

**ANNUAL REPORT 2009**  
**IDB Holdings S.A.**

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## **DIRECTORS AND PROFESSIONAL ADVISORS**

IdB Holdings S.A.

### **Board of directors**

Kardol, Bas Chairman resigned March 27, 2009

Kantor, Ian (Executive Chairman)

Sieradzki, Peter (Executive)

Mooij, Rob (Executive)

Georgala, Steven (Non-Executive)

Ernzer, Marcel (Non-Executive)

Jaakke, John (Non-Executive) appointed March 27, 2009

### **Legal advisors Luxembourg**

Arendt & Medernach

Maitland & Co

### **Registered office and number**

IdB Holdings S.A.

58 Rue Charles Martel

L-2134 Luxembourg

Tel: +352 262 111

[www.IdB Holdingssa.com](http://www.IdB Holdingssa.com)

**IDB HOLDINGS S.A.**

Consolidated

**SALIENT FEATURES**

	2009	2008	Change %
<b>Results</b>			
Operating income (€ million)	1.9	0.6	202
Operating profit (€ million)	1.4	0.1	830
Profit before tax (€ million)	2.4	0.1	n/a
Net result (€ million)	82.1	3.0	n/a
<b>Per ordinary share</b>			
Diluted Earnings (€ cents)	715.4	(0.1)	n/a
Dividends (€ cents)	-	-	
<b>Balance sheet</b>			
Total assets (€ million)	81.0	477.1	(83)
Shareholders' equity (€ million)	74.7	39.7	88
Number of ordinary shares of € 2.00 each in issue net of treasury shares (million)	9.8	13.5	(28)

## **DIRECTORS' REPORT**

The year 2009 was marked by the conclusion of the transaction with BNP Paribas Wealth Management S.A. ("BNPPWM") as described in the Circular to Shareholders of 5 March 2009. On 10 April 2009 BNPPWM has acquired a 35% interest in Insinger de Beaufort Holding B.V. (IdB Holding), at the time the immediate holding company of Bank Insinger de Beaufort N.V., for a goodwill consideration of €60.525 million. The acquisition of the 35% interest in IdB Holding by BNPPWM was followed by a legal merger on 10 April 2009 of IdB Holding and Bank Insinger de Beaufort N.V. as surviving entity. As a result, IdB Finance S.à.r.l. and BNPPWM became the direct shareholders of Bank Insinger de Beaufort N.V.

In parallel, as of 9 April 2009, BNPPWM has contributed its Dutch subsidiary, Nachenius Tjeenk & Co N.V. to Bank Insinger de Beaufort N.V., together with a contribution of additional share capital and the provision of a subordinated facility of €10 million to Bank Insinger de Beaufort N.V.

On 1 January 2010 BNPPWM contributed its London based private banking activities to Bank Insinger de Beaufort N.V. As a result, BNPPWM has received additional shares in this new combined group reaching an ownership of 63%. The IdB Holdings S.A. group (the "Group") holds the remaining 37% through its subsidiary IdB Finance S.à.r.l.

As a result of this transaction the Group treats the investment in Bank Insinger de Beaufort N.V. as an investment in an associate. The results and assets and liabilities of associates are incorporated in the financial statements using the equity method of accounting and are therefore not consolidated in the accounts. As disclosed in the Circular to Shareholders dated 5 March 2009, BNP Paribas Wealth Management SA has a call option on the remaining shares in Bank Insinger de Beaufort N.V. Key financial data of Bank Insinger de Beaufort N.V. are included in this Annual Report under Other Information.

The Group reports a net profit of €82.1 million for the year ended 31 December 2009, compared to €3.0 million for the whole year 2008. The net profit included the profit realised on the sale of a 35% interest in the subsidiary Insinger de Beaufort Holding B.V. to BNP Paribas Wealth Management S.A.

As announced in the Circular to Shareholders on 5 March 2009, all outstanding dilutive instruments of the Group have been exercised, converted or paid off at the completion of the transaction with BNP Paribas Wealth Management S.A.

In line with the adoption of the resolutions in the shareholders' meeting of 6 May 2009, the capital was reduced on 6 May 2009 through the redemption of one share for every three shares held at an amount of €9.00 per share redeemed. In light of this, no proposal will be made for a dividend payment.

A handwritten signature in black ink, appearing to read 'Ian Kantor', with a stylized, cursive script.

14 June 2010

Ian Kantor

On behalf of the directors

## Independent Auditor's Report

To the Shareholders of  
**IdB Holdings S.A.**  
(formerly Insinger de Beaufort Holdings S.A.)

### Report on the parent company financial statements and the consolidated financial statements

We have audited the accompanying parent company financial statements of IdB Holdings S.A. and consolidated financial statements of IdB Holdings S.A. and its subsidiaries, which comprise the parent company statement of financial position and the consolidated statement of financial position as at December 31, 2009, the parent company statement of comprehensive income and the consolidated statement of comprehensive income, the parent company statement of changes in equity and the consolidated statement of changes in equity and the parent company statement of cash flow and the consolidated statement of cash flow for the year then ended and a summary of significant accounting policies and other explanatory notes.

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

The Board of Directors is responsible for the preparation and fair presentation of these parent company financial statements and consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of parent company financial statements and consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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

Our responsibility is to express an opinion on these parent company financial statements and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted 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 whether the parent company financial statements and consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the parent company financial statements and 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 parent company financial statements and 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 parent company financial statements and consolidated 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 parent company financial statements and 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 accompanying parent company financial statements give a true and fair view of the financial position of IdB Holdings S.A. as of December 31, 2009, and of its financial performance and its cash flow for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.
- the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of IdB Holdings S.A. and its subsidiaries as of December 31, 2009, and of its consolidated financial performance and its consolidated cash flow for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

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

The Directors’ report, which is the responsibility of the Board of Directors, is in accordance with the parent company financial statements and consolidated financial statements.

PricewaterhouseCoopers S.à r.l.  
Represented by

Luxembourg, June 14, 2010



Emmanuelle Caruel-Henniaux



**FINANCIAL STATEMENTS**  
**for the year 31 December 2009**

**Consolidated statement of comprehensive income**  
for the year ended 31 December 2009

	<b>Note</b>	<b>2009</b> € '000	<b>2008</b> € '000
Interest income		2,412	1,614
Interest expense		(514)	(986)
<b>Net interest income</b>	7	<b>1,898</b>	<b>628</b>
Other operating income	8	(19)	(31)
<b>Operating income</b>		<b>1,879</b>	<b>597</b>
Personnel costs	9	(153)	(69)
Other operating expenses	10	(349)	(379)
<b>Operating profit</b>		<b>1,377</b>	<b>149</b>
Share of results from associates	12	(3,770)	-
<b>Profit before taxation</b>		<b>(2,393)</b>	<b>149</b>
Taxation	13	(148)	(163)
<b>(Loss)/Profit for the year from continuing operations</b>		<b>(2,541)</b>	<b>(14)</b>
<b>Profit for the year from discontinued operations</b>	6, 11	<b>84,647</b>	<b>3,029</b>
<b>Net profit for the year</b>		<b>82,106</b>	<b>3,015</b>
Net gains/(losses) from changes in fair value, net of tax		58	(94)
Translation adjustments and other movements, net of tax		194	(428)
<b>Total comprehensive income for the year</b>		<b>82,358</b>	<b>2,493</b>

The notes on pages 17 to 57 are an integral part of these financial statements

**Consolidated statement of financial position (balance sheet)**  
as at 31 December 2009  
**(before appropriation of result)**

	Notes	2009	2008
		€ '000	€ '000
<b>Assets</b>			
Loans and advances to credit institutions	14	10	6
Investment securities:			
- available-for-sale	15	27,567	12,120
Related party receivables	16	7,667	25,500
Investment in associates	6	39,998	-
Other assets	17	5,784	242
Assets held for sale	6	-	439,202
<b>Total assets</b>		<b>81,026</b>	<b>477,070</b>
<b>Liabilities</b>			
Loan notes and other long-term debt	18	-	252
Loan notes and other short-term debt	19	-	9,829
Other liabilities	20	4,288	715
Tax liabilities		2,087	1,610
Liabilities held for sale	6	-	424,920
<b>Total liabilities</b>		<b>6,375</b>	<b>437,326</b>
<b>Capital resources</b>			
Shareholders' equity		(7,455)	34,666
Result for the year		82,106	3,015
Shareholders' compulsory convertible loan note	21	-	2,063
		<b>74,651</b>	<b>39,744</b>
<b>Total equity and liabilities</b>		<b>81,026</b>	<b>477,070</b>
Off Balance sheet items: contingent assets	22	11,464	11,464
Off Balance sheet items: contingent liabilities	22	-	3,037

The notes on pages 17 to 57 are an integral part of these financial statements



## Consolidated statement of changes in equity

for the year ended 31 December 2008

	Attributable to shareholders										
	Shares net of treasury shares	Share Capital	Share premium	Revaluation reserves	Translation reserve	Other reserves	Result for the year	Treasury shares reserve	Subtotal	Compulsory convertible loan note	Total
Balance at 1 January 2008	13,152,981	27,163	10,953	(908)	(8,775)	41,607	(14,564)	(17,487)	37,989	2,063	40,052
Net profit							3,015		3,015		3,015
Net gains from changes in fair value, net of tax				(94)					(94)		(94)
Translation adjustments and other movements, net of tax	(3)				7,902	(8,330)			(428)		(428)
<b>Total comprehensive income</b>	<b>(3)</b>	<b>-</b>	<b>-</b>	<b>(94)</b>	<b>7,902</b>	<b>(8,330)</b>	<b>3,015</b>	<b>-</b>	<b>2,493</b>	<b>-</b>	<b>2,493</b>
Result appropriation						(14,564)	14,564		-		-
Employee share option plan: -equity settled share based payment plan, net of tax						658			658		658
- cash settled share based payment plan, net of tax						(133)			(133)		(133)
-proceeds from warrants exercised	237,259	475	949						1,424		1,424
Sales/(Purchases) of treasury shares <sup>1</sup>	122,652					(8,754)		6,950	(1,804)		(1,804)
Dividend						(2,946)			(2,946)		(2,946)
<b>Balance at 31 December 2008</b>	<b>13,512,889</b>	<b>27,638</b>	<b>11,902</b>	<b>(1,002)</b>	<b>(873)</b>	<b>7,538</b>	<b>3,015</b>	<b>(10,537)</b>	<b>37,681</b>	<b>2,063</b>	<b>39,744</b>

<sup>1</sup> See note 24

## Consolidated statement of changes in equity

for the year ended 31 December 2009

	Shares net of treasury shares	Attributable to shareholders									Total
		Share Capital	Share premium	Revaluation reserves	Translation reserve	Other reserves <sup>5</sup>	Result for the year	Treasury shares reserve	Subtotal	Compulsory convertible loan note	
		€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Balance at 1 January 2009	13,512,889	27,638	11,902	(1,002)	(873)	7,538	3,015	(10,537)	37,681	2,063	39,744
Net profit							82,106		82,106		82,106
Net gains from changes in fair value, net of tax				58					58		58
Translation adjustments and other movements, net of tax					194				194		194
<b>Total comprehensive income</b>	-	-	-	<b>58</b>	<b>194</b>	-	<b>82,106</b>	-	<b>82,358</b>	-	<b>82,358</b>
Result appropriation						3,015	(3,015)				
Employee share option plan:											
- equity settled share based payment plan, net of tax						207			207		207
- cash settled share based payment plan, net of tax <sup>1</sup>						(831)			(831)		(831)
- option exercise	1,079,328	2,159	5,471						7,630		7,630
Capital reduction <sup>2</sup>	(4,965,957)	(9,932)	(17,373)			(17,389)			(44,694)		(44,694)
Sales/(Purchases) of treasury shares <sup>3</sup>	141,826					(17,182)		9,482	(7,700)		(7,700)
Conversion CCLN <sup>4</sup>										(2,063)	(2,063)
<b>Balance at 31 December 2009</b>	<b>9,768,086</b>	<b>19,864</b>	<b>-</b>	<b>(944)</b>	<b>(679)</b>	<b>(24,642)</b>	<b>82,106</b>	<b>(1,055)</b>	<b>74,651</b>	<b>-</b>	<b>74,651</b>

The notes on pages 17 to 57 are an integral part of these financial statements

<sup>1</sup> Refers to the buy back at market value of shares issued to option holders as a result of options exercised

<sup>2</sup> See note 23

<sup>3</sup> See note 24

<sup>4</sup> See note 21

<sup>5</sup> The other reserves includes 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 2009 the legal reserves amounts to €1,987 thousand. The legal reserve is not distributable.

**Consolidated statement of cash flow**

For the year ended 31 December 2009

	Notes	<u>2009</u>	<u>2008</u>
		€'000	€'000
<b>Cash flows from operating activities</b>			
Net result		82,106	3,015
Adjustment for:			
Result discontinued operations	11	(84,647)	(3,029)
Taxation	13	148	163
Impairment charges		-	227
Income from associates	12	3,770	
Interest on equity trust loan notes		(1,382)	(684)
Share-based compensation		207	658
<i>Net cash inflow from operating activities before changes in operating assets and liabilities</i>		<u>202</u>	<u>350</u>
<b>Decrease/(Increase) in operating assets:</b>			
Loans and advances to credit institutions		(4)	-
Related party receivables		17,833	(6,577)
Other assets		(5,446)	8,943
<b>(Decrease)/Increase in operating liabilities:</b>			
Other liabilities		<u>3,345</u>	<u>(1,514)</u>
<i>Net cash inflow from operating activities before payment of taxation</i>		<u>15,930</u>	<u>1,202</u>
Taxation (paid)	13	<u>(142)</u>	<u>(48)</u>
<i>Net cash inflow from operating activities after payment of taxation</i>		<u>15,788</u>	<u>1,154</u>
<b>Cash flows from investing activities</b>			
Purchase of Equity Trust loan notes	15	(14,725)	-
Acquisition of subsidiaries		485	-
Proceeds from sale and redemption of investment securities	15	773	
Transaction with BNP Paribas Wealth Management S.A.	11	<u>55,218</u>	<u>-</u>
<i>Net cash inflow/(outflow) from investing activities</i>		<u>41,751</u>	<u>-</u>

	<u>2009</u>	<u>2008</u>
	€'000	€'000
<b>Cash flows from financing activities</b>		
Dividends paid	-	(2,946)
Warrant exercise	-	1,424
Option exercise	25 6,799	-
Reduction of share capital	23 (44,695)	-
Intragroup cash settlement of share options	-	(133)
Treasury shares	24 (7,700)	(1,804)
Accrued Interest on loan notes	-	(57)
Issue/(repayment) of loans	19 (12,144)	2,500
Net cash inflow/(outflow) from financing activities	<u>(57,740)</u>	<u>(1,016)</u>
Net increase/(decrease) in cash and cash equivalents	(201)	138
Cash and cash equivalents at beginning of year	-	-
Net increase/(decrease) in cash and cash equivalents	(201)	138
Exchange differences	201	(138)
Cash and cash equivalents at end of year	<u>-</u>	<u>-</u>
<b>Cash flows from operating activities include:</b>		
Interest received	1,030	930
Interest paid	(514)	(815)
Dividends received	-	-



## **Notes to the Financial Statements for the year ended 2009**

### **1. General**

IdB Holdings S.A. ("the Company") was incorporated on 30 November 1994 as a '1929 Holding Company' in the Grand Duchy of Luxembourg, and was listed on the Luxembourg Stock Exchange on 30 September 1997. With a view of reducing the administrative expenses in connection with the listing of the Company's shares, the Company applied to transfer the listing of the Company's shares from the EU-regulated market of the Luxembourg Stock Exchange to the multilateral trading facility operated by the Luxembourg Stock Exchange (the Euro MTF market). The Euro MTF market is regulated by the provisions and regulations of the Luxembourg Stock Exchange.

This application was approved by the Luxembourg Stock Exchange and as a result the listing of the Company's shares has been transferred to the Euro MTF market as per 27 April 2009.

The Company and its subsidiaries jointly hereinafter referred to as the "Group". A list of subsidiaries is included in other information.

After the transaction with BNP Paribas Wealth Management S.A. ("BNPPWM"), the activities of IdB Holdings S.A. are limited to the holding of investments.

On 6 May 2009 the company has been renamed from Insinger de Beaufort Holdings S.A. to IdB Holdings S.A.

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

#### **2.1 General**

The Financial Statements of the Group have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations (hereinafter referred to as IFRS) as adopted by the European Union and issued and effective for the annual report beginning January 1, 2009.

The Group has adopted the following new and amended IFRS and IFRIC interpretations during the period. Adoption of these revised standards and interpretations did not have any effect on the financial performance or position of the Group. The principal effects of these changes are as follows.

- IFRS 7 'Financial instruments – Disclosures' (amendment) – effective 1 January 2009. The amendment requires enhanced disclosures about fair value measurement and

liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. The change only results in additional disclosures.

-IAS 1 (revised), 'Presentation of financial statements' – effective 1 January 2009. The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'nonowner changes in equity' to be presented separately from owner changes in equity in a statement of comprehensive income. As a result the group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income. Comparative information has been re-presented so that it also is in conformity with the revised standard.

- IFRS 2 (amendment), 'Share-based payment' (effective 1 January 2009) deals with vesting conditions and cancellations. It clarifies that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. These features would need to be included in the grant date fair value for transactions with employees and others providing similar services; they would not impact the number of awards expected to vest or valuation thereof subsequent to grant date. All cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The group has adopted IFRS 2 (amendment) from 1 January 2009. The amendment does not have a material impact on the group financial statements.

The following standards and amendments to existing standards have been published and are mandatory for the group's accounting periods beginning on or after 1 January 2010 or later periods, but the group has not early adopted them:

- IFRIC 17, 'Distribution of non-cash assets to owners' (effective on or after 1 July 2009). The interpretation is part of the IASB's annual improvements project published in April 2009. This interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. IFRS 5 has also been amended to require that assets are classified as held for distribution only when they are available for distribution in their present condition and the distribution is highly probable. The group and company will apply IFRIC 17 from 1 January 2010. It is not expected to have a material impact on the group financial statements.

- IAS 27 (revised), 'Consolidated and separate financial statements', (effective from 1 July 2009). The revised standard requires the effects of all transactions with noncontrolling interests to be recorded in equity if there is no change in control and these

transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is remeasured to fair value, and a gain or loss is recognised in profit or loss. The group will apply IAS 27 (revised) prospectively to transactions with non-controlling interests from 1 January 2010.

- IFRS 3 (revised), 'Business combinations' (effective from 1 July 2009). The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. The group will apply IFRS 3 (revised) prospectively to all business combinations from 1 January 2010.

- IAS 38 (amendment), 'Intangible Assets'. The amendment is part of the IASB's annual improvements project published in April 2009 and the group and company will apply IAS 38 (amendment) from the date IFRS 3 (revised) is adopted. The amendment clarifies guidance in measuring the fair value of an intangible asset acquired in a business combination and it permits the grouping of intangible assets as a single asset if each asset has similar useful economic lives. The amendment will not result in a material impact on the group financial statements.

- IFRS 5 (amendment), 'Measurement of non-current assets (or disposal groups) classified as held-for-sale'. The amendment is part of the IASB's annual improvements project published in April 2009. The amendment provides clarification that IFRS 5 specifies the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations. It also clarifies that the general requirement of IAS 1 still apply, particularly paragraph 15 (to achieve a fair presentation) and paragraph 125 (sources of estimation uncertainty) of IAS 1. The group and company will apply IFRS 5 (amendment) from 1 January 2010. It is not expected to have a material impact on the group's financial statements.

- IAS 1 (amendment), 'Presentation of financial statements'. The amendment is part of the IASB's annual improvements project published in April 2009. The amendment provides clarification that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current. By amending the definition of current liability, the amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle

in shares at any time. The group and company will apply IAS 1 (amendment) from 1 January 2010. It is not expected to have a material impact on the group's financial statements.

- IFRS 2 (amendments), 'Group cash-settled and share-based payment transactions'. In addition to incorporating IFRIC 8, 'Scope of IFRS 2', and IFRIC 11, 'IFRS 2 – Group and treasury share transactions', the amendments expand on the guidance in IFRIC 11 to address the classification of group arrangements that were not covered by that interpretation. The new guidance is not expected to have a material impact on the group's financial statements.

- IFRS 9, 'Financial instruments part 1: Classification and measurement'

IFRS 9 was issued in November 2009 and replaces those parts of IAS 39 relating to the classification and measurement of financial assets. Key features are as follows:

- Financial assets are required to be classified into two measurement categories: those to be measured subsequently at fair value, and those to be measured subsequently at amortised cost. The decision is to be made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.
- An instrument is subsequently measured at amortised cost only if it is a debt instrument and both the objective of the entity's business model is to hold the asset to collect the contractual cash flows, and the asset's contractual cash flows represent only payments of principal and interest (that is, it has only 'basic loan features'). All other debt instruments are to be measured at fair value through profit or loss.
- All equity instruments are to be measured subsequently at fair value. Equity instruments that are held for trading will be measured at fair value through profit or loss. For all other equity investments, an irrevocable election can be made at initial recognition, to recognise unrealised and realised fair value gains and losses through other comprehensive income rather than profit or loss. There is to be no recycling of fair value gains and losses to profit or loss. This election may be made on an instrument-by-instrument basis. Dividends are to be presented in profit or loss, as long as they represent a return on investment.

The Group is considering the implications of the standard, the impact on the Group and the timing of its adoption by 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, derivatives, financial assets and financial liabilities at fair value through profit or loss and investment properties, 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 IdB Holdings S.A., its subsidiaries and companies over which it has power to control. The list of significant subsidiaries and Group companies is disclosed in 'Other Information' on page 59. Subsidiaries are fully 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.

### 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.

### 2.6 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.

## 2.7 Financial assets

The Group classifies its financial assets in the following categories:

I. 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.

II. 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.

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

IV. Available-for-sale. Available for sale investments are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

Management determines the classification of its securities at initial recognition.

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

ad. II – Financial assets at fair value through profit or loss - Listed securities held for trading purposes are stated at the market value prevailing at the balance sheet date. Unlisted securities are stated at fair value. When market prices are not available, the securities are measured by means of an internal valuation model. Resulting gains and losses are recognised net in the profit and loss account.

ad. III - Loans and advances

Loans and advances are stated at amortised cost net of impairments based on a case-by-case valuation.

ad. IV – Available-for-sale - This category consists of securities, which are shown at market value. Revaluations are taken to a revaluation reserve in equity, 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 Company commits to purchase or sell the asset. Loans are recognised when cash is advanced to the borrowers.

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.

Derecognition of financial assets

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.

## 2.8 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 unfavourable 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 entity's 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 existent 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.



## 2.9 Impairment of financial assets

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. Furthermore a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost is also objective evidence of impairment.

An equity investment or fixed income instrument is impaired if its carrying amount is greater than its estimated recoverable amount. The impairment loss that has been recognised in equity is removed from equity and recognised in the income statement. Impairment loss recognised in the income statement on equity instruments is not reversed through the income statement.

Loans are evaluated on impairment on a case-by-case basis. When a loan is uncollectable, 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. 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.

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

- delinquency in contractual payment of principal or interest;
- cash flow difficulties experience 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.

## 2.10 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 carried in the balance sheet at cost as adjusted by post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. The Group's investment in associates includes goodwill identified on acquisition.

#### 2.11 Shares in subsidiary undertakings

In the company financial statements investments in subsidiaries 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.

#### 2.12 Taxation

Taxes are calculated on profit before tax in accordance with the ruling tax legislation in the country of incorporation for the various 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.

#### 2.13 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.

#### 2.14 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.

The fair value of the liability portion of a convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax.

#### 2.15 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 they are remote.

#### 2.16 Compulsory convertible loan notes

Convertible loan notes are compound financial instruments. The Group's obligation to make scheduled payments of interest and principal, if any, are valued at their fair value at initial recognition and are presented as a liability under the loan notes and other long term debt. The equity component being the embedded option to convert the liability into equity is presented as equity based on its fair value.

Upon conversion of the instrument at maturity, the Group derecognises the liability component and recognises it as equity. The original equity component remains as equity.

#### 2.17 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 2.7 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 note dividends.

### 2.18 Earnings per share

Earnings per share are calculated by dividing the net profit and loss for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Dilutive earnings per share is calculated taking into account all potential dilutive instruments in issuance at the balance sheet date.

### 2.19 Derivative financial instruments

Derivative financial instruments are initially recorded at fair value and remeasured at subsequent reporting dates. Changes in the fair value of derivative financial instruments that are designated as an effective fair value hedge are recognised immediately in the profit and loss account.

Changes in the fair value of derivative financial instruments that are designated as an effective net investment hedge in a foreign entity are recognised directly in equity.

Changes in the fair value of derivative financial instruments that are designated and effective as cash flow hedges are recognised directly in equity. Amounts deferred in equity are recognised in the income statement in the same period in which the hedged firm commitment or forecasted transaction affects net profit or loss.

Changes in the fair value of derivative instruments that do not qualify for hedge accounting are recognised in the profit and loss account as they arise.

### 2.20 Employee benefits

The Group has applied the requirements of IFRS 2 Share-based Payments. In accordance with the transitional provisions, IFRS 2 has been applied to all grants of equity instruments after 7 November 2002 that were unvested as of 1 January 2005.

From time to time the Group may issue equity-settled and cash-settled share-based payments to certain employees. Share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

Cash-settled share-based payments are revalued periodically through the profit and loss account and recorded as a liability on the balance sheet.

The fair values of the share-based payments have been determined by using an option-pricing model. This model takes the risk free interest rate into account, as well as the expected life of the options granted, the exercise price, the current share price, the expected volatility and the expected dividends.

The proceeds received from equity-settled share based payments, net of any direct attributable transaction costs, are credited to share capital (nominal value) and share premium when the options are exercised.

#### 2.21 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 3 months.

#### 2.22 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.

#### 2.23 Fiduciary activities

When the Group acts as trustees and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefits plans and other institutions, these assets and income arising thereon are excluded from these financial statements, as they are not assets of the Group.

#### 2.24 Assets/liabilities held for sale

This represents the assets/liabilities of discontinued activities, which are sold within 1 year. The assets and liabilities held for sale are recorded based on the same accounting policies applied as for the Group.

### 3. Critical accounting estimates and judgements

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. Estimates are mainly made in the valuation of the Equity Trust Holdings S.à.r.l loan notes. Reference is made to note 15.

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 SA 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 of 31 December 2009 the Group provided for nil in this respect. Part of the indemnities relate to deferred tax assets. In a subsequent agreement with BNP Paribas Wealth Management SA a value adjustment has been agreed for a maximum of € 3,2 million to cover potential indemnity claims related to deferred tax assets up to this amount. The settlement of this adjustment resulted in the transfer of 292 shares in Bank Insinger de Beaufort N.V..

In order to secure BNP Paribas Wealth Management SA's ability to recover damages claimed in relation to the warranties or indemnities given by the Group, a pledge has been granted by the Group in favour of BNP Paribas Wealth Management SA over the remaining shares in Bank Insinger de Beaufort N.V..

d) Call option BNP Paribas Wealth Management SA

BNPPWM has an option to purchase the interest held by IdB Finance Sarl in Bank Insinger de Beaufort N.V. in April 2013. The exercise price is determined taking into account factors such as revenues, cost to income ratio and performance fees.

Details of the agreed calculation of the exercise price can be found in the Circular to Shareholders dated 5 March 2009.

The option is considered to have a value, if the market value for the remaining shareholding in Bank Insinger de Beaufort N.V. differs from the agreed calculation. In other words, if the agreed calculation assumes other non-market related variables, the call option has either a positive or negative fair value. Management has no reason to believe that at the balance sheet date the market value is not in line with the agreed calculation method.

Key financial data of Bank Insinger de Beaufort NV are included in this Annual Report under Other Information.



## **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 minimise 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 Group has certain small subsidiaries in foreign operations, whose net assets are exposed to foreign currency translation risk. Due to the small nature the exposure to foreign exchange risk is minimal.

The main interest bearing item on the balance sheet is the investment in Equity Trust Holdings S.à.r.l loan notes as disclosed in note 15.

In addition, the bank account with Bank Insinger de Beaufort NV is also interest bearing. But due to short term nature of this asset, the valuation due to changes in interest rates will not be significant.

### **4.2 Credit risk**

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers. The main exposure is the bank account the Group holds with Bank Insinger de Beaufort NV. BNP Paribas Wealth Management SA is for 59.19% owner of Bank Insinger de Beaufort NV. BNP Paribas Wealth Management SA has an AA credit rating. Bank Insinger de Beaufort NV has no credit rating. No collateral has been received for the various investments.

### 4.3 Liquidity risk

The bank account with Bank Insinger de Beaufort NV, included in the balance sheet as related party receivables, is sufficient to cover the other liabilities which are due. Due to the absence of other debt no liquidity risk is identified.

### 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 2009 and 2008 were as follows:

	<b>2009</b>	<b>2008</b>
	€'000	€'000
Net debt	6,375	12,406
Total equity	74,651	37,681
Total capital	81,026	50,087
<b>Gearing ratio</b>	8%	25%

### 4.5 Fair value of financial assets and liabilities

Effective 1 January 2009, the group adopted the amendment to IFRS 7 for financial instruments that are measured in the balance sheet at fair value, this requires disclosure of fair value measurements by level of 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).

The available for sale securities that are measured at fair value can be analysed as follows:

	<b>2009</b>	<b>2008</b>
	€'000	€'000
Level 1	114	-
Level 2	-	-
Level 3	27,453	12,120
	<u>27,567</u>	<u>12,120</u>

The valuation techniques used in level 3 include discounted cash flow analysis. A change of 1% in the discount rate will impact the profit before taxation with approximately € 0.5 million.

No transfers have taken place between the levels compared to 2008.

The following table presents the changes in level 3 instruments for the year ended 31 December 2008 and 2009.

	<b>2009</b>	<b>2008</b>
	€'000	€'000
Opening balance	12,120	11,436
Purchase Equity Trust Loan notes	14,725	-
Purchase other securities	114	-
Gains recognised in the profit & loss	1,382	684
Liquidation	(774)	-
	<u>27,567</u>	<u>12,120</u>

## 5. Related parties

### Remuneration of key personnel

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:

	<b>2009</b>	<b>2008</b>
	€'000	€'000
Non-Executive	69	58
Executive	75	30
	<u>144</u>	<u>88</u>

The executives and non-executive also received a remuneration from Bank Insinger de Beaufort NV of € 2,249 thousand (2008 : € 1,194 thousand).

### Transactions

The following related party transactions are identified:

- Bank Insinger de Beaufort NV is the sole financial institution where the Group holds its consolidated cash position.
- Transfer of Equity Trust Loan notes from Bank Insinger de Beaufort against fair value

These transactions are recorded at arm's length basis with the exception of the transfer of former subsidiaries of Bank Insinger de Beaufort NV which were transferred against net asset value.

## 6. Investment in associates

As announced on 1 August 2008 in a joint press release, BNP Paribas Wealth Management S.A. ("BNPPWM") and IdB Holdings SA have concluded a strategic partnership. On 10 April 2009 BNP Paribas Wealth Management has acquired a 35% interest in Insinger de Beaufort Holding B.V. (IdB Holding), at the time the immediate holding company of Bank Insinger de Beaufort N.V., for a goodwill consideration of € 60.525 million. The acquisition of the 35% interest in IdB Holding by BNPPWM was followed by a legal merger on 10 April 2009 of IdB Holding and Bank Insinger de Beaufort N.V. as surviving entity. As a result, IdB Finance S.à.r.l. and BNPPWM became the direct shareholders of Bank Insinger de Beaufort N.V. Further reference is made to note 3 d.

The goodwill consideration is based on the net asset value of Bank Insinger de Beaufort N.V. as per December 31, 2008 and certain valuation adjustments as agreed between the parties. In order to achieve this net asset value an additional share premium contribution into the capital of Bank Insinger de Beaufort N.V. was made by the Group.

In parallel, as of 9 April 2009, BNPPWM has contributed its Dutch subsidiary, Nachenius Tjeenk & Co N.V. to Bank Insinger de Beaufort N.V., together with a contribution of additional share capital and the provision of a subordinated facility of € 10 million to Bank Insinger de Beaufort N.V. As a result, the indirect shareholding IdB Holdings SA has in Bank Insinger de Beaufort NV has reduced to 40.81% as at 31 December 2009.

BNPPWM has obtained control effective 1 January 2009. At that date Bank Insinger de Beaufort NV is accounted for as an associate.

	<b>2009</b>
	<u>€'000</u>
Balance as at 1 January	-
Additions due to loss of control	14,282
Pre-transaction valuation adjustments	(7,375)
Pre-transaction share premium contribution	3,242
Sale of 35% share to BNPPWM	(3,470)
Contribution of Cash by BNPPWM	4,110
Contribution of Nachenius Tjeenk & Co N.V. by BNPPWM	32,866
Operating results from associates	(3,755)
Other	98
Balance as at 31 December	<u>39,998</u>

The impact of the loss of control in the subsidiary on the consolidated balance sheet is €439 thousand lower assets, €425 thousand lower liabilities. The net asset value as at 31 December 2008 of the deconsolidated subsidiary was €14,282 thousand.

As a result of the call option as disclosed in note 3, the investment in the associate is not at free disposal of the Group before the expire of the exercise period of the call option.

The reconciliation with the equity of Bank Insinger de Beaufort NV is as follows:

	<b>2009</b>
	<u>€'000</u>
Group equity Bank Insinger de Beaufort NV	98,009
@ 40,81 %	39,998

Reference is made to the Other Information that contains certain financial information of Bank Insinger de Beaufort NV.

In concluding the above mentioned transaction, the following subsidiaries of Bank Insinger de Beaufort NV have been bought by Insinger Finance (BVI) S.A., a group company, as part of the strategic partnership against net asset value as at 30 March 2009:

	<b>2009</b>
	<u>€'000</u>
Insinger (Jersey) Ltd	12,609
Insinger Investment Management (Jersey) Ltd	146
Insinger Fund Management (Jersey) Ltd	(71)
Insinger de Beaufort Asset Management Inc	182
	<u>12,866</u>

## 7. Net interest income

	<b>2009</b>	<b>2008</b>
	€'000	€'000
Fixed income securities	1,382	1,614
Other interest and similar income	1,030	-
Interest income	<u>2,412</u>	<u>1,614</u>
Interest expense	(514)	(986)
	<b><u>1,898</u></b>	<b><u>628</u></b>

## 8. Other operating income

	<b>2009</b>	<b>2008</b>
	€'000	€'000
Recharged option expenses	81	-
Other	(100)	(31)
	<b><u>(19)</u></b>	<b><u>(31)</u></b>

## 9. Personnel costs

	<b>2009</b>	<b>2008</b>
	€'000	€'000
Salaries	(9)	(9)
Director fees	(144)	(60)
	<b><u>(153)</u></b>	<b><u>(69)</u></b>

## 10. Other operating expenses

	<b>2009</b>	<b>2008</b>
	€'000	€'000
Audit fees	31	31
Bad debt	-	12
Consultancy fees	174	276
Rent & rates	15	15
Other	129	45
	<b>349</b>	<b>379</b>

## 11. Profit for the year from discontinued operations

	<b>2009</b>
	€'000
Profit on Sale of 35% share to BNPPWM	56,530
Profit on Contribution of Cash by BNPPWM	4,110
Profit on Contribution of Nachenius Tjeenk & Co N.V. by BNPPWM	32,866
Pre-transaction valuation adjustments	(7,375)
Expenses attributable to the transaction	(2,260)
Other	776
	<b>84,647</b>

The profit on the transaction with BNP Paribas Wealth Management SA results from the sale of 35% in Insinger de Beaufort Holding BV for a cash consideration of € 60 million of which € 5 million is deferred, a cash contribution of €7 million and the contribution of Nachenius Tjeenk & Co NV by BNP Paribas Wealth Management SA for a fair value of €89.5 million.

## 12. Share of results from associates

The share of result from associates is resulting from Bank Insinger de Beaufort N.V. In the result of Bank Insinger de Beaufort N.V. certain items are included which are 100% for the account of IdB Finance Sarl or 100% for the account of BNP Paribas Wealth Management SA.

Part of the transaction with BNPPWM is that as from 1 January 2009 the results of the Italian and corporate & institutional operations of Bank Insinger de Beaufort NV are for the account of IdB Finance Sarl.



The loss of the Italian and corporate & institutional operations amounted to € 427 thousand. As part of the agreement with BNPPWM this result is for the account of the Group. In the results of IdB Finance Sarl 40.81%, or € 174 thousand had already been included as part of the share in the net asset value of the associate Bank Insinger de Beaufort NV. Under the other payable in note 20 the unsettled amount of € 253 thousand has been accrued to be paid to Bank Insinger de Beaufort NV.

As part of the implementation of this strategy and as announced on 2 April 2009, the activities of the Italian branch in their current form will be discontinued and the branch's asset management and broking activities are planned to be transferred to a newly formed company, which will be a subsidiary of IdB Finance S. à .r.l.

	<b>2009</b>
	<u>€'000</u>
Indemnities provided by BNPPWM	326
Indemnities provided by the Group	(341)
Operating results	<u>(3,755)</u>
	<b>(3,770)</b>

### 13. Taxation

IdB Holdings S.A. is a so-called billionaires' holding company for tax purposes. Billionaire holding companies are taxed on the basis of various percentage rates applied to interest paid out and dividends distributed by the company, and on the remuneration and fees paid to directors, auditors and liquidators residing less than six months of the year in Luxembourg. The fiscal regime related to the Holding 1929 companies has been abolished with effect from 1st January 2007 by article 1 of the law of 22 December 2006. The same law enables Holding 1929 companies to maintain their structure during a transitory period ending on 31 December 2010, which means that the Company is required to change its legal form before 31 December 2010.

The taxation can be split between the following companies:

	<b>2009</b>	<b>2008</b>
	<u>€'000</u>	<u>€'000</u>
IdB Holdings SA	98	90
IdB Finance S.à.r.l	50	73
	<u><b>148</b></u>	<u><b>163</b></u>

#### 14. 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.

#### 15. Investment securities

	<b>2009</b>	<b>2008</b>
	€'000	€'000
Equity Trust Holdings S.à.r.l loan notes	26,773	10,666
Share in Equity Trust Holdings S.à.r.l	680	680
Share in Special Purpose Entity	-	774
Other investment securities	114	-
	<b>27,567</b>	<b>12,210</b>

The Equity Trust Holdings S.à.r.l loan notes relates to investments in loan notes generating a 10% interest income reflected in the profit and loss. The other fair value adjustments are included in other comprehensive income. The increase in the Equity Trust Holdings S.a.r.l loan notes is due to the purchase of loan notes held by Bank Insinger de Beaufort N.V. and Insinger de Beaufort Holding B.V. during 2009.

The valuation of these loan notes is based on the estimated net realisable value, derived from estimated enterprise value of Equity Trust Holdings Sarl. In this valuation an estimated market based discount rate of 10% was used. This value is also the best estimate of the fair value. Important elements in this estimated enterprise value are the expected EBITDA and the valuation multiple applied on this. Realisation of a sale of this investment is depending on the decision by the majority shareholder in Equity Trust Holding Sarl.

The share in Equity Trust Holdings S.à.r.l is the interest of 10.1% (2008: 10.1% ) in Equity Trust Holdings S.à.r.l.

The share in the special purpose entity is the entity that held the Subordinated Loan Notes 2008 on behalf of current and former senior employees of the Group (see note 19).

The increase in the other investment securities is due to the purchase of certain companies by Insinger Finance (BVI) S.A., a subsidiary of IdB Holdings SA. The other investments are recorded at their fair value.

## 16. Related party receivables

	<b>2009</b>	<b>2008</b>
	€'000	€'000
Capital loan to Insinger de Beaufort Holding B.V.	-	65,260
Accrued interest capital loan	-	1,185
Receivable on discontinued activities	-	68
Receivable with Insinger de Beaufort Investments (SA) Pty	2	-
Receivable with Bank Insinger de Beaufort N.V.	7,665	(41,013)
	<b>7,667</b>	<b>25,500</b>

The capital loan to Insinger de Beaufort Holding B.V. has been repaid as part of the transaction with BNP Paribas Wealth Management S.A. The fair value of the related party receivables does not differ materially from the recorded amount in the balance sheet.

The interest on the related party accounts are included in the profit and loss.

## 17. Other assets

	<b>2009</b>	<b>2008</b>
	€'000	€'000
Prepaid amounts	454	529
Capitalized option expenses	-	(287)
Amounts due from BNPP WM	5,225	-
Debtor	94	-
Other	11	-
	<b>5,784</b>	<b>242</b>

## 18. Loan notes and other long-term debt

The amounts relate to accrued interest on the compulsory convertible loan note. At initial recognition of the compulsory convertible loan note the loan note has been split in an equity instrument and as a financial liability. As a result of the transaction with BNPP WM the loan notes have been repaid.

## 19. Loan notes and other short term debt

On 24 December 2003 a Euro-denominated, subordinated loan note 2008 in the amount of €8,929 thousand was issued by IdB Holdings SA to the note holder of which €7,329 thousand was still outstanding. The loan note is subordinated to all the current and future liabilities of the Company. The note was redeemable on 1 July 2008 but has been extended to 1 July 2009. In the meantime, the loan note will attract interest at the rate of the 12-month EURIBOR plus 3% per annum. The loan notes have been repaid in 2009 as a result of the transaction with BNP Paribas Wealth Management S.A.

On 1 July 2008 IdB Finance S.à.r.l entered into a short-term credit facility of €2,500 thousand. The facility was repaid on 1 June 2009. Interest is calculated on the 3 months EURIBOR plus 3%.

## 20. Other liabilities

	<b>2009</b>	<b>2008</b>
	€'000	€'000
Provision legal claims	400	400
Accrued interest	-	146
Accrued audit fees	40	42
Loss from associates for the account of IdB Finance Sarl	253	-
Other payables	3,595	127
	<b>4,288</b>	<b>715</b>

## 21. Shareholders' compulsory convertible loan note

On 24 November 2003 and 11 May 2005 a Group company issued compulsory convertible loan notes (CCLN2011 and CCLN2013) of €2,471 thousand to part of (former) senior management of the Group, of which €2,063 thousand is reflected in the balance sheet as compulsory convertible loan note and the remainder as other liabilities. Due to the transaction with BNP Paribas the loan notes were converted into shares on 9 April 2009, the completion of the transaction.

## 22. Contingent assets & liabilities

	2009	2008
	€'000	€'000
Contingent asset:	11,464	11,464
Contingent liabilities:	-	3,037

This represents the deferred consideration loan notes due by Equity Trust Holdings S.à.r.l. Repayment of these loan notes depends on certain return levels realized by the shareholders of Equity Trust Holdings S.à.r.l when selling their interest. As the Group considers the realisation to be highly uncertain, the Group did not account for the loan notes in the balance sheet.

## 23. Capital reduction

In line with the adoption of the resolutions in the shareholders' meeting of 6 May 2009, the capital was reduced on 6 May 2009 through the redemption of 1 share for every 3 shares held at an amount of €9.00 per share redeemed.

The reduction in capital is reflected in a reduction of share capital of €2.00 per share or €9,932 thousand, a reduction of share premium of €3.50 per share or €17,373 thousand and the balance of €3.50 per share or €17,389 thousand as a reduction of other reserves.

## 24. Treasury shares

The movement in number of Treasury shares is as follows:

	<u>2009</u>	<u>2008</u>
At 1 January	305,655	428,307
Movement in Treasury shares	<u>(141,826)</u>	<u>(122,652)</u>
At 31 December	<b>163,829</b>	<b>305,655</b>

Treasury shares, which are held by a consolidated subsidiary, are deducted from the consolidated capital.

## 25. Options

The Company had issued various call option series to staff and staff related vehicles. One option gives the right to acquire one share at the respective exercise price. In accordance with the regulations applicable to these schemes, option holders have been forced to exercise their rights prior to or at completion date of the acquisition of an 35% interest in Insinger de Beaufort Holding BV by BNP Paribas Wealth Management S.A., whereby part of the rights are being compensated at the calculated transaction value of EUR 12.80 per Ordinary Share.

## 26. Share-based compensation

During 2007 and 2008 various subsidiaries issued share-based compensation arrangements for certain staff members where a settlement is paid in cash when the staff member is still employed by the Group at the reference date. In accordance with the regulations applicable the share based compensation arrangements have been forced to settle at 9 April 2009, the completion date of the acquisition of a 35% interest in Insinger de Beaufort Holding BV by BNP Paribas Wealth Management S.A., whereby the arrangements are being compensated at the calculated transaction value of EUR 12.80 per Ordinary Share. As the arrangements are cash settled they are not included in the diluted earnings calculations. As of the end of 2009 no share-based compensation arrangements are outstanding.

## 27. Dividends

A dividend of nil euro cents per ordinary share (2008: nil euro cents per ordinary share) is proposed by the Board of Directors for shareholder approval at the general meeting of shareholders. Dividend proposals have not been included under the liabilities in the

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<sup>1</sup> Based on average share price over the year

financial statements. Dividend payments are exempt from withholding tax.

**COMPANY FINANCIAL STATEMENTS**  
**for the year 31 December 2009**



**Company profit and loss account**

for the year ended 31 December 2009

	Notes	2009 €'000	2008 €'000
Interest income		990	2,578
Interest expense		(201)	(1,163)
<b>Net interest income</b>	2	<b>789</b>	<b>1,416</b>
Other operating income	3	81	176
<b>Operating income</b>		<b>870</b>	<b>1,592</b>
Personnel costs		(153)	(69)
Other general administrative expenses	4	(215)	(256)
<b>Profit before taxation</b>		<b>502</b>	<b>1,267</b>
Taxation	5	(98)	(90)
<b>Net profit/total comprehensive income</b>		<b>404</b>	<b>1,177</b>

**Company statement of financial position (balance Sheet)**

as at 31 December 2009

	<b>Notes</b>	<b>2009</b>	<b>2008</b>
		€'000	€'000
<b>Assets</b>			
Loans and advances to credit institutions	8	405	-
Shares in subsidiary undertakings	6	49,647	49,647
Other assets	7	456	40,158
<b>Total assets</b>		<b>50,508</b>	<b>89,805</b>
<b>Liabilities</b>			
Amounts owed to credit institutions	8	-	12,518
Loan notes and other short-term debt	9	-	7,329
Other liabilities	10	26,959	426
<b>Total liabilities</b>		<b>26,959</b>	<b>20,273</b>
<b>Capital resources</b>			
Shareholders' equity		<b>23,549</b>	<b>69,532</b>
<b>Total equity and liabilities</b>		<b>50,508</b>	<b>89,805</b>

**Company statement of changes in equity**  
for the year ended 31 December 2009

	Shares	Share capital €'000	Share premium €'000	Other reserves <sup>1</sup> €'000	Total €'000
Balance at 1 January 2008	<b>13,581,288</b>	<b>27,161</b>	<b>10,953</b>	<b>31,973</b>	<b>70,088</b>
Net result				1,177	1,177
<b>Total comprehensive income</b>				1,177	1,177
Dividend				(3,040)	(3,040)
Employee share option plan:					
-equity settled share-based payment plan, net of tax				658	658
-cash settled share-based payment plan, net of tax				(133)	(133)
Intragroup cash settlement of share options				(643)	(643)
Share issue	237,256	476	949	-	1,425
Balance at 31 December 2008	<b>13,818,544</b>	<b>27,637</b>	<b>11,902</b>	<b>29,992</b>	<b>69,532</b>
Net result				404	404
<b>Total comprehensive income</b>				404	404
Employee share option plan:					
-equity settled share-based payment plan, net of tax				207	207
-cash settled share-based payment plan, net of tax <sup>2</sup>				(831)	(831)
Intragroup cash settlement of share options <sup>3</sup>				(8,699)	(8,699)
Option exercise	1,079,328	2,159	5,471		7,630
Capital reduction <sup>4</sup>	(4,965,957)	(9,932)	(17,373)	(17,389)	(44,694)
<b>Balance at 31 December 2009</b>	<b>9,931,915</b>	<b>19,864</b>	<b>-</b>	<b>2,674</b>	<b>23,549</b>

The total authorised number of ordinary shares at year-end was 115,000,000 (2008: 115,000,000) with a par value of €2 per share (2008: €2 per share). All issued shares are fully paid.

<sup>1</sup> The other reserves includes 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 2009 the legal reserves amounts to €1,987 thousand. The legal reserve is not distributable.

<sup>2</sup> Refers to the buy back at market value of shares issued to option holders as a result of options exercised

<sup>3</sup> For the options exercised in 2008 and 2009 the Company entered into an agreement with a subsidiary that holds shares of the Company in treasury. In this agreement the subsidiary acts as the counterparty to the option holders and is reimbursed by the Company for the difference between the actual share price on the date of exercise and the exercise price of the options.

<sup>4</sup> See note 23 consolidated financial statements

**Company statement of cash flows**  
for the year ended 31 December 2009

	<b>Notes</b>	<b>2009</b> €'000	<b>2008</b> €'000
<b>Cash flows from operating activities</b>			
Net profit		404	1,177
Adjustment for:			
Taxation	5	98	90
Share-based compensation (IFRS 2)		207	658
Option recharge revenue	3	(81)	(176)
<i>Net cash (outflow)/inflow from operating activities before changes in operating assets and liabilities</i>		<u>628</u>	<u>1,749</u>
<b>Decrease/(Increase) in operating assets:</b>			
Loans and advances to credit institutions		(405)	-
Other assets		39,784	419
<b>(Decrease)/Increase in operating liabilities:</b>			
Amounts owed to credit institutions		(12,518)	1,247
Other liabilities		<u>26,482</u>	<u>(974)</u>
<i>Net cash inflow from operating activities before payment of taxation</i>		<u>53,971</u>	<u>2,441</u>
Taxation (paid)	5	(48)	(48)
<i>Net cash inflow from operating activities after payment of taxation</i>		<u>53,923</u>	<u>2,393</u>

**Company statement of cash flows**

for the year ended 31 December 2009

**(continued)**

	<b>Notes</b>	<b>2009</b>	<b>2008</b>
		€'000	€'000
<b>Cash flows from financing activities</b>			
Dividends paid		-	(3,040)
Option exercise <sup>1</sup>		7,630	-
Capital reduction <sup>2</sup>		(44,694)	-
Repayment of loans <sup>3</sup>		(7,329)	-
Warrant exercise		-	1,424
Intragroup cash settlement of share options		(9,530)	(777)
<i>Net cash (outflow) from financing activities</i>		<u>(53,923)</u>	<u>(2,393)</u>
Net (Decrease)/ Increase in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of year		-	-
Net (Increase)/ Decrease in cash and cash equivalents		-	-
Exchange differences		-	-
Cash and cash equivalents at end of year		<u>-</u>	<u>-</u>
<b>Cash flows from operating activities include:</b>			
Interest received		990	2,578
Interest paid		(201)	(1,163)
Dividends received		-	-

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<sup>1</sup> see note 25 consolidated financial statements<sup>2</sup> see note 23 consolidated financial statements<sup>3</sup> see note 18 consolidated financial statements

## 1. General

The company represents 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. For the related parties and remuneration of the Company reference is made to note 5 of the consolidated financial statements.

## 2. Net interest income

	<b>2009</b>	<b>2008</b>
	€'000	€'000
Net intercompany interest	902	2,016
Other	(113)	(600)
	<b>789</b>	<b>1,416</b>

## 3. Other operating income

	<b>2009</b>	<b>2008</b>
	€'000	€'000
Recharged option expense	81	176
	<b>81</b>	<b>176</b>

## 4. Other general administrative expenses

	<b>2009</b>	<b>2008</b>
	€'000	€'000
Audit fees	32	32
Rent & rates	15	15
Other administrative expenses	168	209
	<b>215</b>	<b>256</b>

## 5. Taxation

IdB Holdings S.A. is a so-called billionaires' holding company for tax purposes. Billionaire holding companies are taxed on the basis of various percentage rates applied to interest paid out and dividends distributed by the company, and on the remuneration and fees paid to directors, auditors and liquidators residing less than six months of the year in Luxembourg. The fiscal regime related to the Holding 1929 companies has been abolished with effect from 1st January 2007 by article 1 of the law of 22 December 2006. The same law enables Holding 1929 companies to maintain their structure during a transitory period ending on 31 December 2010, which means that the Company is required to change its legal form before 31 December 2010.

The Company has no deferred tax assets and liabilities.

## 6. Shares in subsidiary undertakings

2009	2008
€'000	€'000
49,647	49,647

A list of significant subsidiaries held as direct and indirect investments of IdB Holdings S.A. is disclosed in 'Information' on page 59.

## 7. Other assets

	2009	2008
	€'000	€'000
Amounts due from IdB Finance S.à.r.l	-	40,545
Amounts due from Insinger de Beaufort Investments (SA) Pty	2	3
Amounts payable to Insinger de Beaufort Investments Ltd	-	(676)
Amounts payable to Insinger Finance (BVI) SA	-	(260)
Prepaid expenses	454	546
	<u>456</u>	<u>40,158</u>

## 8. Amounts owed to and from credit institutions

	2009	2008
	€'000	€'000
Bank Insinger de Beaufort N.V.	<u>405</u>	<u>(12,518)</u>
	405	(12,518)

The fair value of the loans and advances to credit institutions does not differ materially from the recorded amount in the balance sheet.

#### **9. Loan notes and other short-term debt**

Reference is made to note 19 of the consolidated financial statements.



## 10. Other liabilities

	<b>2009</b> €'000	<b>2008</b> €'000
Amounts due to IdB Finance S.à.r.l	24,779	-
Amounts due to Insinger de Beaufort Investment Ltd	1,747	-
Amounts due to Insinger Finance (BVI) SA	260	-
Recharged option expenses	-	287
Accrued audit fees	32	35
Accrued interest	-	8
Taxation	84	75
Other accruals	57	21
	<b>26,959</b>	<b>426</b>

## OTHER INFORMATION

### List of significant investments

#### Subsidiaries

Name	Registered office	Issued equity held %
IdB Finance S.à.r.l	Luxembourg, Grand-Duchy of Luxembourg	100
Insinger Finance (BVI) S.A.	Tortola, British Virgin Islands	100
Insinger Trust Holdings Limited	Tortola, British Virgin Islands	100
Insinger de Beaufort Investments Limited	Tortola, British Virgin Islands	100

#### Non-consolidated indirect Investments

Name	Registered office	Issued equity held%
Equity Trust Holdings S.à.r.l	Luxembourg, Grand-Duchy of Luxembourg	10.1

#### Associates

Name	Registered office	Issued equity held%
Bank Insinger de Beaufort NV	Amsterdam, The Netherlands	40.81

### 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.

### Key financial data Bank Insinger de Beaufort NV

As disclosed in the Circular to Shareholders dated 5 March 2009, BNP Paribas Wealth Management SA has a call option on the remaining shares in Bank Insinger de Beaufort NV. Below a summary of the key financial data of the investment in associate Bank Insinger de Beaufort NV:

	<b>2009</b> €'000
Assets under management as at 31 December 2009	8,087,354
Operating income	47,880
Performance fees	-
Operating loss before restructuring expenses	(2,098)
Group equity	98,009
Intangible assets	85,167
Equity less intangible assets	12,842

A copy of the circular is available on the companies website.

**IdB Holdings S.A.** Annual report 2009

## **EVENTS AFTER THE BALANCE SHEET DATE**

BNPWM has contributed its London based international private banking activities to Bank Insinger de Beaufort N.V. as of 1 January 2010. As a result, BNPWM has received 4,150 additional shares in the Company and increased its ownership to 63.02%. The value of the contributed assets amounts to €27,939 thousand.

Due to the resignation of the bond team of the Italian branch of Bank Insinger de Beaufort NV in April 2010, the process of obtaining a license as referred to in note 12 has been aborted. The Group's associate Bank Insinger de Beaufort NV is currently exploring alternatives for the transfer of the remaining commercial activities to a 3rd party. After that the branch will be closed. Based on the indemnity provided to BNPPWM the Group will bare the cost of this closure. The provision will be recognised when the final alternative is decided. It is expected that this will happen before June 30, 2010.