

**ANNUAL REPORT 2016**

**Blue Marlin Holdings S.A. (formerly IdB Holdings S.A.)**

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## DIRECTORS AND PROFESSIONAL ADVISORS

Blue Marlin Holdings S.A. (Formerly IdB Holdings S.A.)

### **Board of directors**

Kantor, Ian (Chairman)

Sieradzki, Peter (Executive)

Mooij, Rob (Executive)

Georgala, Steven (Non-Executive)

Ernzer, Marcel (Non-Executive)

Jaakke, John (Non-Executive – resigned 10 February 2017)

### **Legal advisors**

Freshfields Bruckhaus Deringer

M. Partners

### **Registered office and number**

Blue Marlin Holdings S.A. (Formerly IdB Holdings S.A.)

58 Rue Charles Martel

L-2134 Luxembourg

[www.blumarlinholdings.lu](http://www.blumarlinholdings.lu)

## SALIENT FEATURES

Consolidated

	2016	2015	Change %
<b>Results</b>			
Operating income / (loss) (€ million)	0.1	0.1	8%
Operating profit / (loss) before taxation (€ million)	(1.1)	(0.8)	31%
Net result (€ million)	3.4	2.2	57%
<b>Balance sheet</b>			
Total assets (€ million)	67.6	65.0	4%
Shareholders' equity (€ million)	67.1	63.9	5%
Number of ordinary shares of € 2.00 each in issue net of treasury shares (million)	4.9	4.9	-%

## DIRECTORS' REPORT

On 12 April 2016 the Company announced that it had reached agreement with BNP Paribas Wealth Management SA ("BNPPWM") that, subject to shareholder approval, BMF's participation of 36.98% in the Bank will be sold to BNPPWM for an estimated total consideration of €61 million ("the Transaction"). The final consideration is dependent on the net asset value of the Bank and the amount of assets under management of the Bank at the date of closing of the Transaction. The closing of the transaction took place on 31 December 2016.

Following the sale of BMF's participation to BNPPWM, at the same date BNPPWM sold 100% of the shares in the Banks to KBL European Private Bankers S.A. ("the KBL Sale").

Further details have been disclosed in a circular to shareholders dated 6 June 2016. The proposals put forward in that circular, including the approval of the Transaction, were approved by the shareholders in a meeting held on 11 July 2016. On 2 January 2017 the Company announced the completion of the Transaction that has been approved by the ECB. In an extraordinary shareholders meeting held on 17 February 2017 it was resolved that 50% of the outstanding shares were bought back and cancelled by the Company for a compensation of € 16.75 for each share bought back.

The Group and BNPPWM are in discussions on the determination of the Completion Accounts. After agreement has been reached the Group estimates that a further purchase price amount of approximately € 9 million will be received in cash by the Group. After this receipt the Company expects to be able to decide on a further distribution of surplus cash to shareholders taking into account the provisions of Luxembourg law and the Company's articles of association.

The Group reports a net profit of € 3,4 million for the year ended 31 December 2016, compared to a net profit of € 2.2 million for the whole year 2015. The increase was mainly due to the result realised on the sale of the associate.



Ian Kantor  
21 July 2017



Peter Sieradzki  
21 July 2017



Rob Mooij  
21 July 2017



CONSOLIDATED FINANCIAL STATEMENTS  
for the year ended 31 December 2016

**Consolidated statement of profit or loss and other comprehensive income**  
for the year ended 31 December 2016

	Notes	2016 € '000	2015 € '000
Interest income		-	1
Interest expense		-	-
<b>Net interest income</b>	7	-	<b>1</b>
Other operating income	8	94	86
<b>Operating income</b>		<b>94</b>	<b>87</b>
Personnel costs	9	(318)	(229)
Other operating expenses	10	(871)	(692)
<b>Operating profit/(loss) before taxation</b>		<b>(1,095)</b>	<b>(834)</b>
Taxation	11	(26)	779
<b>Profit/(loss) after taxation</b>		<b>(1,121)</b>	<b>(55)</b>
Result from discontinued operations	12	4,521	2,214
<b>Profit/(loss) for the year</b>		<b>3,400</b>	<b>2,159</b>
Attributable to the owners of the parent		3,400	2,159
<i>Other comprehensive income from discontinued operations that will not be reclassified subsequently to profit or loss:</i>			
- Net actuarial gains/ (losses) defined benefit obligations, net of tax		-	148
<i>Other comprehensive income from discontinued operations that may be reclassified subsequently to profit or loss:</i>			
- Net gains/(losses) from changes in fair value, net of tax		(89)	(143)
- Translation adjustments		152	(1)
<i>Other comprehensive income from discontinued operations reclassified to profit or loss:</i>			
- Net gains/(losses) from changes in fair value, net of tax		(221)	-
- Translation adjustments		(85)	-
<b>Total comprehensive income for the year</b>		<b>3,157</b>	<b>2,163</b>
Attributable to the owners of the parent		3,157	2,163

The notes on pages 12 to 42 are an integral part of these financial statements.

**Consolidated statement of financial position**

as at 31 December 2016

(before appropriation of result)

	Notes	2016	2015
		€ '000	€ '000
<b>Assets</b>			
Loans and advances to credit institutions	13	5,347	3
Related party receivables	14	-	5,350
Non-current receivables	15	15,300	-
Other current assets	16	46,962	88
Investment in associates	6	-	59,602
<b>Total assets</b>		<b>67,609</b>	<b>65,043</b>
<b>Liabilities</b>			
Related party payables	17	-	85
Other current liabilities	18	513	945
Tax liabilities		37	111
<b>Total liabilities</b>		<b>550</b>	<b>1,141</b>
<b>Equity attributable to equity holders of parent</b>			
Shareholders' equity		63,659	61,743
Result for the year		3,400	2,159
		<b>67,059</b>	<b>63,902</b>
<b>Total equity and liabilities</b>		<b>67,609</b>	<b>65,043</b>

-

The notes on pages 12 to 42 are an integral part of these financial statements.



## Consolidated statement of changes in equity

for the year ended 31 December 2016

	Attributable to shareholders						Total
	Number of	Share	Revaluation	Translation	Other	Result	
	Shares	Capital	reserves	reserve	reserves	for the	
		€'000	€'000	€'000	€'000	year	€'000
						€'000	
Balance at 1 January 2016	4,873,930	<b>9,748</b>	<b>310</b>	<b>(67)</b>	<b>51,752</b>	<b>2,159</b>	<b>63,902</b>
Changes in associate – discontinued operations:							
- net gains/ (losses) from changes in fair value, net of tax			(89)				(89)
- translation adjustments				152			152
Release to profit & loss due to sale of associate – discontinued operations			(221)	(85)			(306)
Net profit						3,400	3,400
<b>Total comprehensive income</b>			<b>(310)</b>	<b>67</b>	<b>-</b>	<b>3,400</b>	<b>3,157</b>
Result appropriation					2,159	(2,159)	-
<b>Balance at 31 December 2016</b>	<b>4,873,930</b>	<b>9,748</b>	<b>-</b>	<b>-</b>	<b>53,911</b>	<b>3,400</b>	<b>67,059</b>

Other reserves include both the legal reserve and the free reserves. In accordance with Luxembourg law, the Company must transfer at least 5% of its annual profit to the legal reserve until this reserve equals 10% of the subscribed capital. As at 31 December 2016 the legal reserve amounts to € 975 thousand. The legal reserve is not distributable. Reference is made to the company financial statements.

## Consolidated statement of changes in equity

for the year ended 31 December 2015

	Attributable to shareholders						
	Number of Shares	Share Capital	Revaluation reserves	Translation reserve	Other reserves	Result for the year	Total
		€'000	€'000	€'000	€'000	€'000	€'000
Balance at 1 January 2015	4,873,930	9,748	453	(66)	51,500	104	61,739
Net profit	-	-	-	-	-	2,159	2,159
Changes in associate – discontinued operations:							
- net gains/ (losses) from changes in fair value, net of tax	-	-	(143)	-	-	-	(143)
- actuarial gains/ (losses) defined benefit obligations, net of tax	-	-	-	-	148	-	148
- translation adjustments	-	-	-	(1)	-	-	(1)
<b>Total comprehensive income</b>	-	-	(143)	(1)	148	2,159	2,163
Result appropriation	-	-	-	-	104	(104)	-
<b>Balance at 31 December 2015</b>	<b>4,873,930</b>	<b>9,748</b>	<b>310</b>	<b>(67)</b>	<b>51,752</b>	<b>2,159</b>	<b>63,902</b>

Other reserves include both the legal reserve and the free reserves. In accordance with Luxembourg law, the Company must transfer at least 5% of its annual profit to the legal reserve until this reserve equals 10% of the subscribed capital. As at 31 December 2015 the legal reserve amounts to € 975 thousand. The legal reserve is not distributable. Reference is made to the company financial statements.

The notes on pages 12 to 42 are an integral part of these financial statements.

## Consolidated statement of cash flows

For the year ended 31 December 2016

	Notes	<b>2016</b>	<b>2015</b>
		€'000	€'000
<b>Cash flows from operating activities</b>			
Net result		3,400	2,159
Adjustment for:			
Taxation	11	26	(779)
(Income) / loss from discontinued operations	12	(4,521)	(2,214)
<i>Net cash inflow from operating activities before changes in operating assets and liabilities</i>		<u>(1,095)</u>	<u>(834)</u>
<b>Decrease/(Increase) in operating assets:</b>			
Related party receivables		5,350	750
Other current assets		(874)	33
<b>(Decrease)/Increase in operating liabilities:</b>			
Related party payables		(85)	7
Other current liabilities		264	74
<i>Net cash inflow from operating activities before payment of taxation</i>		<u>3,560</u>	<u>3</u>
Taxation (paid)		<u>(100)</u>	<u>(4)</u>
<i>Net cash inflow from operating activities after payment of taxation</i>		<u>3,460</u>	<u>-1</u>
<b>Cash flows from investing activities</b>			
Payment of share premium in associate- discontinued operations		(716)	-
Received on sale of investment in associate – discontinued operations		2,600	-
<i>Net cash inflow/(outflow) from investing activities</i>		<u>1,884</u>	<u>-</u>
<b>Cash flows from financing activities</b>			
Dividend paid		-	-
<i>Net cash inflow/(outflow) from financing activities</i>		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		5,344	(1)
Cash and cash equivalents at beginning of year		3	4
Net increase/(decrease) in cash and cash equivalents		5,344	(1)
Cash and cash equivalents at end of year		<u>5,347</u>	<u>3</u>
<b>Cash flows from operating activities include:</b>			
Interest received		-	1
Interest paid		-	-
Dividends received		-	-

The notes on pages 12 to 42 are an integral part of these financial statements.

## **Notes to the Consolidated Financial Statements for the year ended 2016**

### **1. General**

Blue Marlin Holdings S.A. (Formerly IdB Holdings S.A.) (the "Company") is a Luxembourg company organised as a Société Anonyme under the Law of 10 August 1915 concerning commercial companies, as amended. On 30 December 2010, the Company's status was changed from a 1929 holding company to a Société de Participations Financières ("SOPARFI"). The Company's shares are listed at the Euro MTF market of the Luxembourg Stock Exchange.

The Company and its subsidiaries are hereinafter jointly referred to as the "Group". The consolidated financial statements of the Group include:

Name of subsidiary	Registered office	Issued equity held %
IdB Finance S.à.r.l	Luxembourg, Grand-Duchy of Luxembourg	100
Insinger de Beaufort (Holdings) S.p.A		
In Liquidazione	Rome, Italy	100

The activities of Blue Marlin Holdings S.A. (Formerly IdB Holdings S.A.) consist of the holding of investments.

The financial statements were prepared and authorised for issue by the Board of Directors on 21 July 2017. The financial statements cannot be amended after issue.

### **2. Summary of significant accounting policies**

#### **2.1 General**

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the European Union and issued and effective for the annual report beginning 1 January 2016.

The Group has adopted the following new and amended IFRS and IFRIC interpretations during the period.

The following standards have been issued and endorsed by European Union and have no impact on the financial statements.

- IAS 40: Transfers of Investment Property (Amendments)
- IFRS 2: Classification and Measurement of Share-based Payment Transactions (Amendments) - IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments)
- IFRS 7: Disclosure initiative (Amendments)
- IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)
- IFRS 14 "Regulatory Deferral accounts"

The following standards have been issued and their impacts are currently being assessed by Management. As per date of signing the financial statements Management has not yet finalised this assessment:

- IFRS 9 "Financial Instruments" (Effective for the financial year beginning on or after 1 January 2018) Mandatory date of IFRS 9 has been deferred to 1 January 2018 by IASB, but still to be endorsed by the EU but with endorsement expected prior application date. The new standard deals with the following:

#### Classification and Measurement

This section of IFRS 9 describes how financial assets are accounted for in the financial statements and how they should be measured on an on-going basis. The classification of financial assets will depend on the Company's business model for managing financial assets and the contractual cash flow characteristics of those financial assets. The treatment of financial liabilities will remain unchanged in the new standard.

#### Impairment

As part of IFRS 9, the IASB has introduced a new, expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis.

#### Hedge accounting

IFRS 9 aligns hedge accounting with risk management activities that the Company undertakes to hedge financial and non-financial risk exposure by requesting the identification of the risk component and whether it can be measured, no distinction is made between components of financial or non-financial risks. Disclosures should now explain the effect of hedge accounting on the financial statements as well as the Company's risk management strategy and all information on hedges should be in the same location of the financial statements.

The Company has not assessed the expected impact on the Financial Statements because the effective date of the endorsement by the EU of this standard amendment has not yet a defined date.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

## **2.2 Accounting convention**

The Financial Statements are prepared under the historical cost convention as modified by the revaluation of available-for-sale financial assets and financial assets and financial liabilities at fair value through profit or loss which are carried at fair value. Income and expenses are allocated to the reporting period to which they relate.

## **2.3 Principles of consolidation**

The Consolidated Financial Statements comprise Blue Marlin Holdings S.A. (Formerly IdB Holdings S.A.), its subsidiaries and the entities over which it has the power to control. Control is the ability to govern the financial and operating policies of an entity, generally accompanying a shareholding of more than half of the voting rights. If applicable, the existence of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls an entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The accounting period and policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. All intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated.

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All intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated.

## **2.4 Revenue recognition**

In general, revenue is recognised when it is realised or realisable, and earned. This concept is applied to the key revenue generating activities of the Group as follows:

### **Net interest revenues**

Interest income and expense are recognised in the income statement for all instruments measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash

payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and interest basis points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

#### Fees and commissions

Revenue from the various services the Group performs is recognised when the following criteria are met: persuasive evidence of an arrangement exists, the services have been rendered, the fee or commission is fixed or determinable, and collectability is reasonably assured. Incentive fee revenues from investment advisory services are recognised at the end of the contract period when the incentive contingencies have been resolved.

## **2.5 Foreign currency translation**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in euros, which is the Company's functional and the Group's presentation currency.

Assets and liabilities of foreign Group companies are translated into euros at year-end exchange rates and the income and expenditure of foreign subsidiaries are translated at the average rate of exchange for the year. The resulting translation gains and losses are recognised in the translation reserve as an adjustment to shareholders' equity.

Transactions arising in foreign currencies are translated into the functional currency at the spot exchange rate at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rates of exchange ruling at the balance sheet date. Resulting gains or losses are recognised in the profit and loss account.

When a foreign subsidiary is sold, the cumulative amount of the exchange differences deferred in the separate component of equity relating to that foreign operation shall be recognised in profit or loss when the gain or loss on disposal is recognised.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation shall be treated as assets and liabilities of the foreign operation. Thus they shall be expressed in the functional currency of the foreign operation and shall be translated at the closing rate.

## **2.6 Financial assets**

The Group classifies its financial assets in the following categories: held-to-maturity, at fair value through profit or loss, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

### **(a) Held-to-maturity**

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the intention and ability to hold to maturity. If the Group sells other than an insignificant amount of held-to-maturity assets, the entire category would be reclassified as available-for-sale unless the rest of the portfolio is so close to maturity that changes in the market rate of interest would not have a significant effect on the financial asset's fair value.

Held-to-maturity investments are carried at amortised cost using the effective interest method.

### **(b) Financial assets at fair value through profit or loss**

A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or if so designated by management at inception. Derivatives are also categorised as held for trading unless they are designated as hedges.

Listed securities held for trading purposes are stated at the market value prevailing at the balance sheet date. Unlisted securities are measured at fair value. When the fair value of unlisted securities cannot be estimated reliably, the securities are measured at cost. Resulting gains and losses are recognised net in the profit and loss account.

### **(c) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Loans and receivables are measured at amortised cost using the effective interest method and are stated net of impairments, based on a case-by-case valuation.

### **(d) Available-for-sale**

Available-for-sale financial assets are non-derivative financial assets designated on initial recognition as available-for-sale or any other instruments that are not classified as held-to-maturity investments, financial assets at fair value through profit or loss or loans and



receivables. They are generally intended to be held for an indefinite period of time and may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

Available-for-sale financial assets are recognised at fair value. Changes in fair value are recognised directly in other comprehensive income, net of tax. Realised results at disposal are recorded through the profit and loss account.

Purchases and sales of financial assets at fair value through profit or loss, held-to-maturity and available-for-sale are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Loans are recognised when cash is advanced to the borrower.

The fair values of quoted investments in active markets are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the Group has transferred substantially all risk and rewards of ownership and control of the asset.

## **2.7 Financial liability**

Financial liabilities can be defined as:

- a contractual obligation:
  - to deliver cash or another financial asset to another entity; or
  - to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity; or
- a contract that will or may be settled in the entity's own equity instruments and is
  - a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments or
  - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entities own equity instruments do not include: instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments; puttable instruments classified as equity or certain liabilities arising on liquidation classified by IAS 32 as equity instruments

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

If an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an exigent liability are substantially modified, such an

exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in the income statement.

Financial liabilities are valued at amortised cost.

## **2.8 Impairment of financial assets**

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of an asset (a loss event) and that loss event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- delinquency in contractual payment of principal or interest;
- cash flow difficulties experienced by the borrower;
- breach of loan covenants or conditions;
- initiation of bankruptcy proceedings;
- deterioration of the borrower's competitive position;
- deterioration in the value of collateral; and
- downgrading below investment grade level.

The estimated period between a loss occurring and its identification is determined by local management for each identified portfolio. In general, the periods used vary between three months and twelve months; in exceptional cases, longer period are warranted.

### *Impairment of assets carried at amortised cost*

Loans are evaluated for impairment on a case-by-case basis. When a loan is assessed to be uncollectible, it is impaired and provided for in an allowance account. Such loans are written off from the allowance account after all the necessary procedures have been completed and the amount of the loss has been determined. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate.

Subsequent recoveries of amounts previously written off decrease the amount of the provision for loan impairment in the income statement. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the

debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the income statement.

If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

#### *Impairment of assets classified as available-for-sale*

For debt securities, the Group uses the criteria and assessment method referred to above. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the income statement.

In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is evidence that the asset is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. All subsequent increases in fair value, including those that have the effect of reversing earlier impairment losses, are recognised in other comprehensive income.

## **2.9 Interest in associates**

An associate is an enterprise over which the Group is in a position to exercise significant influence, but not control, through participation in the financial and operating policy decisions of the investee. Generally this represents a shareholding of between 20% and 50% of the voting rights. The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Interests in associates are initially recognised at cost. Cumulative post-acquisition changes in the Group's share of the net assets of associates, less any impairment in the value of individual investments, are adjusted against the carrying amount of investment in associates. The Group's investment in associates includes goodwill identified on acquisition.

## **2.10 Shares in subsidiaries, associated undertakings**

In the Company financial statements investments in subsidiaries and associates are stated at cost less provision for impairment, if any.

The Company recognises income from the investment only to the extent that the Company receives distributions from accumulated profits of the subsidiary arising after the date of acquisition. Distributions received in excess of such profits are regarded as a recovery of investment and are recognised as a reduction of the cost of the Company.

### **2.11 Taxation**

Taxes are calculated on profit before tax in accordance with the ruling tax legislation in the country of incorporation for the Group companies included in the Consolidated Financial Statements. Where items are subject to withholding tax, tax is accrued to the extent that it is expected to be paid.

### **2.12 Deferred taxation**

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit. The tax effects of income tax losses available for carry forward are only recognised as an asset when it is probable that future taxable profits will be available to compensate for those losses. Deferred income tax is recognised in full.

### **2.13 Borrowings**

Borrowings are recognised initially at fair value net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds net of transaction costs and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

### **2.14 Provisions and contingent liabilities**

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is uncertain or cannot be reliably measured. Contingent liabilities are not recognised but are disclosed unless the probability of outflow is remote.

## **2.15 Shareholders' equity**

a) Share capital

Share capital consists of paid up capital.

b) Share premium

Share premium consists of premium contributions upon issue of shares.

c) Revaluation reserve

The revaluation reserve represents unrealised differences, net of deferred taxation, on the revaluation of available-for-sale assets.

d) Translation reserves

Reference is made to note 2.5 foreign currency translation.

e) Other reserves

Other reserves comprise retained earnings.

f) Minority interest

Minority interest is that portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the Company. The minority interest is included in equity, but separate from Group equity.

g) Treasury shares

Where the Company or other members of the Group purchases the Company's equity share capital, the consideration paid is deducted from total shareholders' equity as treasury shares. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity. The Company uses the cost method, which means that Treasury shares will not be revaluated when in treasury.

h) Dividends

Dividends on ordinary shares are recognised in equity in the period in which they are approved by the Company's shareholders. Dividends for the year that are declared after the balance sheet date are dealt with in the Other Information.

## **2.16 Cash flow statement**

The cash flow statement has been drawn up in accordance with the indirect method, making a distinction between cash flows from operating, investing and financing activities.

Cash flows in foreign currency are converted at the average exchange rates during the financial year. With regard to cash flow from operations, the net profit is adjusted for income and expenses that did not result in receipts and payments in the same financial year and for changes in provisions and accrued and deferred items (other assets, accrued assets, other debts and accrued liabilities).

Cash and cash equivalents consist of cash and deposits at other banks with a maturity of less than three months.

## **2.17 Leasing**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. The Company has no finance leases during the reporting period. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

## **2.18 Discontinued operations**

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell,

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale.

## **3. Critical accounting estimates and judgments**

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually

evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Main items subject to accounting estimates where changes in the underlying assumptions may impact the financial statements are the following:

a) Fair value of financial assets and liabilities

Fair value of financial assets and liabilities is determined using quoted market prices. For certain financial assets and liabilities fair value is determined using valuation techniques. Models are subjective in nature and significant judgment is involved in establishing fair values for financial assets and liabilities.

b) Litigation

From time to time the Group is involved in claims and litigations. Management makes estimates as to whether provisions are needed on a case-by-case basis.

c) Assessment of indemnities

As part of the transaction with BNP Paribas Wealth Management S.A. ("BNPPWM") the Group has provided certain indemnities. Provisions are recognised in the Group accounts for the estimated losses that will have to be reimbursed under the indemnities given. As at 31 December 2016 the Group recognised a payable for €109 thousand (2015: payable for €805 thousand) in this respect.

As part of the transaction on the sale of the 36.98% shareholding in Bank Insinger de Beaufort N.V. in 2016 the group has provided certain indemnities towards KBL European Private Bankers ("KBL"). Allowance on the amounts receivable held in the escrow account are recognised in the Group accounts for the estimated losses that will have to be reimbursed under the indemnities given. As at 31 December 2016 no allowance has been recognised in this respect.

d) Completion accounts

The final determination of the sale price for the 36.98% shareholding in Bank Insinger de Beaufort N.V. is based on an agreed net asset value of Bank Insinger de Beaufort N.V. as at 31 December 2016. BNPPWM and KBL are currently negotiating the determination of this net asset value and the final sale price. The Group estimates that a further purchase price amount of approximately €9 million will be received in cash by the Group. Depending on the final agreed net asset value the actual amount may vary between €7.8 and €10.5 million.

#### **4. Financial risk management**

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The operations of the Group are limited to the holding of investments. The Group has no other operational activities. Given the nature and size of the Group the investments are reviewed on a quarterly basis.

##### **4.1 Market risk**

The Group takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates and equity prices.

The bank account with Bank Insinger de Beaufort N.V. is interest-bearing. The bank account bears interest at a market-related rate, therefore the valuation due to changes in interest rates will not be significant.

##### **4.2 Credit risk**

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions and current and non-current receivable. The main exposures are the bank account the Group holds with Bank Insinger de Beaufort N.V. and the current and non-current receivable from BNPPWM. KBL European Private Bankers is the 100% owner of Bank Insinger de Beaufort N.V. and has issued a general guarantee on all the liabilities of Bank Insinger de Beaufort N.V. KBL European Private Bankers has no credit rating from a rating agency. Bank Insinger de Beaufort N.V. has also no credit rating. No collateral has been received for the various investments. BNPPWM has the credit rating A2 (Moody's – with stable outlook) of the BNP Paribas group.

##### **4.3 Liquidity risk**

The bank account with Bank Insinger de Beaufort N.V., included in the balance sheet is sufficient to cover the other liabilities when they are due. Due to the absence of other debt, the liquidity risk is minimal.



#### 4.4 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The gearing ratios at 31 December 2016 and 2015 were as follows:

	<b>2016</b>	<b>2015</b>
	€'000	€'000
Net debt	550	1,141
Total equity	67,059	63,902
Total capital	67,609	65,043
<b>Gearing ratio (debt ratio)</b>	0.8%	1.8%

#### 4.5 Fair value of financial assets and liabilities

IFRS 7 requires disclosure of fair value based on the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

As at 31 December 2016 and 2016 there are no financial instruments that are measured at fair value.

#### 5. Related parties

##### Remuneration of key personnel

Key personnel consist of the board of the Company and directors of subsidiaries of the Company. Each director receives remuneration on a cost-to-company basis. The remuneration of the directors is set out below.

The split between executive and non-executive directors is specified as follows:

	<b>2016</b>	<b>2015</b>
	€'000	€'000
Non-Executive	75	75
Executive	240	150
	<u>315</u>	<u>225</u>

Part of the executives and non-executives also received remuneration from Bank Insinger de Beaufort N.V. of € 1,184 thousand (2015: € 1,124 thousand).

Refer to note 11 in the Company financial statements for disclosures regarding remuneration of key personnel of Blue Marlin Holdings S.A. (Formerly IdB Holdings S.A.)

### **Transactions**

The following related party transactions are identified:

- Bank Insinger de Beaufort N.V. is the sole financial institution where the Group held its consolidated cash position during 2016.

In addition, a number of banking transactions are entered into with related parties in the normal course of business. The outstanding balances with related parties are separately disclosed in the notes to the financial statements. All transactions were recorded on an arm's length basis.

### **6. Investment in associates**

Blue Marlin Finance S.à r.l. (formerly IdB Finance S.à r.l.), a company fully owned by the Group, is shareholder of Bank Insinger de Beaufort N.V. The company held 36.98% of Bank Insinger de Beaufort N.V. BNP Paribas Wealth Management held the remaining percentage of shares in Bank Insinger de Beaufort N.V.

As described in the Circular to Shareholders dated 6 June 2016 the Group entered into an agreement on 12 April 2016 for the sale of the 36,98% shareholding in Bank Insinger de Beaufort N.V. The sale was approved by the shareholders of the Company on 11 July 2016. After receipt of the required regulatory approvals the sale was completed on 31 December 2016.

	Note	<b>2016</b> €'000	<b>2015</b> €'000
Balance as at 1 January		59,602	56,647
Share in fair value movements		(89)	(143)
Share in translation adjustment		152	(1)
Share in net impact of IAS 19R		-	148
Share in operating results from discontinued operations	12	2,190	2,951
Share premium payment made during the year		716	-
Net proceed on sale		(63,900)	-
Transfers from other comprehensive income		(306)	-
Gain on disposal	12	1,635	-
Balance as at 31 December		-	59,602
Share of contingent assets of associate		-	20,344
Share of contingent liabilities of associate		-	1,231

The reconciliation with the equity of Bank Insinger de Beaufort N.V. is as follows:

	<b>2016</b> €'000	<b>2015</b> €'000
Group equity Bank Insinger de Beaufort N.V.	-	161,173
@ 36.98% (2015)	-	59,602

## 7. Net interest income

	<b>2016</b> €'000	<b>2015</b> €'000
Interest income	-	1
Interest expense	-	-
	-	<b>1</b>

## 8. Other operating income

	<b>2016</b> €'000	<b>2015</b> €'000
Risk participation	94	87
Foreign exchange income	-	(1)
	<b>94</b>	<b>86</b>

The revenues from the risk participation are based on a risk participation agreement between Bank Insinger de Beaufort N.V. and Blue Marlin Holdings S.A. (Formerly IdB Holdings S.A.) Bank Insinger de Beaufort N.V. has granted a term loan facility to a client in the amount of GBP 15 million starting on 20 March 2015. Blue Marlin Holdings S.A. (Formerly IdB Holdings S.A.) has agreed to participate in the risk of Bank Insinger de Beaufort N.V. for a maximum amount of GBP 5 million being 33,33%. Blue Marlin Holdings S.A. (Formerly IdB Holdings S.A.) receives a net margin of 0,53% over the GBP 5 million. As part of the agreement on the sale of the 36,98% shareholding in Bank Insinger de Beaufort N.V. this risk participation was cancelled as per 31 December 2016.

## 9. Personnel costs

	<b>2016</b>	<b>2015</b>
	€'000	€'000
Salaries	4	4
Director fees	314	225
	<b>318</b>	<b>229</b>

The average number of employees during 2016 was 0,1 (2015: 0,1)

## 10. Other operating expenses

	<b>2016</b>	<b>2015</b>
	€'000	€'000
Audit fees	54	47
Legal & Consultancy fees	467	475
Rent & rates	17	17
Insurance	100	114
Other	233	39
	<b>871</b>	<b>692</b>

Audit fees of € 54 thousand (2015: € 47 thousand) relate solely to the audit of the financial statements by the external independent auditor PricewaterhouseCoopers Accountants N.V. Of this amount € 54 thousand relates to the year 2016. No other fees were paid to the external independent auditor.

Of the other operating expenses in 2016 € 564 thousand relate directly to the sale transaction of the shares held in the associate.

## 11. Taxation

Blue Marlin Holdings S.A. (Formerly IdB Holdings S.A.) was converted into a fully taxable Luxembourg holding company (société de participations financières or "Soparfi") on 30 December 2010. A Soparfi is a fully taxable Luxembourg resident company that takes advantage of the participation exemption in Luxembourg and that may benefit from double

taxation treaties signed by Luxembourg as well as the provisions of the EU Parent-Subsidiary Directive.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities. Depending on the outcome of final settlements with the tax authorities, the amounts paid to settle these liabilities may be significantly different than the amounts accrued.

	<b>2016</b>	<b>2015</b>
	<u>€'000</u>	<u>€'000</u>
Current income tax income / (expense) in respect of the current year	(28)	(38)
Current income tax income / (expense) in respect of prior years	2	817
	<u>(26)</u>	<u>779</u>

The income tax expense for the year can be reconciled to the accounting result as follows:

	Tax rate	<b>2016</b>	<b>2015</b>
	%	<u>€'000</u>	<u>€'000</u>
Profit / (loss) before tax		3,426	1,380
Tax calculated at a tax rate of 29.2% (2015: 29.2%)	(29.2%)	(1,000)	(403)
Different tax rate	-	-	(7)
Prior years tax adjustments	-	2	817
Minimum mandatory income tax charge	(0.2%)	(6)	(6)
Tax effect of non-taxable income/ non-deductible expenses	28.5%	978	378
Effective tax rate and tax income / (expense) for the year (2015: 56.4%)	(0.8)%	<u><b>(26)</b></u>	<u><b>779</b></u>

The prior years tax adjustments of € 817 thousand in 2015 relates to the release of a tax provision.

## 12. Result from discontinued operations

	Note	<b>2016</b>	<b>2015</b>
		€'000	€'000
Release of provision for indemnities provided by Blue Marlin Finance S.à r.l. (formerly IdB Finance S.à r.l.)		696	(737)
Share in operating results	6	2,190	2,951
Gain on disposal	6	1,635	-
		<b>4,521</b>	<b>2,214</b>

The result from discontinued operations is from the investment in Bank Insinger de Beaufort N.V. The share in operating results is included until 31 December 2016 as the terms of the transaction give the right to the sellers to the result of Bank Insinger de Beaufort N.V. until the completion date of the transaction, being 31 December 2016.

In the result of Bank Insinger de Beaufort N.V. certain items are included which are 100% for the account of IdB Finance S.à.r.l or 100% (refer to the paragraph below) for the account of BNPPWM.

In 2016 the group made a share premium contribution to the associate Bank Insinger de Beaufort N.V. of €716 thousand under the indemnity towards BNPPWM. Refer to note 6.

The 2016 result of the Italian and corporate & institutional operations amounted to a net profit of € 388 thousand (2015: loss of € 1,170 thousand). As part of the agreement with BNPPWM this result is for the account of the Group.

The release can be specified as follows:

	Note	<b>2016</b>	<b>2015</b>
		€'000	€'000
Release of provision for indemnities provided by IdB Finance S.à.r.l. due to payment of share premium of € 716 thousand @ 63.02%	6	451	-
Release of overprovision due to 2016 net profit of € 388 thousand @ 63.02% (2015: loss of €1,170 thousand @ 63.02%)		245	(737)
		<b>696</b>	<b>(737)</b>

## 13. Loans and advances to credit institutions

These amounts represent bank balances with external banks. The fair value of the loans and advances to credit institutions does not differ materially from the recorded amount in the balance sheet.

#### 14. Related party receivables

	<u>2016</u>	<u>2015</u>
	€'000	€'000
Receivable with Bank Insinger de Beaufort N.V.	-	5,350
	<u>-</u>	<u>5,350</u>

The fair value of the related party receivables does not differ materially from the recorded amount in the balance sheet.

#### 15. Non-current receivables

The non-current receivable of € 15,300 thousand relates to the sale of the associate Bank Insinger de Beaufort N.V. It reflects the portion of the sale proceeds that is placed into escrow with ABN AMRO Bank N.V. as security for obligations in relation with warranties and indemnities provided by the Group towards KBL European Private Bankers. The amount in escrow will be released over time after deduction of claims awarded under the warranties and indemnities. The timing of the release is as follows:

	<u>2016</u>
	€'000
February 2018	2,000
January 2019	6,000
After final court ruling or settlement of running claims in relation to the former Italian branch activities of Bank Insinger de Beaufort N.V.	7,300
	<u>15,300</u>

For each identified claim in relation to the former Italian branch activities, a certain amount has been put into escrow. If a certain case is finally ruled in court or settled, 50% of the remaining allocated escrow amount, after deduction of damages, if any, is released. The other 50%, after deduction of damages incurred on other cases, if any, will be released after the final case has been ruled by court or settled. Damages will only occur when the actual (future) loss on a claim is higher than the provision recorded in the accounts of Bank Insinger de Beaufort N.V. as at 31 December 2016 for these claims.

The amount in escrow is interest bearing at customary conditions. The fair value of the receivable does not differ materially from the recorded amount in the balance sheet.

## 16. Other current assets

	<b>2016</b>	<b>2015</b>
	€'000	€'000
Indemnities provided by BNPPWM	-	4
Receivable in respect of the sale of associate	46,000	-
Prepaid amounts	48	44
Other	914	40
	<b>46,962</b>	<b>88</b>

Of the receivable in respect of the sale of the associate € 37,000 thousand has been received on 2 January 2017 and €9,000 thousand is subject to the finalisation of the Closing Accounts. All other current assets are expected to be recovered or settled within 12 months. The fair value of the receivables does not differ materially from the recorded amount in the balance sheet.

## 17. Related party payables

	<b>2016</b>	<b>2015</b>
	€'000	€'000
Payable to Bank Insinger de Beaufort N.V.	-	85
	<b>-</b>	<b>85</b>

The fair value of the related party payables does not differ materially from the recorded amount in the balance sheet.

## 18. Other current liabilities

	<b>2016</b>	<b>2015</b>
	€'000	€'000
Indemnities provided by Blue Marlin Finance S.à r.l. (formerly IdB Finance S.à r.l.)	109	805
Accrued audit fees	52	23
Accrued legal & consultancy fees	166	88
Other payables	186	29
	<b>513</b>	<b>945</b>

The indemnities provided by Blue Marlin Finance S.à r.l. relate to accumulated unsettled results of the Italian and corporate & institutional operations of Bank Insinger de Beaufort N.V. that are for the account of Blue Marlin Finance S.à r.l.

## 19. Events after the balance sheet date

Please refer to page 44.



## **19. Contingent liabilities**

As part of the transaction on the sale of the investment in the associate the Group has provided certain warranties and specific indemnities in respect of the former Italian branch activities of Bank Insinger de Beaufort N.V. (see notes 12 and 15 for further details)

COMPANY FINANCIAL STATEMENTS  
**for the year 31 December 2016**

**Company profit and loss account**  
for the year ended 31 December 2016

	Notes	<b>2016</b> €'000	<b>2015</b> €'000
Interest and dividend income		-	1
Interest expense		-	-
<b>Net interest and dividend income</b>	2	<b>-</b>	<b>1</b>
Income from securities			
Other operating income	3	94	87
<b>Operating income</b>		<b>94</b>	<b>88</b>
Personnel costs			
Personnel costs		(154)	(154)
Other administrative expenses	4	(483)	(588)
Depreciation			
Redundancy expense			
<b>Profit/ (loss) before taxation</b>		<b>(543)</b>	<b>(654)</b>
Taxation	5	(3)	(5)
<b>Net profit/ (loss) - total comprehensive income</b>		<b>(546)</b>	<b>(659)</b>

**Company statement of financial position**

as at 31 December 2016

(after appropriation of result)

	Notes	<b>2016</b>	<b>2015</b>
		€'000	€'000
<b>Assets</b>			
Related party receivables	6	-	4,824
Other current assets	7	711	72
Shares in subsidiary undertakings	8	23,647	23,647
Cash balances		3,309	-
<b>Total assets</b>		<b>27,667</b>	<b>28,543</b>
<b>Liabilities</b>			
Related party payables	9	4,658	5,111
Other current liabilities	10	211	88
<b>Total liabilities</b>		<b>4,869</b>	<b>5,199</b>
<b>Capital resources</b>			
Shareholders' equity		<b>22,798</b>	<b>23,344</b>
<b>Total equity and liabilities</b>		<b>27,667</b>	<b>28,543</b>

**Company statement of changes in equity**  
for the year ended 31 December 2016

	Shares	Share capital €'000	Other reserves €'000	Total €'000
<b>Balance at 1 January 2015</b>	<b>4,873,930</b>	<b>9,748</b>	<b>14,255</b>	<b>24,003</b>
Net result	-	-	(659)	(659)
Other	-	-	-	-
Total comprehensive loss	-	-	(659)	(659)
Dividend	-	-	-	-
<b>Balance at 31 December 2015</b>	<b>4,873,930</b>	<b>9,748</b>	<b>13,596</b>	<b>23,344</b>
Net result	-	-	(546)	(546)
Other	-	-	-	-
Total comprehensive loss	-	-	(546)	(546)
Dividend	-	-	-	-
<b>Balance at 31 December 2016</b>	<b>4,873,930</b>	<b>9,748</b>	<b>13,050</b>	<b>22,798</b>

The total authorised number of ordinary shares at year-end was 115,000,000 (2015: 115,000,000) with a par value of €2 per share (2015: €2 per share). All issued shares are fully paid.

Other reserves include both the legal reserve and the free reserves. In accordance with Luxembourg law, the Company must transfer at least 5% of its annual profit to the legal reserve until this reserve equals 10% of the subscribed capital. As at 31 December 2016 the legal reserve amounts to € 975 thousand (2015: € 975 thousand). The legal reserve is not distributable.

## Company statement of cash flows

for the year ended 31 December 2016

	Notes	<b>2016</b> €'000	<b>2015</b> €'000
<b>Cash flows from operating activities</b>			
Net result		(546)	(659)
Adjustment for:			
Taxation	5	3	5
<i>Net cash (outflow)/inflow from operating activities before changes in operating assets and liabilities</i>		(543)	(654)
<b>Decrease/(Increase) in operating assets:</b>			
Related party receivables	6	4,824	694
Other current assets	7	(639)	(43)
<b>(Decrease)/Increase in operating liabilities:</b>			
Related party payables	9	(453)	-
Other current liabilities	10	123	31
<i>Net cash inflow from operating activities before payment of taxation</i>		3,312	28
Taxation (paid)	5	(3)	(28)
<i>Net cash inflow from operating activities after payment of taxation</i>		3,309	-
<b>Cash flows from investing activities</b>			
<i>Net cash (outflow) from investing activities</i>		-	-
<b>Cash flows from financing activities</b>			
Dividends paid		-	-
<i>Net cash (outflow) from financing activities</i>		-	-
Net (Decrease)/ Increase in cash and cash equivalents		3,309	-
Cash and cash equivalents at beginning of year		-	-
Net (Increase)/ Decrease in cash and cash equivalents		3,309	-
Exchange differences		-	-
Cash and cash equivalents at end of year		3,309	-
<b>Cash flows from operating activities include:</b>			
Interest received		-	1
Interest paid		-	-
Dividends received		-	-

## Notes to the Company Financial Statements for the year ended 2016

### 1. General

The Company represents Blue Marlin Holdings S.A. (Formerly IdB Holdings S.A.) For the accounting policies reference is made to note 2 of the consolidated financial statements. For the critical accounting estimates of the Company reference is made to note 3 of the consolidated financial statements. For the financial risk management of the Company reference is made to note 4 of the consolidated financial statements.

The fair value of assets and liabilities does not differ materially from the amounts presented, unless indicated otherwise.

### 2. Interest income

	<b>2016</b>	<b>2015</b>
	€'000	€'000
Related party interest	-	1
	<b>-</b>	<b>1</b>

### 3. Other operating income

	<b>2016</b>	<b>2015</b>
	€'000	€'000
Risk participation	94	87
	<b>94</b>	<b>87</b>

The revenues from the risk participation are based on a risk participation agreement between Bank Insinger de Beaufort N.V. and Blue Marlin Holdings S.A. (Formerly IdB Holdings S.A.) Bank Insinger de Beaufort N.V. has granted a term loan facility to a client in the amount of GBP 15 million starting on 20 March 2015. Blue Marlin Holdings S.A. (Formerly IdB Holdings S.A.) has agreed to participate in the risk of Bank Insinger de Beaufort N.V. for a maximum amount of GBP 5 million being 33,33%. Blue Marlin Holdings S.A. (Formerly IdB Holdings S.A.) receives a net margin of 0,53% over the GBP 5 million.

As part of the agreement on the sale of the 36.98% shareholding in Bank Insinger de Beaufort N.V. this risk participation was cancelled as per 31 December 2016.

#### 4. Other general administrative expenses

	<b>2016</b>	<b>2015</b>
	€'000	€'000
Legal & Consultancy fees	281	394
Audit fees	54	47
Insurance costs	100	114
Rent & rates	17	17
Other administrative expenses	31	16
	<b>483</b>	<b>588</b>

#### 5. Taxation

Blue Marlin Holdings S.A. (Formerly IdB Holdings S.A.) was converted into a fully taxable Luxembourg holding company (société de participations financières or "Soparfi") on 30 December 2010. A Soparfi is a fully taxable Luxembourg resident company that takes advantage of the participation exemption in Luxembourg and that may benefit from double taxation treaties signed by Luxembourg as well as the provisions of the EU Parent-Subsidiary Directive.

	<b>2016</b>
	€'000
Current income tax income / (expense) in respect of the current year	(3)
Current income tax income / (expense) in respect of prior years	-
	<b>(3)</b>

The income tax expense for the year can be reconciled to the accounting result as follows:

	Tax rate	<b>2016</b>	<b>2015</b>
	%	€'000	€'000
Profit / (loss) before tax		(543)	(654)
Tax calculated at a tax rate of 29.2% (2015: 29.2%)	(29.2%)	159	191
Minimum mandatory income tax charge	(0.6%)	(3)	(3)
Tax effect of unused tax losses not recognised as deferred tax asset	29.2%	(159)	(193)
Effective tax rate / tax expense for the year (2015: (0.5%))	(0.6%)	<b>(3)</b>	<b>(5)</b>



The Company has no deferred tax assets and liabilities.

#### 6. Related party receivables

	<u>2016</u> €'000	<u>2015</u> €'000
Bank account at Bank Insinger de Beaufort N.V.	-	4,824

#### 7. Other current assets

	<u>2016</u> €'000	<u>2015</u> €'000
Prepaid expenses	48	44
Taxation receivable	39	-
Other	624	28
	<u>711</u>	<u>72</u>

#### 8. Shares in subsidiary undertakings

	<u>2016</u> €'000	<u>2015</u> €'000
At 1 January	23,647	23,647
At 31 December	<u>23,647</u>	<u>23,647</u>

A list of subsidiaries held as direct and indirect investments of Blue Marlin Holdings S.A. (Formerly IdB Holdings S.A.) is disclosed in Note 1 of the Consolidated Financial Statements.

#### 9. Related party payables

	<u>2016</u> €'000	<u>2015</u> €'000
Amounts due to Blue Marlin Finance S.à r.l. (formerly IdB Finance S.à r.l.)	4,658	5,111
	<u>4,658</u>	<u>5,111</u>

## 10. Other current liabilities

	<u>2016</u>	<u>2015</u>
	€'000	€'000
Accrued audit fees	52	23
Taxation payable	-	1
Other accruals	159	64
	<u>211</u>	<u>88</u>

## 11. Related parties

Key personnel consist of the board of the Company. Each director receives remuneration on a cost-to-company basis. The remuneration of the directors is set out below.

The split between executive and non-executive directors is specified as follows:

	<u>2016</u>	<u>2015</u>
	€'000	€'000
Non-Executive	75	75
Executive	75	75
	<u>150</u>	<u>150</u>

Also refer to notes 6 and 9 of the Company financial statements for related party balances receivable and payable.

Other than the above, related party transactions and balances for the Company are not significantly different from those of the Group. Refer to note 5 of the consolidated financial statements for more details.

## OTHER INFORMATION

### Appropriation of the result

The result for the year is at free disposal of the general meeting of shareholders. The board of directors of the Company proposes to add the profit for the year to the other reserves.

## EVENTS AFTER THE BALANCE SHEET DATE

In an extraordinary shareholders meeting held on 17 February 2017 it was resolved that 50% of the outstanding shares were bought back and cancelled by the Company for a compensation of € 16.75 for each share bought back.

Since 31 December 2016 there were no other significant organisational, management, economic, socio-political, legal or financial changes that we expect to influence our business materially going forward.

## INDEPENDENT AUDITOR'S REPORT





## **Audit report**

To the Shareholders of  
**Blue Marlin Holdings S.A.**

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### **Report on the consolidated financial statements**

We have audited the accompanying consolidated financial statements of Blue Marlin Holdings S.A. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

#### *Board of Directors' responsibility for the consolidated financial statements*

The Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

#### *Responsibility of the "Réviseur d'entreprises agréé"*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the judgment of the "Réviseur d'entreprises agréé" including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the "Réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



### *Opinion*

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group, as of 31 December 2016, and of its consolidated financial performance and its consolidated cash flows for the year then ended 31 December 2016 in accordance with International Financial Reporting Standards as adopted by the European Union.

### *Other information*

The Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' report but does not include the financial statements and our audit report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

### **Report on other legal and regulatory requirements**

The Directors' report, is consistent with the financial statements and has been prepared in accordance with the applicable legal requirements.

PricewaterhouseCoopers, Société coopérative  
Represented by

Luxembourg, 21 July 2017

A handwritten signature in black ink, appearing to read 'F. Goffin', written over a horizontal line.

Fabrice Goffin





## **Audit report**

To the Shareholders of  
**Blue Marlin Holdings S.A.**

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We have audited the accompanying financial statements of Blue Marlin Holdings S.A. (the "Company"), which comprise the Company statement of financial position as at 31 December 2016, the Company profit and loss account, the Company statement of changes in equity and the Company statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

### *Board of Directors' responsibility for the financial statements*

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Responsibility of the "Réviseur d'entreprises agréé"*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the judgment of the "Réviseur d'entreprises agréé" including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the "Réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



*Opinion*

In our opinion, the Company's financial statements give a true and fair view of the financial position of Blue Marlin Holdings S.A. as of 31 December 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

PricewaterhouseCoopers, Société coopérative  
Represented by

Luxembourg, 21 July 2017

A handwritten signature in black ink, appearing to read "F. Goffin", written over a horizontal line.

Fabrice Goffin