropriations to capital and reserves	-	-
1. To capital and share premium account	-	-
2. To legal reserve	-	-
3. To other reserves	-	-
D. Result to be carried forward (+)/(-)	78,665	49,571
E. Shareholders' contribution in respect of losses	-	-
F. Distribution of profits	48,933	47,346
1. Dividends	48,933	47,346
2. Director's entitlements (a)	-	-
3. Other allocations (a)	-	-

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