

**ANNUAL REPORT 2015**  
**IdB Holdings S.A.**

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## DIRECTORS AND PROFESSIONAL ADVISORS

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)

### **Legal advisors**

Freshfields Bruckhaus Deringer

M. Partners

### **Registered office and number**

IdB Holdings S.A.

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L-2134 Luxembourg

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## SALIENT FEATURES

Consolidated

	2015	2014	Change %
<b>Results</b>			
Operating income / (loss) (€ million)	0.1	0.0	383%
Operating profit / (loss) (€ million)	(0.8)	(1.1)	(21%)
Profit / (loss) before tax (€ million)	1.4	0.3	425%
Net result (€ million)	2.2	0.1	1.976%
<b>Balance sheet</b>			
Total assets (€ million)	65.0	62.9	4%
Shareholders' equity (€ million)	63.3	61.7	4%
Number of ordinary shares of € 2.00 each in issue net of treasury shares (million)	4.9	4.9	-%

## DIRECTORS' REPORT

As at 31 December 2015 the Company continues to hold an indirect participation of 36.98% in Bank Insinger de Beaufort N.V. ("the Bank") through its subsidiary IdB Finance S.à.r.l. ("IdBF"). The Group treats the investment in the Bank 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.

As announced by the Company on 12 April 2016, agreement has been reached with BNP Paribas Wealth Management SA ("BNPPWM") that, subject to shareholder approval, IdBF'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 consideration is subject to a possible downward adjustment depending on assets under management outflows during the 12 months after the date of closing of the Transaction if caused by certain specific circumstances.

Following the sale of IdBF's participation to BNPPWM, BNPPWM will own 100% of the shares in the Bank. BNPPWM intends selling this entire 100% stake to KBL European Private Bankers S.A. ("the KBL Sale"). The closing of the Transaction is subject to the simultaneous closing of the KBL Sale.

In addition to the shareholder approval mentioned above, the completion of the Transaction is subject to regulatory approvals.

The Company will in due course convene an extraordinary shareholders' meeting where a detailed proposal of the board for the approval of the Transaction will be put to the vote.

Key financial data of the Bank are included in this Annual Report in Note 11.

The Group reports a net profit of € 2,2 million for the year ended 31 December 2015, compared to a net profit of € 0,1 million for the whole year 2014. The increase was mainly due to a higher result from associates.

Ian Kantor  
22 April 2016

Peter Sieradzki  
22 April 2016

Rob Mooij  
22 April 2016

CONSOLIDATED FINANCIAL STATEMENTS  
**for the year ended 31 December 2015**

**Consolidated statement of profit or loss and other comprehensive income**  
for the year ended 31 December 2015

	Notes	<b>2015</b> € '000	<b>2014</b> € '000
Interest income		1	15
Interest expense		-	-
<b>Net interest income</b>	7	<b>1</b>	<b>15</b>
Other operating income	8	86	3
<b>Operating income</b>		<b>87</b>	<b>18</b>
Personnel costs	9	(229)	(229)
Other operating expenses	10	(692)	(845)
<b>Operating profit/(loss)</b>		<b>(834)</b>	<b>(1,056)</b>
Share of results from associates	11	2,214	1,319
<b>Profit/(loss) before taxation</b>		<b>1,380</b>	<b>263</b>
Taxation	12	779	(159)
<b>Profit/(loss) for the year</b>		<b>2,159</b>	<b>104</b>
Attributable to the owners of the parent		2,159	104
<i>Other comprehensive income from associate that will not be reclassified subsequently to profit or loss:</i>			
- Net actuarial gains/ (losses) defined benefit obligations, net of tax		148	(316)
<i>Other comprehensive income from associate that may be reclassified subsequently to profit or loss:</i>			
- Net gains/ (losses) from changes in fair value, net of tax		(143)	197
- Translation adjustments		(1)	4
<b>Total comprehensive income for the year</b>		<b>2,163</b>	<b>(11)</b>
Attributable to the owners of the parent		2,163	(11)

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

**Consolidated statement of financial position**

as at 31 December 2015

(before appropriation of result)

	Notes	2015	2014
		€ '000	€ '000
<b>Assets</b>			
Loans and advances to credit institutions	13	3	4
Related party receivables	14	5,350	6,100
Other current assets	15	88	121
Investment in associates	6	59,602	56,647
<b>Total assets</b>		<b>65,043</b>	<b>62,872</b>
<b>Liabilities</b>			
Related party payables	16	85	78
Other current liabilities	17	945	161
Tax liabilities		111	894
<b>Total liabilities</b>		<b>1,141</b>	<b>1,133</b>
<b>Equity attributable to equity holders of parent</b>			
Shareholders' equity		61,743	61,635
Result for the year		2,159	104
		<b>63,902</b>	<b>61,739</b>
<b>Total equity and liabilities</b>		<b>65,043</b>	<b>62,872</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 2015

	Attributable to shareholders					
	Number of Shares	Share Capital €'000	Revaluation reserves €'000	Translation reserve €'000	Other reserves €'000	Result for the year €'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 associates:						
- net gains/ (losses) from changes in fair value, net of tax			(143)			(143)
- actuarial gains/ (losses) defined benefit obligations, net of tax					148	148
- net investment hedge						
- translation adjustments				(1)		(1)
<b>Total comprehensive income</b>			(143)	(1)	148	2,159
Result appropriation					104	(104)
Cash dividend						-
Movement in (treasury) shares						
<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.

**Consolidated statement of changes in equity**  
for the year ended 31 December 2014

	Attributable to shareholders					
	Number of Shares	Share Capital €'000	Revaluation reserves €'000	Translation reserve €'000	Other reserves €'000	Result for the year €'000
Balance at 1 January 2014	<b>4,873,930</b>	<b>9,748</b>	<b>256</b>	<b>(70)</b>	<b>54,316</b>	<b>1,155</b>
Net profit	-	-	-	-	-	104
Changes in associates:						
- net gains / (losses) from changes in fair value, net of tax	-	-	197	-	-	197
- actuarial gains / (losses) defined benefit obligations, net of tax	-	-	-	-	(316)	(316)
- net investment hedge	-	-	-	-	-	-
- translation adjustments	-	-	-	4	-	4
<b>Total comprehensive income</b>	-	-	<b>197</b>	<b>4</b>	<b>(316)</b>	<b>104</b>
Result appropriation	-	-	-	-	1,155	(1,155)
Cash dividend	-	-	-	-	(3,655)	(3,655)
<b>Balance at 31 December 2014</b>	<b>4,873,930</b>	<b>9,748</b>	<b>453</b>	<b>(66)</b>	<b>51,500</b>	<b>104</b>
						<b>61,739</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 2014 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 2015

	Notes	2015 €'000	2014 €'000
<b>Cash flows from operating activities</b>			
Net result		2,159	104
Adjustment for:			
Taxation	12	(207)	159
(Income) / loss from associates	11	(2,214)	(1,319)
<i>Net cash inflow from operating activities before changes in operating assets and liabilities</i>		<u>(262)</u>	<u>(1,056)</u>
<b>Decrease/(Increase) in operating assets:</b>			
Related party receivables		750	4,984
Other current assets		34	(28)
<b>(Decrease)/Increase in operating liabilities:</b>			
Other current liabilities		<u>(517)</u>	<u>(288)</u>
<i>Net cash inflow from operating activities before payment of taxation</i>		<u>5</u>	<u>3,612</u>
Taxation (paid)	12	<u>(4)</u>	<u>39</u>
<i>Net cash inflow from operating activities after payment of taxation</i>		<u>1</u>	<u>3,651</u>
<b>Cash flows from investing activities</b>			
<i>Net cash inflow/(outflow) from investing activities</i>		<u>-</u>	<u>-</u>
<b>Cash flows from financing activities</b>			
Dividend paid		<u>-</u>	<u>(3,655)</u>
<i>Net cash inflow/(outflow) from financing activities</i>		<u>-</u>	<u>(3,655)</u>
Net increase/(decrease) in cash and cash equivalents		1	(4)
Cash and cash equivalents at beginning of year		-	-
Net increase/(decrease) in cash and cash equivalents		1	(4)
Exchange differences		<u>(1)</u>	<u>4</u>
Cash and cash equivalents at end of year		-	-
<b>Cash flows from operating activities include:</b>			
Interest received		1	15
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 2015

### 1. General

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

Name of associates	Registered office	Issued equity held %
Bank Insinger de Beaufort N.V.	Amsterdam, The Netherlands	36.98

The activities of 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 22 April 2016. 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 2015.

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 3 (amendment), 'Business Combinations' (effective for accounting periods beginning on or after 1 January 2015). The amendment clarifies that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial

statements of the joint arrangement itself. The amendment has no impact on the Group or Company financial statements.

- IFRS 13 (amendment), 'Fair Value Measurement' (effective for accounting periods beginning on or after 1 January 2015). The amendment clarifies that the scope of the portfolio exception defined in paragraph 52 of IFRS 13 includes all contracts accounted for within the scope of IAS 39 'Financial Instruments' (or IFRS 9 'Financial Instruments' which is not yet adopted), regardless of whether they meet the definition of financial assets or financial liabilities as defined in IAS 32 'Financial Instruments'. The amendment has no impact on the Group or Company financial statements.

- IAS 40 (amendment), 'Investment Property' (effective for accounting periods beginning on or after 1 January 2015). The amendment clarifies that determining whether a specific transaction meets the definition of both a business combination as defined in IFRS 3 'Business Combinations' and investment property as defined in IAS 40 'Investment Property' requires the separate application of both standards independently of each other. The amendment has no impact on the Group or Company 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 2016 or later periods, but the Group has not early adopted them:

- Annual Improvements to IFRSs, 2010-2012 Cycle (effective for accounting periods beginning on or after 1 February 2015). Amendments have been made to IFRS 2, IFRS 3, IFRS 8, IAS 16, IAS 24, IAS 38, IAS 37 and IAS 39 as part of the Annual Improvements Cycle for 2010-2012. The amendments are not expected to have a material impact on the Group or Company financial statements.

- IAS 19 (amendment), 'Defined Benefit Plans' (effective for accounting periods beginning on or after 1 February 2015). The amendment simplifies and clarifies the accounting for employee or third party contributions linked to defined benefit plans. The Group is considering the implications of the standard, the impact on the Group and the timing of its adoption by the Group.

- IFRS 9, 'Financial instruments' (effective for accounting periods beginning on or after 1 January 2018). IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income ("OCI") and fair value through profit and loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in

equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39.

For financial liabilities there are no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The Group is considering the implications of the standard, the impact on the Group and the timing of its adoption by the Group.

- IFRS 15, 'Revenue from contracts with customers' (effective for accounting periods beginning on or after 1 January 2018). IFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The Group is considering the implications of the standard, the impact on the Group and the timing of its adoption by the Group.

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 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 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.

## **2.8 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.

### 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 2015 the Group recognised a payable for €805 thousand (2014: receivable for €21 thousand) in this respect.

In order to secure BNPPWM'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 BNPPWM over the shares it holds in Bank Insinger de Beaufort N.V.



#### **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. The main exposure is the bank account the Group holds with Bank Insinger de Beaufort N.V. BNPPWM is for 63.02% 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. BNPPWM has an A credit rating from Standard & Poor's. Bank Insinger de Beaufort N.V. 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 N.V., included in the balance sheet as related party receivables, 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 2015 and 2014 were as follows:

	2015	2014
	€'000	€'000
Net debt	1,141	1,133
Total equity	63,902	61,739
Total capital	65,043	62,872
<b>Gearing ratio (debt ratio)</b>	1.8%	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 2015 and 2014 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>2015</b>	<b>2014</b>
	€'000	€'000
Non-Executive	75	75
Executive	150	150
	<u>225</u>	<u>225</u>

Part of the executives and non-executives also received remuneration from Bank Insinger de Beaufort N.V. of € 1,124 thousand (2014: € 1,100 thousand).

Refer to note 11 in the Company financial statements for disclosures regarding remuneration of key personnel of 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 holds its consolidated cash position.

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

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

	Note	<b>2015</b>	<b>2014</b>
		€'000	€'000
Balance as at 1 January		56,647	55,449
Share in net asset value movements		(144)	201
Share in net impact of IAS 19R		148	(316)
Share in operating results from associates	11	2,951	1,313
Balance as at 31 December		59,602	56,647
Share of contingent assets of associate		20,344	19,199
Share of contingent liabilities of associate		1,231	2,390

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

	<b>2015</b>	<b>2014</b>
	€'000	€'000
Group equity Bank Insinger de Beaufort N.V.	161,173	153,182
@ 36.98% (2014: 36.98%)	59,602	56,647

Reference is made to Note 11 that contains certain financial information of Bank Insinger de Beaufort N.V.

## 7. Net interest income

	<b>2015</b>	<b>2014</b>
	€'000	€'000
Interest income	1	15
Interest expense	-	-
	<b>1</b>	<b>15</b>

## 8. Other operating income

	<b>2015</b>	<b>2014</b>
	<u>€'000</u>	<u>€'000</u>
Risk participation	87	-
Foreign exchange income	<u>(1)</u>	<u>3</u>
	<b>86</b>	<b>3</b>

The revenues from the risk participation are based on a risk participation agreement between Bank Insinger de Beaufort N.V. and 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. 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%. IdB Holdings S.A. receives a net margin of 0,53% over the GBP 5 million.

## 9. Personnel costs

	<b>2015</b>	<b>2014</b>
	<u>€'000</u>	<u>€'000</u>
Salaries	4	4
Director fees	<u>225</u>	<u>225</u>
	<b>229</b>	<b>229</b>

The average number of employees during 2015 was 0,1 (2014: 0,1)

## 10. Other operating expenses

	<b>2015</b>	<b>2014</b>
	<u>€'000</u>	<u>€'000</u>
Audit fees	47	59
Legal & Consultancy fees	475	572
Rent & rates	17	17
Insurance	114	97
Other	<u>39</u>	<u>100</u>
	<b>692</b>	<b>845</b>

Audit fees of € 47 thousand (2014: € 59 thousand) relate solely to the audit of the financial statements by the external independent auditor PricewaterhouseCoopers Accountants N.V. Of his amount € 47 thousand relates to the year 2015. No other fees were paid to the external independent auditor.

## 11. Share of results from associates

	Note	<b>2015</b>	<b>2014</b>
		€'000	€'000
Indemnities provided by IdB Finance S.à.r.l.		(737)	6
Operating results	6	2,951	1,313
		<b>2,214</b>	<b>1,319</b>

The share of results from associates is from the investment in 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 S.à.r.l. or 100% (refer to the paragraph below) for the account of BNPPWM.

The 2015 result of the Italian and corporate & institutional operations amounted to a net loss of € 1,170 thousand (2014: profit of € 10 thousand). As part of the agreement with BNPPWM this result is for the account of the Group. Under the share of results from associates for the account of IdB Finance S.à.r.l. is a loss of € 737 thousand (2014: profit of € 6 thousand), representing 63.02% of the total result. Refer to Other current assets in note 15.

### Key financial data Bank Insinger de Beaufort N.V.

Below is a summary of the key financial data of the investment in associate Bank Insinger de Beaufort N.V.:

	<b>2015</b>	<b>2014</b>
	€'000	€'000
Assets under management as at 31 December	11,264,542	11,274,595
Operating income	69,672	60,700
Operating profit (pre-tax)	11,127	4,877
Net profit for the year	7,981	3,550
Total Assets	1,423,794	1,296,557
Total Liabilities	1,262,621	1,143,375
Group equity	161,173	153,182
Intangible assets	98,035	100,031
Group equity less intangible assets	63,138	53,151

## 12. Taxation

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

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

	Tax rate	<b>2015</b>	<b>2014</b>
	%	€'000	€'000
Profit / (loss) before tax		1,380	263
Tax calculated at a tax rate of 29.2% (2014: 29.2%)	(29.2%)	(403)	(77)
Different tax rate	(0.5%)	(7)	(7)
Prior years tax adjustments	59.1%	817	(100)
Minimum mandatory income tax charge	(0.5%)	(6)	(6)
Tax effect of non-taxable income / non-deductible expenses	27.4%	378	31
Effective tax rate and tax income / (expense) for the year (2014: (60.5%))	56.4%	<u><b>779</b></u>	<u><b>(159)</b></u>

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

### 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>2015</u>	<u>2014</u>
	€'000	€'000
Receivable with Bank Insinger de Beaufort N.V.	5,350	6,100
	<u>5,350</u>	<u>6,100</u>

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

### 15. Other current assets

	<u>2015</u>	<u>2014</u>
	€'000	€'000
Indemnities provided by BNPPWM	4	4
Indemnities provided by IdB Finance S.à.r.l.	-	21
Prepaid amounts	44	28
Other	40	68
	<u>88</u>	<u>121</u>

The indemnities provided by IdB 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 IdB Finance S.à.r.l. The indemnities provided by BNPPWM relate to accumulated unsettled expenses for the integration of the London-based wealth management activities of Bank Insinger de Beaufort N.V. with BNPP S.A. London wealth management activities that are for the account of BNPPWM. All other current assets are expected to be recovered or settled within 12 months.

### 16. Related party payables

	<u>2015</u>	<u>2014</u>
	€'000	€'000
Payable to Bank Insinger de Beaufort N.V.	85	78
	<u>85</u>	<u>78</u>



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

#### 17. Other current liabilities

	<b>2015</b>	<b>2014</b>
	<u>€'000</u>	<u>€'000</u>
Indemnities provided by IdB Finance S.à.r.l.	805	-
Accrued audit fees	23	48
Accrued legal & consultancy fees	88	24
Other payables	29	89
	<b>945</b>	<b>161</b>

The indemnities provided by IdB 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 IdB Finance S.à.r.l.

#### 18. Events after the balance sheet date

Please refer to page 44.

#### 19. Contingent liabilities

The contingent liabilities relate to the risk participation agreement between Bank Insinger de Beaufort N.V. and IdB Holdings S.A.. See note 8 for further details. As part of the transaction with BNPPWM the Group has provided certain indemnities in respect of the Italian and corporate & institutional operations (see note 11 for further details)

COMPANY FINANCIAL STATEMENTS  
for the year 31 December 2015

**Company profit and loss account**  
for the year ended 31 December 2015

	Notes	<b>2015</b>	<b>2014</b>
		€'000	€'000
Interest and dividend income		1	15
Interest expense		-	-
<b>Net interest and dividend income</b>	2	<b>1</b>	<b>15</b>
Other operating income	3	87	-
<b>Operating income</b>		<b>88</b>	<b>15</b>
Personnel costs		(154)	(154)
Other administrative expenses	4	(588)	(524)
<b>Profit/ (loss) before taxation</b>		<b>(654)</b>	<b>(663)</b>
Taxation	5	(5)	(133)
<b>Net profit/ (loss) - total comprehensive income</b>		<b>(659)</b>	<b>(796)</b>

**Company statement of financial position**

as at 31 December 2015

(after appropriation of result)

	Notes	<b>2015</b>	<b>2014</b>
		€'000	€'000
<b>Assets</b>			
Related party receivables	6	4,824	5,518
Other current assets	7	72	29
Shares in subsidiary undertakings	8	23,647	23,647
<b>Total assets</b>		<b>28,543</b>	<b>29,194</b>
<b>Liabilities</b>			
Related party payables	9	5,111	5,111
Other current liabilities	10	88	80
<b>Total liabilities</b>		<b>5,199</b>	<b>5,191</b>
<b>Capital resources</b>			
Shareholders' equity		<b>23,344</b>	<b>24,003</b>
<b>Total equity and liabilities</b>		<b>28,543</b>	<b>29,194</b>

## Company statement of changes in equity

for the year ended 31 December 2015

	Shares	Share capital €'000	Other reserves €'000	Total €'000
<b>Balance at 1 January 2014</b>	<b>4,873,930</b>	<b>9,748</b>	<b>18,706</b>	<b>28,454</b>
Net result	-	-	(796)	(796)
Other	-	-	-	-
Total comprehensive loss	-	-	(796)	(796)
Dividend	-	-	(3,655)	(3,655)
<b>Balance at 31 December 2014</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>

The total authorised number of ordinary shares at year-end was 115,000,000 (2014: 115,000,000) with a par value of €2 per share (2014: €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 2015 the legal reserve amounts to € 975 thousand (2014: € 975 thousand). The legal reserve is not distributable.

## Company statement of cash flows

for the year ended 31 December 2015

	Notes	2015 €'000	2014 €'000
<b>Cash flows from operating activities</b>			
Net result		(659)	(796)
Adjustment for:			
Taxation	5	5	133
<i>Net cash (outflow)/inflow from operating activities before changes in operating assets and liabilities</i>		<u>(654)</u>	<u>(663)</u>
<b>Decrease/(Increase) in operating assets:</b>			
Related party receivables	6	694	4,502
Other current assets	7	(43)	24
<b>(Decrease)/Increase in operating liabilities:</b>			
Related party payables	9	-	-
Other current liabilities	10	31	(131)
<i>Net cash inflow from operating activities before payment of taxation</i>		<u>28</u>	<u>3,732</u>
Taxation (paid)	5	(28)	(77)
<i>Net cash inflow from operating activities after payment of taxation</i>		<u>-</u>	<u>3,655</u>
<b>Cash flows from investing activities</b>			
<i>Net cash (outflow) from investing activities</i>		<u>-</u>	<u>-</u>
<b>Cash flows from financing activities</b>			
Dividends paid		-	(3,655)
<i>Net cash (outflow) from financing activities</i>		<u>-</u>	<u>(3,655)</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		1	15
Interest paid		-	-
Dividends received		-	-

## Notes to the Company Financial Statements for the year ended 2015

### 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.

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

### 2. Interest income

	<b>2015</b>	<b>2014</b>
	€'000	€'000
Related party interest	1	15
	<b>1</b>	<b>15</b>

### 3. Other operating income

	<b>2015</b>	<b>2014</b>
	€'000	€'000
Risk participation	87	-
	<b>87</b>	<b>-</b>

The revenues from the risk participation are based on a risk participation agreement between Bank Insinger de Beaufort N.V. and 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. 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%. IdB Holdings S.A. receives a net margin of 0,53% over the GBP 5 million.

#### 4. Other general administrative expenses

	<b>2015</b>	<b>2014</b>
	€'000	€'000
Legal & Consultancy fees	394	336
Audit fees	47	59
Insurance costs	114	97
Rent & rates	17	17
Other administrative expenses	16	15
	<b>588</b>	<b>524</b>

#### 5. Taxation

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>2015</b>
	€'000
Current income tax income / (expense) in respect of the current year	(5)
Current income tax income / (expense) in respect of prior years	-
	<b>(5)</b>

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

	Tax rate	<b>2015</b>	<b>2014</b>
	%	€'000	€'000
Profit / (loss) before tax		(654)	(663)
Tax calculated at a tax rate of 29.2% (2014: 29.2%)	(29.2%)	191	194
Prior year tax adjustments	-%	-	(106)
Minimum mandatory income tax charge	(0.5%)	(3)	(3)
Tax effect of unused tax losses not recognised as deferred tax asset	32.9%	(193)	(218)
Effective tax rate / tax expense for the year (2014: 20.2%)	20.1%	<b>(5)</b>	<b>(133)</b>

The Company has no deferred tax assets and liabilities.



**6. Related party receivables**

	<u>2015</u>	<u>2014</u>
	€'000	€'000
Bank account at Bank Insinger de Beaufort N.V.	4,824	5,518

**7. Other current assets**

	<u>2015</u>	<u>2014</u>
	€'000	€'000
Prepaid expenses	44	28
Taxation receivable	-	-
Other	28	1
	<u>72</u>	<u>29</u>

**8. Shares in subsidiary undertakings**

	<u>2015</u>	<u>2014</u>
	€'000	€'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 IdB Holdings S.A. is disclosed in Note 1 of the Consolidated Financial Statements.

**9. Related party payables**

	<u>2015</u>	<u>2014</u>
	€'000	€'000
Amounts due to IdB Finance S.à.r.l	5,111	5,111
	<u>5,111</u>	<u>5,111</u>

**10. Other current liabilities**

	<u>2015</u>	<u>2014</u>
	€'000	€'000
Accrued audit fees	23	48
Taxation payable	1	24
Other accruals	64	8
	<u>88</u>	<u>80</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:

	<b>2015</b>	<b>2014</b>
	<u>€'000</u>	<u>€'000</u>
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 deduct the loss for the year from the other reserves.

## EVENTS AFTER THE BALANCE SHEET DATE

As announced by the Company on 12 April 2016, agreement has been reached with BNP Paribas Wealth Management SA ("BNPPWM") that, subject to shareholder approval, IdBF'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 consideration is subject to a possible downward adjustment depending on assets under management outflows during the 12 months after the date of closing of the Transaction if caused by certain specific circumstances.

Following the sale of IdBF's participation to BNPPWM, BNPPWM will own 100% of the shares in the Bank. BNPPWM intends selling this entire 100% stake to KBL European Private Bankers S.A. ("the KBL Sale"). The closing of the Transaction is subject to the simultaneous closing of the KBL Sale.

In addition to the shareholder approval mentioned above, the completion of the Transaction is subject to regulatory approvals.

The Company will in due course convene an extraordinary shareholders' meeting where a detailed proposal of the board for the approval of the Transaction will be put to the vote.

Since 31 December 2015 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  
**IdB Holdings S.A.**

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

We have audited the accompanying consolidated financial statements of IdB Holdings S.A. and its subsidiaries (the “Group”), which comprise the consolidated statement of financial position as at 31 December 2015, 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 2015, and of its consolidated financial performance and its consolidated cash flows for the year then ended 31 December 2015 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 consistent with the consolidated financial statements.

PricewaterhouseCoopers, Société coopérative  
Represented by

Luxembourg, 22 April 2016

A handwritten signature in black ink, appearing to read 'F. Goffin', with a long horizontal stroke extending to the left.

Fabrice Goffin





## Audit report

To the Shareholders of  
**IdB Holdings S.A.**

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We have audited the accompanying financial statements of IdB Holdings S.A. (the “Company”), which comprise the Company statement of financial position as at 31 December 2015, 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 IdB Holdings S.A. as of 31 December 2015, 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, 22 April 2016

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

Fabrice Goffin