

ANNUAL REPORT 2011
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 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

IDB HOLDINGS S.A.
Consolidated
SALIENT FEATURES

	2011	2010	Change %
Results			
Operating income / (loss) (€ million)	0.4	(0.2)	300%
Operating profit / (loss) (€ million)	(0.3)	(1.3)	76%
Profit / (loss) before tax (€ million)	0.2	1.9	(89%)
Net result (€ million)	0.4	2.2	(82%)
Balance sheet			
Total assets (€ million)	62.0	82.0	(24%)
Shareholders' equity (€ million)	59.9	76.8	(22%)
Number of ordinary shares of € 2.00 each in issue net of treasury shares (million)	4.9	9.8	(50%)

DIRECTORS' REPORT

In line with the adoption of the resolutions in the shareholders' meeting of 30 December 2010, the status of IdB Holdings S.A. ("the Company") was changed from a 1929 holding company to a société de participations financiers and consequently the articles of incorporation were amended.

In line with the adoption of the resolutions in the shareholders' meeting on 28 January 2011, the capital was reduced on that date through the redemption of one share for every two shares held at an amount of € 3.50 per share redeemed.

As announced in the press release on 10 September 2010, the Company sold its interest in Equity Trust Holding S.à.r.l. This transaction was completed in January 2011 and the total consideration amount of € 27.3 million was received in cash during the year.

The Company continues to hold an indirect participation of 36.98% in Bank Insinger de Beaufort N.V. through its subsidiary IdB Finance S.à.r.l. 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 ("BNPPWM") has a call option on the remaining shares in Bank Insinger de Beaufort N.V. Refer to note 3(d) for further details. Key financial data of Bank Insinger de Beaufort N.V. are included in this Annual Report under Other Information.

The closure of the Italian branch of Bank Insinger de Beaufort N.V. was largely finalised during the year with a formal cessation of regulated activities as at 31 March 2012. The related expenses of the closure are for the account of the Group based on the indemnity provided to BNPPWM. Under the indemnity an amount of € 5.3 million was paid to Bank Insinger de Beaufort N.V. during 2011 by way of share premium. This was largely paid from the accrued liability as recorded as at 31 December 2010. During the year an additional amount of € 525 thousand was recognised as a pre-tax expense in respect of the closure of the Italian branch.

The Group reports a net profit of € 0.4 million for the year ended 31 December 2011, compared to € 2.2 million for the whole year 2010.

The Company will continue to review its financial position and decide on a possible proposal to shareholders for a further cash distribution to shareholders in the second half of 2012.



Jan Kantar
7 June 2012



Peter Sieradzki
7 June 2012



Rob Mooij
7 June 2012



Audit Report

To the Shareholders of
IdB Holdings S.A.

Report on the consolidated financial statements

We have audited the accompanying consolidated financial of IdB Holdings S.A. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2011, the consolidated statement of 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 notes.

Board of Director's 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. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of 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 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 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 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 consolidated financial statements.

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

PricewaterhouseCoopers S.à r.l., 400 Route d'Esch, B.P. 1443, L-1014 Luxembourg
T: +352 494848 1, F: +352 494848 2900, www.pwc.lu

Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°00123693)
R.C.S. Luxembourg B 65 477 - Capital social EUR 516 950 - TVA LU17564447



Opinion

In our opinion, these consolidated financial statements give a true and fair view of the consolidated financial position of IdB Holdings S.A. as of 31 December 2011, and of its consolidated financial performance and its consolidated cash flows 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 management report, which is the responsibility of the Board of Directors, is in accordance with the consolidated financial statements.

PricewaterhouseCoopers S.à r.l.
Represented by

Luxembourg, 7 June 2012

A handwritten signature in black ink, appearing to read "F. Goffin".

Fabrice Goffin



Audit Report

To the Shareholders of
IdB Holdings S.A.

Report on the Company financial statements

We have audited the accompanying Company financial statements of IdB Holdings S.A. ("the Company"), which comprise the Company statement of financial position as at 31 December 2011, and 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 notes.

Board of Director's responsibility for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of these Company 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 Company 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.

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The management report, which is the responsibility of the Board of Directors, is in accordance with the Company financial statements.

PricewaterhouseCoopers S.à r.l.
Represented by

Luxembourg, 7 June 2012

A handwritten signature in black ink, appearing to read 'Fabrice Goffin'.

Fabrice Goffin

CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2011

Consolidated statement of comprehensive income

for the year ended 31 December 2011

	Notes	2011 € '000	2010 € '000
Interest income		246	849
Interest expense		-	-
Net interest income	7	246	849
Net losses on investment securities	8	-	(1,060)
Other operating income	9	163	41
Operating income		409	(170)
Personnel costs	10	(300)	(333)
Other operating expenses	11	(414)	(786)
Operating profit		(305)	(1,289)
Dilution gain/(loss) on associates	6	(20)	6,723
Share of results from associates	12	541	(3,544)
Profit before taxation		216	1,890
Taxation	13	219	319
(Loss)/Profit for the year		435	2,209
Net gains/(losses) from changes in fair value, net of tax		(105)	(23)
Translation adjustments and other movements, net of tax		2	(15)
Total comprehensive income for the year		332	2,171

The notes on pages 18 to 51 are an integral part of these financial statements.

Consolidated statement of financial position

as at 31 December 2011

(before appropriation of result)

	Notes	2011	2010
		€ '000	€ '000
Assets			
Loans and advances to credit institutions	14	6	6
Investment securities:			
- available-for-sale	15	40	35
Related party receivables	16	13,006	8,658
Investment in associates	6	48,876	45,260
Other current assets	17	43	28,064
Total assets		61,971	82,023
Liabilities			
Other current liabilities	18	720	3,593
Tax liabilities	13	1,313	1,608
Total liabilities		2,033	5,201
Capital resources			
Shareholders' equity		59,503	74,613
Result for the year		435	2,209
		59,938	76,822
Total equity and liabilities		61,971	82,023

The notes on pages 18 to 51 are an integral part of these financial statements.

Consolidated statement of changes in equity
for the year ended 31 December 2011

	Notes	Shares net of treasury shares	Attributable to shareholders							
			Share Capital	Share premium	Revaluation reserves	Translation reserve	Other reserves	Result for the year	Treasury shares reserve	Total
			€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Balance at 1 January 2011		9,768,086	19,865	-	(967)	(694)	57,464	2,209	(1,055)	76,822
Net profit		-	-	-	-	-	-	435	-	435
Net gains from changes in fair value, net of tax		-	-	-	(105)	-	-	-	-	(105)
Translation adjustments and other movements, net of tax		-	-	-	-	2	-	-	-	2
Total comprehensive income		-	-	-	(105)	2	-	435	-	332
Result appropriation		-	-	-	-	-	2,209	(2,209)	-	-
Share Capital redemption	20	(4,894,156)	(10,117)	-	-	-	(8,147)	-	1,055	(17,209)
Purchase of treasury shares	19	(1,000)	-	-	-	-	-	-	(7)	(7)
Balance at 31 December 2011		4,872,930	9,748	-	(1,072)	(692)	51,526	435	(7)	59,938

Consolidated statement of changes in equity

for the year ended 31 December 2010

	Shares net of treasury shares	Attributable to shareholders							Total
		Share Capital	Share premium	Revaluation reserves	Translation reserve	Other reserves	Result for the year	Treasury shares reserve	
		€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Balance at 1 January 2010	9,768,086	19,865	-	(944)	(679)	(24,642)	82,106	(1,055)	74,651
Net profit							2,209		2,209
Net gains from changes in fair value, net of tax				(23)					(23)
Translation adjustments and other movements, net of tax					(15)				(15)
Total comprehensive income		-	-	(23)	(15)	-	2,209	-	2,171
Result appropriation						82,106	(82,106)		-
Balance at 31 December 2010	9,768,086	19,865	-	(967)	(694)	57,464	2,209	(1,055)	76,822

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 2011 the legal reserve amounts to € 975 thousand. The legal reserve is not distributable.

The notes on pages 18 to 51 are an integral part of these financial statements.

Consolidated statement of cash flows

For the year ended 31 December 2011

	Notes	2011 €'000	2010 €'000
Cash flows from operating activities			
Net result		435	2,209
Adjustment for:			
Taxation	13	(219)	(319)
Net losses on investment securities	8	-	1,060
(Income) / loss from associates	12	(541)	3,544
Dilution (gain)/loss	6	20	(6,723)
Interest on Equity Trust loan notes	7	-	(807)
<i>Net cash inflow from operating activities before changes in operating assets and liabilities</i>		<u>(305)</u>	<u>(1,036)</u>
Decrease/(Increase) in operating assets:			
Loans and advances to credit institutions		-	4
Related party receivables		(4,348)	(991)
Other current assets		816	4,998
(Decrease)/Increase in operating liabilities:			
Other current liabilities		<u>(811)</u>	<u>(2,912)</u>
<i>Net cash inflow from operating activities before payment of taxation</i>		<u>(4,648)</u>	<u>63</u>
Taxation (paid)	13	<u>(30)</u>	<u>(48)</u>
<i>Net cash inflow from operating activities after payment of taxation</i>		<u>(4,678)</u>	<u>15</u>
Cash flows from investing activities			
Share premium contribution	12	(5,308)	-
Proceeds from sale of Equity Trust Holding S.à.r.l.		<u>27,200</u>	<u>-</u>
<i>Net cash inflow/(outflow) from investing activities</i>		<u>21,892</u>	<u>-</u>

		<u>2011</u>	<u>2010</u>
		€'000	€'000
Cash flows from financing activities			
Reduction of share capital	20	(17,209)	-
Treasury shares	19	(7)	-
Net cash inflow/(outflow) from financing activities		<u>(17,216)</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		(2)	15
Cash and cash equivalents at beginning of year		-	-
Net increase/(decrease) in cash and cash equivalents		(2)	15
Exchange differences		2	(15)
Cash and cash equivalents at end of year		<u>-</u>	<u>-</u>
Cash flows from operating activities include:			
Interest received		246	42
Interest paid		-	-
Dividends received		-	-

The notes on pages 18 to 51 are an integral part of these financial statements.

Notes to the Consolidated Financial Statements for the year ended 2011

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 to reduce 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 the listing of the Company's shares was transferred to the Euro MTF market as per 27 April 2009.

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

The Company was converted into a fully taxable Luxembourg holding company (société de participations financières or "Soparfi") on 30 December 2010.

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.

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 (IFRS) and IFRIC interpretations as adopted by the European Union and issued and effective for the annual report beginning 1 January 2011.

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.

- IAS 1 (amendment), 'Presentation of financial statements' (effective for accounting periods beginning on or after 1 January 2011). The amendment is part of the IASB's annual improvements project published in 2010. The amendment clarifies that, for each

component of equity, an entity may present the breakdown of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. The amendment does not have a material impact on the Group or Company financial statements.

- IAS 24 (revised), 'Related party disclosures' (effective for accounting periods beginning on or after 1 January 2011). The revised standard clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. The Group and Company have applied the revised standard from 1 January 2011. The amendments do not have a material impact on the Group or Company financial statements.

- IAS 32 (amendment), 'Financial Instruments Presentation – Classification of rights issues' (effective for accounting periods beginning on or after 1 February 2010). The amendment addresses the accounting for rights issues that are denominated in a currency other than the functional currency of the issuer. Provided that certain conditions are met, such rights issues are now classified as equity regardless of the currency in which the exercise price is denominated. Previously, these issues had to be accounted for as derivative liabilities. The amendment does not have a material impact on the Group or Company financial statements.

- IFRS 3 (amendments), 'Business combinations' (effective for accounting periods beginning on or after 1 July 2010). Three amendments are included in amended IFRS 3:

- Contingent consideration: The amendment clarifies that the guidance in IAS 39, IAS 32 and IFRS 7 will not apply to contingent consideration arising from business combinations with an effective date prior to the application of the revised version of IFRS 3.
- Non-controlling interests: The choice of measuring non-controlling interests at fair value or at the proportionate share of the acquiree's net assets applies only to instruments that represent 'present' ownership interests and entitle their holders to a proportionate share of the net assets in the event of liquidation. All other components of non-controlling interest are measured at fair value unless IFRS requires another measurement basis.
- Share-based payments: IFRS 3 did not previously provide guidance for situations where the acquirer does not have an obligation to replace an award but replaces an existing acquiree award that would otherwise have continued unchanged after the acquisition. The amendment results in the accounting for these awards being the same as for awards that the acquirer is obliged to replace.

The amendments do not have a material impact on the Group financial statements.

- IFRS 7 (amendments), 'Financial instruments: Disclosures' (effective for accounting periods beginning on or after 1 January 2011). The amendments emphasise the interaction between qualitative and quantitative disclosures about the nature and extent of risks associated with financial instruments. There are minor amendments to the disclosure of financial assets. The amendments do not have a material impact on the Group or Company financial statements.

- IFRIC 19, 'Extinguishing financial liabilities with equity instruments (effective for accounting periods beginning on or after 1 July 2010). The interpretation clarifies the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability (debt for equity swap). It requires a gain or loss to be recognised in profit or loss, measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments should be measured to reflect the fair value of the financial liability extinguished. The Group and Company have applied IFRIC 19 from 1 January 2011. The interpretation does not have a material 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 2012 or later periods, but the Group has not early adopted them:

- IFRS 7 (amendments), 'Financial Instruments: Disclosures – disclosures of transfers of financial assets' (effective for accounting periods beginning on or after 1 July 2011). This amendment will promote transparency in the reporting of transfer transactions and improve users' understanding of the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, particularly those involving securitisation of financial assets. The Group will apply these amendments from 1 January 2012. Comparative information is not needed in the first year of adoption. The amendments are not expected to have a material impact on the Group or Company financial statements.

- IFRS 9, 'Financial instruments' (effective for accounting periods beginning on or after 1 January 2015). IFRS 9 was issued in November 2009 and replaces those parts of IAS 39 relating to the classification and measurement of financial assets. Certain requirements related to the classification and measurement of financial liabilities were added in October 2010. Key features are as follows:

Financial assets

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.

Financial liabilities

Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. Under IAS 39 most liabilities are subsequently measured at amortised cost or bifurcated into a host, which is measured at amortised cost, and an embedded derivative, which is measured at fair value. Liabilities that are held for trading (including all derivative liabilities) are measured at fair value.

Consistently with the requirements in IFRS 9 for investments in unquoted equity instruments (and derivative assets linked to those investments), the exception from fair value measurement was eliminated for derivative liabilities that are linked to and must be settled by delivery of an unquoted equity instrument. Under IAS 39, if those derivatives are not reliably measurable, they are required to be measured at cost. IFRS 9 requires them to be measured at fair value.

While adoption of IFRS 9 is mandatory from 1 January 2015, earlier adoption is permitted. The Group is considering the implications of the standard, the impact on the Group and the timing of its adoption by the Group.

- IFRS 10, 'Consolidated Financial Statements' (effective for accounting periods beginning on or after 1 January 2013). IFRS 10 builds on existing principles by identifying the

concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The standard is not expected to have a material impact on the Group financial statements.

- IFRS 11, 'Joint Arrangements' (effective for accounting periods beginning on or after 1 January 2013). IFRS 11 is a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed. The standard is not expected to have a material impact on the Group financial statements.

- IFRS 12, 'Disclosure of interests in other entities' (effective for accounting periods beginning on or after 1 January 2013). IFRS 12 includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The Group is considering the implications of the standard and the impact on the Group.

- IFRS 13, 'Fair Value Measurement' (effective for accounting periods beginning on or after 1 January 2013). IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other IFRS standards. The standard is not expected to have a material impact on the Group or Company financial statements.

- IAS 27 (revised), 'Separate financial statements' (effective for accounting periods beginning on or after 1 January 2013). IAS 27 (revised) includes the provisions on separate financial statements that are left after the control provisions of IAS 27 have been included in the new IFRS 10. The Group is considering the implications of the standard and the impact on the Group.

- IAS 28 (revised), 'Associates and joint ventures' (effective for accounting periods beginning on or after 1 January 2013). IAS 28 (revised) includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of IFRS 11. The standard is not expected to have a material impact on the Group or Company financial statements.

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 list of significant subsidiaries and Group companies is disclosed in 'Other Information' on page 52.

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.

2.5 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 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.

2.8 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 recognized 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 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.

2.11 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.

2.12 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.

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.

2.14 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 2.6 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.

2.16 Cash flow statement

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

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

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

2.17 Leasing

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

2.18 Assets/liabilities held for sale

This represents the assets/liabilities of discontinued activities, which are sold within one 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 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 2011 the Group provided for € 161 thousand (2010: € 3,039 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 remaining shares in Bank Insinger de Beaufort N.V.

d) Call option BNP Paribas Wealth Management S.A.

BNPPWM has an option to purchase the interest held by IdB Finance S.à.r.l 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, therefore the value at year end is € Nil (2010: € Nil).

Key financial data of Bank Insinger de Beaufort N.V. 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. The nature and size of these operations are such that the exposure to foreign exchange risk is minimal.

The bank account with Bank Insinger de Beaufort N.V. is interest-bearing. The bank accounts 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 AA minus 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, 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 2011 and 2010 were as follows:

	2011	2010
	€'000	€'000
Net debt	2,033	5,201
Total equity	59,938	76,822
Total capital	61,971	82,023
Gearing ratio	3.3%	6.3%

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 financial instruments that are measured at fair value can be analysed as follows:

At 31 December 2011	Level 1	Level 2	Level 3
	€'000	€'000	€'000
- held-to-maturity	-	-	-
- available-for-sale	40	-	-
- held-for-trading	-	-	-
	40	-	-

At 31 December 2010	Level 1	Level 2	Level 3
	€'000	€'000	€'000
- held-to-maturity	-	-	-
- available-for-sale	35	-	-
- held-for-trading	-	-	-
	35	-	-

No transfers have taken place between the levels compared to 2010.

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:

	2011	2010
	€'000	€'000
Non-Executive	155	75
Executive	114	249
	<u>269</u>	<u>324</u>

Included in the remuneration to Executive directors is a recharge from Bank Insinger de Beaufort N.V. of € 39 thousand (2010: € 174 thousand) for services rendered.

The executives and non-executives also received remuneration from Bank Insinger de Beaufort N.V. of € 1,072 thousand (2010: € 1,018 thousand).

Refer to note 9 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 at arm's length basis.

6. Investment in associates

During 2009, IdB Finance S.à.r.l. and BNPPWM became the direct shareholders of Bank Insinger de Beaufort N.V. BNPPWM obtained control effective as at 1 January 2009, the date from which Bank Insinger de Beaufort N.V. has been accounted for as an associate by the Group. The Group holds 36.98%.

	Note	2011	2010
		€'000	€'000
Balance as at 1 January		45,260	39,998
Share in Share premium contributions		2,751	-
Share in equity movements		(99)	-
Dilution gain/(loss)		(20)	6,723
Share in operating results from associates	12	984	(1,526)
Other		-	65
Balance as at 31 December		<u>48,876</u>	<u>45,260</u>
Share of contingent assets of associate		6,836	14,443
Share of contingent liabilities of associate		2,874	3,332

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

	2011	2010
	€'000	€'000
Group equity Bank Insinger de Beaufort N.V.	132,170	122,391
@ 36.98% (2010: 36.98%)	48,876	45,260

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

7. Net interest income

	2011	2010
	<u>€'000</u>	<u>€'000</u>
Fixed income securities	-	807
Other interest and similar income	246	42
Interest income	<u>246</u>	<u>849</u>
Interest expense	-	-
	<u>246</u>	<u>849</u>

8. Net losses on investment securities

	2011	2010
	<u>€'000</u>	<u>€'000</u>
Realised loss on sale of Equity Trust Holdings S.à.r.l. loan notes	-	380
Realised loss on share in Equity Trust Holdings S.à.r.l.	-	680
	<u>-</u>	<u>1,060</u>

9. Other operating income

	2011	2010
	<u>€'000</u>	<u>€'000</u>
Foreign exchange income	11	20
Other	152	21
	<u>163</u>	<u>41</u>

10. Personnel costs

	2011	2010
	<u>€'000</u>	<u>€'000</u>
Salaries	31	9
Director fees	269	324
	<u>300</u>	<u>333</u>

11. Other operating expenses

	2011	2010
	<u>€'000</u>	<u>€'000</u>
Audit fees	32	104
Write-down of indemnities provided by BNPPWM	-	225
Consultancy fees	187	470
Rent & rates	15	15
Insurance	62	245
Legal expenses	21	93
Release provision legal claims	-	(400)
Other	97	34
	414	786

12. Share of results from associates

	2011	2010
	<u>€'000</u>	<u>€'000</u>
Indemnities provided by BNPPWM	4	768
Indemnities provided by IdB Finance S.à.r.l.	(447)	(2,786)
Operating results	984	(1,526)
	541	(3,544)

The share of results from associates is 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 S.à.r.l or 100% for the account of BNP Paribas Wealth Management S.A. ("BNPPWM").

In 2010 the London-based wealth management activities of Bank Insinger de Beaufort N.V. relocated to the BNP Paribas S.A. London premises in order to achieve geographical synergies from the ensuing integration of the businesses. Costs that arose as a result of the relocation as well as certain legal expenses are for the account of BNPPWM.

The 2011 loss of the Italian and corporate & institutional operations amounted to € 710 thousand (2010: € 4,345 thousand). As part of the agreement with BNPPWM this result is for the account of the Group. Under the loss from associates for the account of IdB Finance S.à.r.l. is an amount of € 447 thousand, representing 63.02% of the total 2011 loss. An amount of € 3,190 thousand was paid to Bank Insinger de Beaufort N.V. during February 2011 by way of share premium. In August 2011 an amount of € 2,118 million was paid to Bank Insinger de Beaufort N.V. by way of share premium, of which € 455

thousand relates to the 2011 loss and 36.98% or € 168 thousand was included in the net asset value of the associate Bank Insinger de Beaufort N.V. Of the remaining loss of € 255 thousand, 63.02% or € 161 thousand was accrued to be paid to Bank Insinger de Beaufort N.V. Refer to Other current liabilities in note 18.

Included in the gain from associates is € 4 thousand (2010: € 768 thousand), representing 36.98% of the relocation and legal expenses incurred by Bank Insinger de Beaufort N.V. that are for the account of BNPPWM. An amount of € 2,078 thousand was paid to Bank Insinger de Beaufort N.V. by BNPPWM during February 2011 by way of share premium.

The closure of the Italian branch of Bank Insinger de Beaufort N.V. was largely finalised during the year with a formal cessation of regulated activities as at 31 March 2012.

13. 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.

The taxation charge for the year ended 31 December 2011 relates to the release of accrued taxation payable in relation to the change in tax regime of the Company.

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.

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

	<u>2011</u>	<u>2010</u>
	€'000	€'000
Available-for-sale investment securities	40	35
	<u>40</u>	<u>35</u>

Investment securities are recorded at their fair value.

16. Related party receivables

	<u>2011</u>	<u>2010</u>
	€'000	€'000
Receivable with Insinger de Beaufort Investments (SA) Pty Ltd	1	2
Receivable with Bank Insinger de Beaufort N.V.	13,005	8,656
	<u>13.006</u>	<u>8,658</u>

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

17. Other current assets

	Note	<u>2011</u>	<u>2010</u>
		€'000	€'000
Receivable from sale of Equity Trust Holdings S.à.r.l. to Doughty Hanson		-	27,200
Loss from associates for the account of BNPPWM Debtor	13	4	768
Prepaid amounts		3	83
Other		34	13
		<u>2</u>	<u>-</u>
		<u>43</u>	<u>28,064</u>

In 2010, the Group sold its investment in Equity Trust Holdings S.à.r.l. to Doughty Hanson. All proceeds were received during 2011.

18. Other current liabilities

	<u>2011</u>	<u>2010</u>
	€'000	€'000
Loss from associates for the account of IdB Finance S.à.r.l.	161	3,039
Salaries payable	235	174
Accrued audit fees	24	30
Other payables	300	350
	<u>720</u>	<u>3,593</u>

The loss from associates for the account of IdB Finance S.à.r.l. relates to results of the Italian and corporate & institutional operations of Bank Insinger de Beaufort N.V. are for the account of IdB Finance S.à.r.l. Refer to note 12 for further details.

19. Treasury shares

The movement in number of Treasury shares is as follows:

	<u>2011</u>	<u>2010</u>
At 1 January	163,829	163,829
Movement in Treasury shares	(162,829)	-
At 31 December	<u>1,000</u>	<u>163,829</u>

Treasury shares, which are held by a consolidated subsidiary, are deducted from the number of total outstanding shares, as presented in the consolidated statement of changes in equity.

20. Capital reduction

In line with the adoption of the resolutions in the shareholders' meeting of 28 January 2011, the capital was reduced on that date through the redemption of one share for every two shares held at an amount of € 3.50 per share redeemed. Together with the adoption of the resolutions in the shareholders' meeting of 20 June 2011, it was also resolved to redeem and cancel shares held by subsidiaries of the Company.

21. Events after the balance sheet date

Please refer to page 53.

COMPANY FINANCIAL STATEMENTS
for the year 31 December 2011

Company profit and loss account
for the year ended 31 December 2011

	Notes	2011	2010
		€'000	€'000
Interest and dividend income		20,189	5,749
Interest expense		(998)	-
Net interest and dividend income	2	19,191	5,749
Other operating income		-	-
Operating income		19,191	5,749
Personnel costs		(238)	(159)
Other general administrative expenses	3	(200)	(786)
Profit before taxation		18,753	4,804
Taxation	4	148	(82)
Net profit / total comprehensive income		18,901	4,722

Company statement of financial position

as at 31 December 2011

(after appropriation of result)

	Notes	2011	2010
		€'000	€'000
Assets			
Loans and advances to credit institutions	5	11,039	4,568
Shares in subsidiary undertakings	6	23,647	23,647
Other current assets	7	448	27,596
Total assets		35,134	55,811
Liabilities			
Other current liabilities	8	6,324	27,540
Total liabilities		6,324	27,750
Capital resources			
Shareholders' equity		28,810	28,271
Total equity and liabilities		35,134	55,811

Company statement of changes in equity

for the year ended 31 December 2011

	Shares	Share capital €'000	Share premium €'000	Other reserves €'000	Total €'000
Balance at 1 January 2010	9,931,915	19,864	-	3,685	23,549
Net result				4,722	4,722
Total comprehensive income				4,722	4,722
Balance at 31 December 2010	9,931,915	19,864	-	8,407	28,271
Net result	-	-	-	18,901	18,901
Total comprehensive income	-	-	-	18,901	18,901
Capital reduction	(5,057,987)	(10,116)	-	(8,246)	(18,362)
Balance at 31 December 2011	4,873,928	9,748	-	19,062	28,810

The total authorised number of ordinary shares at year-end was 115,000,000 (2010: 115,000,000) with a par value of €2 per share (2010: €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 2011 the legal reserve amounts to € 975 thousand. The legal reserve is not distributable.

Company statement of cash flows

for the year ended 31 December 2011

	Notes	2011 €'000	2010 €'000
Cash flows from operating activities			
Net profit		18,901	4,722
Adjustment for:			
Dividend and interest income	2	(19,002)	(1,249)
Taxation	4	(148)	82
<i>Net cash (outflow)/inflow from operating activities before changes in operating assets and liabilities</i>		<u>(249)</u>	<u>3,555</u>
Decrease/(Increase) in operating assets:			
Loans and advances to credit institutions		(6,471)	(4,163)
Other current assets		(52)	(4,391)
(Decrease)/Increase in operating liabilities:			
Other current liabilities		<u>(2,066)</u>	<u>547</u>
<i>Net cash inflow from operating activities before payment of taxation</i>		<u>(8,838)</u>	
Dividend		-	4,500
Taxation (paid)	4	-	(48)
<i>Net cash inflow from operating activities after payment of taxation</i>		<u>(8,838)</u>	<u>4,452</u>
Cash flows from investing activities			
Proceeds from sale of Equity Trust Holding S.à.r.l.		27,200	-
<i>Net cash (outflow) from investing activities</i>		<u>27,200</u>	<u>-</u>
Cash flows from financing activities			
Capital reduction		(18,362)	-
<i>Net cash (outflow) from financing activities</i>		<u>(18,362)</u>	<u>-</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>
Cash flows from operating activities include:			
Interest received		189	-
Interest paid		-	-
Dividends received		-	4,500

Notes to the Company Financial Statements for the year ended 2011

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. Net interest income

	2011	2010
	<u>€'000</u>	<u>€'000</u>
Net intercompany interest	(809)	49
Dividends received	20,000	5,700
	19,191	5,749

On 23 December 2011 the share premium of IdB Finance S.à.r.l. was reduced by €20,000 thousand, payable to the Company as a dividend.

3. Other general administrative expenses

	2011	2010
	<u>€'000</u>	<u>€'000</u>
Audit fees	32	112
Rent & rates	15	15
Other administrative expenses	153	659
	200	786

4. 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.

The Company has no deferred tax assets and liabilities.

5. Loans and advances to credit institutions

	2011	2010
	€'000	€'000
Bank Insinger de Beaufort N.V.	11,039	4,568
	11,039	4,568

6. Shares in subsidiary undertakings

	2011	2010
	€'000	€'000
At 1 January	23,647	49,647
Distribution in kind by Insinger Trust Holdings Limited	-	(26,000)
At 31 December	23,647	23,647

A list of significant subsidiaries held as direct and indirect investments of IdB Holdings S.A. is disclosed in Other Information on page 52.

7. Other current assets

	2011	2010
	€'000	€'000
Amounts due from Insinger Trust Holdings Limited	-	27,200
Amounts due from Bank Insinger de Beaufort N.V.	380	380
Amounts due from Insinger de Beaufort Investments (SA) Pty	1	2
Prepaid expenses	34	14
Taxation receivable	33	-
	448	27,596

8. Other current liabilities

	2011	2010
	€'000	€'000
Amounts due to IdB Finance S.à.r.l	6,271	25,295
Amounts due to Insinger de Beaufort Investment Ltd	-	1,746
Amounts due to Insinger Finance (BVI) SA	-	260
Accrued audit fees	24	30
Taxation	-	119
Other accruals	29	90
	6,324	27,540

9. 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:

	2011	2010
	€'000	€'000
Non-Executive	155	75
Executive	75	75
	230	150

Other than remuneration of key personnel, 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

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

Associates

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

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 N.V.

As disclosed in the Circular to Shareholders dated 5 March 2009, BNP Paribas Wealth Management S.A. has a call option on the remaining shares in Bank Insinger de Beaufort N.V. A copy of the circular is available on the Company's website. Below is a summary of the key financial data of the investment in associate Bank Insinger de Beaufort N.V.:

	2011	2010
	€'000	€'000
Assets under management as at 31 December	10,393,767	10,422,180
Operating income	63,134	65,539
Operating profit / (loss) before restructuring expenses	4,826	583
Total Assets	1,269,473	1,049,162
Total Liabilities	1,137,230	926,487
Group equity	132,170	122,391
Intangible assets	107,966	110,231
Group equity less intangible assets	24,204	12,160

EVENTS AFTER THE BALANCE SHEET DATE

Since 31 December 2011 there have been no significant organisational, management, economic, socio-political, legal or financial changes that we expect to influence our business materially going forward.