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Directors and Professional Advisors

Insinger de Beaufort Holdings S.A.

Board of Directors

Kardol, Bas *Chairman*

Kantor, Ian *Chief Executive Officer*

Sieradzki, Peter *Chief Operating Officer*

Georgola, Steven *(Non-Executive)*

Audit Committee

Sieradzki, Peter

Georgola, Steven

Mooij, Rob

Legal Advisors

Luxembourg

Elvinger, Hoss and Prussen

Maitland & Co

Registered office and number

Insinger de Beaufort Holdings S.A.

66 Avenue Victor Hugo

L-1750 Luxembourg

R.C. Luxembourg B49429

Senior Executives

Management Board

Kantor, Ian (CEO)

Human, Kobus (Asset Management)

Mooij, Rob (CFO)

Peijster, Frans (Private Banking)

Sieradzki, Peter (COO)

White, Piers (United Kingdom)

Group Finance, Operations and Support

Baltus, Marc

Secretary

Staring, Mike

Marketing and Communications

Bongers, Han

Internal Audit

Pickott, Francis

United Kingdom Finance, Operations and Support

Howard, David

Private Banking

Europe

Beaufort, Rijnhard de

Beffort, Claude

Boot, Jeroen

Donotano, Vito

Kreder, Robert

Kun, Eduard van der

Reijns, loek

Schepen, Arjen

Snijders, Jeroen

Tilman, Frans

Vink, Jan de

Vismans, Herman

Wijburg, Nico

United Kingdom

Berkowitz, Trevor

Gillow, Charles

Marlow, Edward

Mun-Gavin, David

Schewitz, Kelvan

Institutional and Corporate Products and Services

United Kingdom

Bond Broking

Blackwell, Andrew

Bruell, Nick

Reynolds, Mark

Syriopolous, Dionissis

Equity Broking

Dunnoos, Elie

Graft, Russell

Frank, Martin

Olstead, Simon

Peskin, Andrew

Shaw, Elliott

Simon, John

Corporate Finance/Broking

Allen, Jasper

Castro, Louis

Fox, Simon

Lawman, David

Ward, Peter

Europe

Equity Trading

Leur, Patrick van

Monnik, Frank

Scheper, Harry

Sweers, Rob

Corporate Finance

Pluijgers, Hans

Reitsma, Krijn

Asset Management

Europe and South Africa

Dugmore, Ina

Ester, Guy

Fitzgerald, Peter

Martens, Eelco

Williams, David

Yeo, Peter

Treasury and Credit

Speld, Alexander van der

Witjes, Sjarrel

Salient Features

Euro	2005	2004	Change
Results			%
Gross income (million)	81.9	75.4	9
Operating profit (million)	3.9	3.0	30
Profit before tax (million)	8.8	2.3	283
Net profit (million)	9.1	2.7	230
Per ordinary share			
Diluted Earnings (cents)	65.7	22.6	191
Dividends (cents)	18.0	12.0	50
Balance sheet			
Total assets (million)	407.6	370.4	10
Shareholders' equity (million)	53.0	49.2	8
Number of ordinary shares of € 2.00 each in issue (million)	12.9	12.9	0
Other			
Assets under management (excluding fiduciary assets) (billion)	5.3	4.9	9
Number of staff employed at year-end	340	436	(22)

Chairman’s Report

Developments

In the year 2005 the Group enjoyed a considerable growth. Keeping the focus on the core financial services businesses Private Banking, Asset Management and Institutional & Corporate products and services is successful. In particular the growth in assets under management and recurring income is an important development. It demonstrates the ability of the Group in providing quality solutions to its clients and provides a sound basis for the future.

Financial results

The Group reports a net profit after tax of € 9.1 million for the year 2005 compared to € 2.7 for the year 2004. The operational result, being profit before tax for the year 2005 excluding non recurring items as the result on disposals, redundancy expenses and provisions, amounted to € 10.4 million, compared to € 5.7 million for 2004. This growth was in particular attributable to increased revenue from Asset Management and Private Banking combined with the containment of costs.

The assets under management amounted to € 5.3 billion as at 31 December 2005 compared to € 4.9 billion as at 31 December 2005.

Strategy and structure

The Group continues its focus on servicing private clients, professional intermediaries and corporate and institutional clients. These financial services are provided through a structure where an environment is created that allows professionals to use their skills effectively to the benefit of the clients. This operates like a professional partnership that is attractive to highly qualified staff, who work in an entrepreneurial environment where they can keep their professional focus and exploit their talents fully. This is a key factor for the further development of the Group.

The Group has a policy of being risk averse and maintaining a sound financial position. The policy is to have only a minimal exposure to market and credit risks and to focus on providing services to clients.

In the second half of 2005 the Jersey asset management operations were sold. The Jersey and Isle of Man based asset management activities were considered to benefit more and develop faster being part of a group with larger operations in those jurisdictions.

In the beginning of 2006 Monument Securities Ltd has been acquired. It is expected that this will have a positive effect on the institutional broking business in the UK, bringing increased scale and specialised expertise to the unit.

Corporate governance

Having a proper corporate governance structure in a financial services organisation is essential. The Group's practices and procedures are reviewed continuously to ensure that they reflect good corporate governance and comply with the relevant standards and associated best practices. In this respect specific rules and procedures have been laid down at various levels in the Group. Compliance with these rules and procedures is monitored on a regular basis.

Board composition

During the year there were no changes to the board.

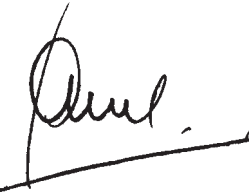
Outlook

The Group will continue its focus on the development of its core activities. Maintaining a highly professional environment with meaningful ownership by management and staff are important elements of the Group's culture. The accompanying entrepreneurial environment enables the Group to attract staff with the right qualities and to provide successful products and services. This approach is aimed at achieving a sustainable growth in revenues while maintaining vigilant on containing costs.

Gratitude to staff

The Board acknowledges the contributions to the successful development of the Group made by everyone associated with the Group, and in particular, we thank all board members, management and staff of Insinger de Beaufort.

15 March 2006



Bas Kardol

Chairman, Insinger de Beaufort Holdings S.A.

Report of the Executive

2005 Review

We look back on a year in which we made good progress. Concentrated focus on the development of our core activities in Private Banking, Asset Management and Institutional & Corporate products and services continues to show results in an atmosphere where professional quality is central to our service to clients. We cherish our independence and the entrepreneurial approach that is embedded in our culture. These elements remain key ingredients for our future success and we will continue to develop the organisation based on these foundations.

This review first looks at our strategy and then outlines the development of our business activities.

Strategy

We continue to focus on providing financial services to private clients, professional intermediaries and corporate and institutional clients. Our basis for success is to be highly professional in what we do and find creative solutions for our clients. In current financial markets this is particularly relevant to achieve consistently good risk adjusted investment returns.

We operate as a professional banking partnership. This is reflected in meaningful ownership by management and staff, and the commensurate independence and culture. This creates an entrepreneurial environment that attracts highly qualified staff and produces high calibre professional services. This concept remains an important part of our positioning and branding. It enables us to differentiate ourselves through our products and services, and in the way we deliver them. Our aim is to create long lasting relationships.

The growth of assets under management remains a key element of our business objectives. The level of net inflow of assets under management is an indicator of the success of our services, our future growth and the longer term economic value of the Group. It creates a valuable base of recurring income that together with other types of annuity income sources counters our more volatile transaction-based income. In our current mix of income we continue to aim to increase the proportion of our annuity-based income for the longer term.

We seek to improve our operational leverage by simplifying our processes where possible and using our organisational infrastructure more efficiently without compromising on the specific service requirements of our clients. We aim to bring our cost-to-income ratio down further over the coming years.

In Private Banking we continue to grow the business by producing quality services to clients supported by an investment process that combines traditional and alternative asset classes in order to deliver consistent investment returns within the specific risk parameters of our clients. The attraction and retention of high quality personnel is an important objective. We support this by creating the right environment for these professionals to work in. This creates a stable servicing base that enables us to understand fully the client's requirements through a longer term relationship. We continue to use our open architecture approach in selecting the best available solution for our clients, and are seeking to expand our private banking services in the UK domestic market on the back of our current private banking infrastructure.

In the Asset Management unit we continue to pursue our thorough manager selection process as well as managing our direct European equity products. We put great emphasis on maintaining a thorough and consistent investment process in this unit as this forms the basis of achieving sustainable returns on the assets under management. Having the right people and creating the right environment in which they can exploit their talents fully, remain constant areas of attention. We will continue to expand our range of investment products and widen our investment services to institutional investors. We continue to develop our extensive distribution position in the Dutch intermediary market and seek to further expand this to the UK and South African intermediary markets. This expansion is proving to be successful in both these jurisdictions and is exceeding our expectations. In this unit we expect that both performance fees and the annuity-based income will have the ability to grow considerably over the coming years.

In the Institutional & Corporate products and services units we inherently experience more volatility in income. We seek to mitigate income volatility by having both equity stock broking and bond broking units. In addition to this we have our specialised corporate finance units that have potential spin-off activities for equity stock broking and private banking. Although these services are aimed at professional clients, our specialised services for the owner-manager and his family bring a strong link to private banking. In particular our UK corporate finance team that has specialised in listings on the Alternative Investment Market (AIM) fits very well in this respect. We see increased demand for placings on AIM and look to increase our distribution capacity in this area.

We continue to hold our position in the Dutch equity broking market with a focus on executing a specialised service that revolves around ideas-driven research. The extensive knowledge and experience within our organisation generates insights that are of great benefit to clients in this market. We are looking to expand our Dutch corporate finance advisory work, supported by focused research on small to mid size businesses. Complementary to this, we continue to expand our institutional investment advisory activities aimed to support institutional investors in evaluating the performance of asset managers in terms of both risk and returns.

Our three business lines continue to be supported on a decentralised basis from our locally managed Support and Finance & Control units. In addition to the local control functions, we operate a detailed centralised financial control, both of which are supported by a common accounting system. In Amsterdam, a substantial part of the back office operation, including systems development and IT support services, has been outsourced to a professional service provider. This enables us to benefit from scale advantages that would otherwise be impossible to reach on a stand-alone basis and will allow us to develop a single platform for the Group whereby we can achieve greater leverage from our investment and processing capacities.

We continue to pursue growth through the ongoing development of the current core businesses, while retaining a tight control on costs and mitigating risk. Our risk management process is reviewed constantly and tightened where needed. Our policy is to maintain a highly liquid balance sheet. Operating without material proprietary positions also strengthens the independence and transparency inherent in the delivery of our services. This remains an important element of our positioning.

Corporate governance and Risk management

We believe that having a proper governance structure is particularly important for a financial institution. We regularly ascertain that our practices and procedures reflect this and comply with the relevant standards and associated best practices. Specific rules and procedures have been implemented at relevant levels in the Group. The compliance with these rules and procedures is monitored on a regular basis.

An important part of our governance structure is our risk management process. As a financial institution we are constantly evaluating potential risks that underlie our business and how to mitigate these risks. We have a comprehensive process to determine policies on risk tolerance and where we control and monitor risk positions as an integrated set of activities. Members of the executive management are responsible for ensuring that risks and controls are addressed within each of their operations. This process is fundamental to all business units in our organisation.

Our Risk Committee governs the risk management processes in accordance with the Group Risk Management Policy. Our Credit Committee, Asset & Liability Committee and Operational Risk Committee respectively provide the expertise and independent input for the management of credit risks, market and liquidity risks, operational and compliance risks. Our risk management department provides the operational units with support and tools in order to ensure that the risk management process is adequately executed in a consistent manner throughout the Group.

Report of the Executive

(continued)

Overlaying this process our internal audit department independently monitors the ongoing adequacy and execution of this structure. They report their findings to responsible management and directly to the Audit Committee which oversees our risk management and control systems on behalf of the Board.

Our policy on risk tolerance is based on an ongoing assessment of the environment that emphasises high liquidity, limited credit, market and foreign currency risk exposures and a healthy capital base. An important element of our risk management is safeguarding us against reputational risk to ensure that our integrity is not compromised. Our compliance monitoring is important for preserving our business ethics and making sure that we operate in line with the applicable rules and regulations.

Consolidated Results

(million Euro)	2005	2004
Gross income	81.9	75.4
Operational profit before tax	10.4	5.7
Operating profit	3.9	3.0
Net profit	9.1	2.7
Diluted earnings per share (in euro cents)	65.7	22.6

The reported gross income increased by € 6.5 million (9%) to € 81.9 million, despite the loss of income attributable to the operations in Jersey which were sold at the end of the third quarter. Adjusted for this the growth in gross income in the ongoing activities was approximately 11%.

The operational result, which is the profit before tax for the year 2005 excluding non-recurring items as the result on disposals, redundancy expenses and provisions, amounted to € 10.4 million which is an increase of 82% from the comparative profit for 2004 of € 5.7 million. The growth in operational profit was attributable to the increase in income combined with the containment of costs in Private Banking and Asset Management.

Extra provisions were made for an unresolved pre acquisition legal dispute in Italy to the amount of € 3.9 million and € 2.0 million for rental commitments on the vacated and previously occupied premises in London.

From the beginning of 2005, accounting standard IFRS 2 (Stock Based Compensation) has been applied. The impact of this on the profit and loss account is not material. The 2004 comparative figures have been adjusted accordingly.

Our net result amounted to € 9.1 million compared to € 2.7 million for 2004.

The Group continues to maintain a highly liquid balance sheet. Most of the assets are invested in cash or near cash and the loan assets have been collateralised by liquid securities. Capital resources increased from € 49.3 million to € 53.0 million, mainly due to the net result less the movement in treasury shares. The employee options that were exercised during the year have been fully covered by shares held in treasury. Net of warrants held by the Group in treasury the number of outstanding warrants is 0.3 million as at 31 December 2005.

The assets under management as at 31 December 2005 amounted to € 5.3 billion (2004: € 4.9 billion)¹⁾. The increase was due to both a net inflow of new assets from clients and market value appreciation. The consequence of the sale of the Jersey asset management business is a reduction in assets under management of € 0.5 billion. Adjusted for this the real growth of assets under management was € 0.9 billion (21%) for the year. Of this amount, 9% resulted from a net inflow of new assets from clients.

The number of employees decreased from 436 to 340, mainly due to the outsourcing of our back office and IT departments to an outside service provider and the sale of our Jersey operations.

1) This amount includes reinvestments in own products.

Report of the Executive

The Operating Units

Private Banking

Gross income

Gross income increased to € 34.0 million from € 30.5 million, an increase of 11%. The past year showed an increase in assets under management of € 645 million. Of this 22% increase, 16% came from market appreciation and 6% from a net inflow of new assets from clients. This demonstrates our ability in both achieving good investment performance for our clients and attracting new private clients in a continuing competitive market. The total assets under management grew from € 2,865 million as at 31 December 2004 to € 3,510 million as at 31 December 2005.

Main developments

Our Private Banking activities continued to show a strong growth in income and operational result. As an independent organisation we deliver our services in a transparent open architecture and this, combined with the achievement of consistently good investment returns for our clients, has proved to be a successful formula. We have also been proactive in the construction and successful distribution of structured products for clients. The placing of specially selected real estate partnerships (CV's) continued during the year as part of the range of alternative investment offerings.

Through our London Private Banking unit we provide a specialised service mainly to international clients throughout the world; and at the same time we are servicing an increasing UK resident client base. In this unit we have been successful in growing the assets under management considerably, both from new inflow of assets from clients as well as investment performance.

The development of our Private Banking activities in the Italian branch continues to be positive and shows good inflows of new money under management and an increasing income. However, the unit is not yet operating at the desired scale level.

Our Luxembourg unit performed well during the year and again, grew in both turnover and contribution in 2005.

Future developments

We continue to focus on the application of a thorough investment process with a disciplined and structured implementation. This enables our private bankers to focus on understanding our clients' needs and providing a bespoke service that is independent and transparent. We will continue with the organisation of specific events aimed at exploring and sharing special items of interest with our clients. Where appropriate, associates provide clients with services that augment our own expertise in asset management and related areas.

We are looking to increase our product offering in the UK domestic market by operating through a branch set up based on our common private banking platform. We continue to strive to improve the servicing of our clients in an independent and transparent manner.

Report of the Executive

The Operating Units

(continued)

Asset Management

Gross income

Gross income grew to € 27.4 million from € 24.0 million, an increase of 14%. This was achieved despite the loss of income attributable to the operations in Jersey, which were sold at the end of the third quarter. Adjusting for this, the growth in gross income in the ongoing activities was approximately 28%. The past year showed a net inflow of new assets under management of € 225 million (16%) reflecting the continued success of our range of funds and programme products. The total assets under management amounted to € 1,786 million as at 31 December 2005 compared to € 1,438 million as at 31 December 2004 (excluding Jersey assets under management).

Main developments

In our Asset Management division we had another strong year with good net inflows of assets under management, especially in the United Kingdom and South Africa. The very disciplined investment process supporting both our direct European equity products and the manager selection products has underpinned sustainable outperformance, and generated substantial performance fees for the unit during the year.

At the end of the third quarter of 2005 we sold the Jersey asset management operations. After careful consideration we concluded that the further development of the Jersey and Isle of Man based Asset Management activities would benefit more and develop faster being part of a group with larger operations in those jurisdictions.

Our group-wide investment process is led by our Asset Management unit in a well-structured manner and is used as a basis by the other units of the Group. This process is of great importance to our Group as it is fundamental to the investment performance we achieve for our clients.

Future developments

Because of our good investment process and good track record we see more opportunities to extend our services to institutional investors. We will continue to extend our distribution activities in South Africa and the UK, where we expect that ongoing growth can be achieved. The further development of our own managed funds will continue.

Institutional and Corporate products and services

Gross income

Gross income decreased to € 17.2 million from € 19.1 million for our Institutional and Corporate products and services units. Our UK Corporate Finance unit showed a considerable increase in income that was offset by decreased income levels from other units.

Main developments

Our UK Corporate Finance unit was successful in obtaining considerably more mandates for listings on the Alternative Investment Market (AIM) and we continue to benefit from our well established position in this market. With our Equity Broking Units we succeeded in maintaining our income at last year's level, while in our Bond Broking Unit we experienced lower income levels. Furthermore, the Institutional and Corporate result for 2004 was influenced by a substantial fee earned on one special placing of securities. We continue to look constantly for opportunities in the market for our clients. This is an important factor that differentiates us in a very competitive market and is key to our continued success. The move to new premises in London in January 2005 created a considerable improvement to the working environment.

Future developments

Our Institutional Broking Units remain dependent on market volumes and opportunities available. We will continue to focus our research on finding investment opportunities for our clients with an emphasis on the mid and small cap markets. We expect that our UK Corporate Finance activities remain strong for the coming period and we are looking to expand our capacity to place equity issues to institutional investors who are active in the AIM market.

Both in London and Amsterdam we continue to invest in the development of new research and investment advisory products. It is anticipated that the acquisition of Monument Securities at the beginning of 2006 will have a positive impact on the performance of our Institutional Broking business.

Systems development

The outsourcing of our back office processes and IT systems to Ordina in the third quarter of 2005 will result in substantial ongoing cost efficiencies. In addition it will allow us to develop a single platform for the Group whereby we can achieve greater leverage from our investment and processing capacities. The outsourcing arrangement includes the replacement of our back-office systems in Amsterdam, which will have a significant impact on the operations and IT departments in Amsterdam. The new operating environment will be on a substantially 'straight-through' basis and enable us to reduce operational risk.

Dividends and earnings per share

The basic earnings for 2005 is € 0.711 per share. On a fully diluted basis the earnings were € 0.657 per share. The board proposes to declare a dividend of € 0.18 per ordinary share (2004: € 0.12).

Outlook

We will continue to pursue growth through the further development of the current core businesses, while retaining a tight control on costs. We guard the current focus in our business for delivering the best possible service for our clients. This, together with our unique position as an independent organisation with significant ownership by management and staff, is essential for our continued success. It provides an environment where our staff can develop and use their talents fully. It creates an entrepreneurial atmosphere where we deliver our services to clients with great energetic involvement. We believe that this type of working environment enables us to attract and retain top professionals. Clearly this remains a differentiating feature of our organisation and an essential part of our culture and positioning.

With this highly focused and committed approach we aim to continue the further development of our business in a sustainable way and within the limited risk parameters we have established for our organisation. This means, predominantly, growth through our existing businesses, although we do not rule out strategic acquisitions that will both add immediate value and fit with our culture. We therefore expect that together with continued vigilance on costs our profitability should be able to increase further over the coming years. We believe that maintaining long lasting relationships with our clients, staff, suppliers and other stakeholders builds value for the long term.

15 March 2006



Ian Kantor

Chief Executive Officer

Statement of the CEO and CFO

The directors are responsible for the preparation and reviewing the reliability of the financial statements, the underlying accounting policies and the integrity of all information included in this report. The independent auditor is required to confirm that the financial statements are prepared in accordance with International Financial Reporting Standards (IFRS).

The controls throughout the Group concentrate on focused critical risk areas. These areas are identified by operational management, confirmed by Group management, monitored by directors and reviewed annually by the external auditors. The directors report that the Group’s internal controls are designed to:

- provide reasonable assurance as to the integrity and reliability of the financial statements
- adequately safeguard, verify and maintain accountability of assets
- prevent and detect fraudulent financial reporting.

Such controls are based on established policies, and procedures are reinforced by appropriate risk management forums and processes. Internal controls are developed to ensure that their cost does not exceed their benefit. The controls are implemented by suitably qualified personnel with appropriate segregation of duties and are monitored throughout the Group. Processes are in place to monitor the effectiveness of internal controls to identify material breakdowns and to ensure that corrective action is taken. The directors are not aware of indications that the internal risk and control systems are not adequate or not effective

The annual financial statements are prepared on a going concern basis. Nothing has come to the attention of the directors to indicate that the Company will not continue as a going concern until the next reporting date. The financial statements have been prepared by the Board of Directors. The financial statements, which appear on pages 16 to 67, were signed by the directors on 15 March 2006,



Ian Kantor
Chief Executive Officer



Rob Mooij
Chief Financial Officer

Auditor’s Report

To the Shareholders Insinger de Beaufort Holdings S.A. Luxembourg

We have audited the accompanying parent company financial statements of Insinger de Beaufort Holdings S.A. and consolidated financial statements of Insinger de Beaufort Holdings S.A. and its subsidiaries (the “Group”) which comprise the parent company balance sheet and consolidated balance sheet as of December 31, 2005, the parent company and consolidated statements of income, cash flows and changes in shareholders’ equity for the year then ended and the related notes. We have also read the related Directors reports. These parent company financial statements, consolidated financial statements and Directors reports are the responsibility of Insinger de Beaufort Holdings S.A.’s Board of Directors. Our responsibility is to express an opinion on these parent company financial statements and consolidated financial statements based on our audit, and to check the consistency of the Directors reports with them.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the parent company financial statements and consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the parent company financial statements and consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Board of Directors, as well as evaluating the overall parent company financial statements and consolidated financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

- In our opinion:
- the accompanying parent company financial statements present fairly, in all material respects, the financial position of Insinger de Beaufort Holdings S.A. as of December 31, 2005, and of the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union;
 - the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2005, and of the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The Directors reports are in accordance with the parent company financial statements and consolidated financial statements.

Luxembourg, 15 March 2006
PricewaterhouseCoopers S.à r.l.
Réviseur d’entreprises
Represented by



Emmanuelle Caruel-Henniaux

Five-Year Summary

Insinger de Beaufort Holdings SA
Five-Year summary*

Euro	2005	2004	2003 ¹	2002 ²	2001 ²
Results					
Gross income (million)	81.9	75.4	90.1	149.2	125.7
Operating profit (million)	3.9	3.0	2.3	0.4	8.5
Profit before tax (million)					
— before amortisation of goodwill	8.8	2.3	2.3	0.4	8.5
— after amortisation of goodwill	8.8	2.3	43.0	(15.9)	(2.5)
Profit attributable to shareholders (million)					
— before amortisation of goodwill and profit on sale of subsidiaries	4.9	3.6	2.6	4.1	8.7
— after amortisation of goodwill and profit on sale of subsidiaries	9.1	2.7	43.3	(12.2)	(2.3)
Per ordinary share					
Diluted earnings (cents)					
— before amortisation of goodwill	65.7	22.6	325.2	15.3	32.9
— after amortisation of goodwill	65.7	22.6	211.3	(45.9)	(8.7)
Dividends (cents)	18.0	12.0	8.0	6.0	6.0
Balance sheet					
Total assets (million)	407.6	370.4	472.2	573.4	607.0
Shareholders' equity (million)	53.0	49.2	39.6	86.2	102.1
Number of ordinary shares of € 2.00	12.9	12.9	10.3	26.1	25.9
Other					
Assets under management (excluding fiduciary assets) (billion)	5.3	4.9	4.4	4.6	5.2
Number of staff employed at year-end	340	436	434	1,078	1,120

*) Figures have not been adjusted for sale of Trust Group as at 30 April 2003
1) Including 4 months of Trust Group activities
2) Including full year of Trust Group activities

Financial Statements

for the year ended 31 December 2005

Group Profit and Loss Account

for the year ended 31 December 2005

	Notes	2005	2004
		€ 000's	€ 000's
Interest income		12,157	12,360
Interest expense		(6,721)	(6,814)
Net interest income	6	5,436	5,546
Commission income		93,540	81,563
Commission expense		(29,174)	(24,201)
Gains less losses from investment securities	18	464	418
Other operating income	7	11,597	12,054
Gross income		81,863	75,380
Personnel costs	8	(40,614)	(40,687)
Redundancy expense	9	(625)	(2,716)
Provisions	10	(5,890)	—
Depreciation	22	(3,722)	(2,881)
Other general administrative expenses	11	(27,144)	(26,110)
Operating profit		3,868	2,986
Income on sale of subsidiaries	5	4,220	(825)
Share of profits from associates		739	134
Profit before taxation		8,827	2,295
Taxation	12	250	452
Net profit		9,077	2,747
Attributable to:			
Group shareholders		9,074	2,744
Minority interest		3	3
Net profit		9,077	2,747
Earnings per share	13		
Basic earnings per share		71.1	23.6
Diluted earnings per share		65.7	22.6
Dividend per share (in cents) ¹		18.0	12.0

The notes on pages 28 to 67 are an integral part of these financial statements

¹ Dividend per share is based on the proposed dividend distribution.

The proposed dividend distribution is not accounted for in the financial statements.

Group Balance Sheet

as at 31 December 2005

	Notes	2005	2004
Assets		€ 000's	€ 000's
Cash and balances with central banks	14	6,445	9,430
Treasury bills	15	35,896	40,801
Loans and advances to credit institutions	16	148,671	114,782
Loans and advances to customers	17	119,262	91,033
Interest bearing securities			
— issued by public bodies	18	7,127	17,276
— issued by other borrowers	18	16,145	16,145
Shares	18	3,081	4,313
Investments in Associates	20	3,917	3,077
Goodwill	21	16,090	20,868
Tangible fixed assets	22	6,627	7,459
Investment property	23	1,458	1,858
Other assets	24	31,064	30,232
Deferred tax assets	12	11,858	13,156
Total assets		407,641	370,430
Liabilities			
Amounts owed to credit institutions	25	9,700	1,967
Amounts owed to customers	26	301,071	270,462
Loan notes and other long term debt	27	7,737	9,180
Provisions	28	1,986	—
Other liabilities	29	31,450	35,630
Current income tax liabilities		2,631	3,886
Total liabilities		354,575	321,125
Capital resources			
Shareholders' equity		50,942	47,984
Shareholders' compulsory convertible loan note	33	2,063	1,224
Minority interests		61	97
		53,066	49,305
Total equity and liabilities		407,641	370,430
Off-Balance sheet items: contingent assets	36	11,464	11,464
Off-Balance sheet items: contingent liabilities	36	9,432	8,148

The notes on pages 28 to 67 are an integral part of these financial statements

Consolidated statement of changes in equity

for the year ended 31 December 2005

	Shares	Share Capital	Share premium	Revaluation reserves	Translation reserve	Other Reserves	Compulsory convertible loan note	Minority interest	Total
		€ 000's	€ 000's	€ 000's	€ 000's	€ 000's	€ 000's	€ 000's	€ 000's
Balance at 31 December 2003	10,338,508	20,677	(5,501)	(1,110)	(6,610)	30,968	1,200	99	39,723
Impact of adoption IFRS 2			(24)			(24)			
Adjusted balance	10,338,508	20,677	(5,501)	(1,110)	(6,610)	30,968	1,200	99	39,723
Dividend						(899)			(899)
Exercise of warrants ²	2,579,189	5,158	6,706						11,864
Buy back of warrants			(24)			(501)			(525)
Reversal of unamortised interest on the 2008 loan note, net of tax			(1,365)						(1,365)
Net gains/(losses) from changes in fair value, net of tax				(32)					(32)
Release of capitalised interest, net of tax							24		24
Employee share option plan: — equity settled share based payment plan, net of tax			157						157
Translation adjustments and other movements, net of tax					(976)	42			(934)
Movement in minority interests, net of tax						3		(5)	(2)
Purchases/sales of treasury shares ³	(5,223)	(10)	(1,443)						(1,453)
Net profit						2,744		3	2,747
Balance at 31 December 2004	12,912,474	25,825	(1,470)	(1,142)	(7,586)	32,357	1,224	97	49,305

The notes on pages 28 to 67 are an integral part of these financial statements

² See note 32

³ See note 30

	Shares	Share Capital	Share premium	Revaluation reserves	Translation reserve	Other Reserves	Compulsory convertible loan note	Minority interest	Total
		€ 000's	€ 000's	€ 000's	€ 000's	€ 000's	€ 000's	€ 000's	€ 000's
Balance at 1 January 2005	12,912,474	25,825	(1,470)	(1,142)	(7,586)	32,357	1,224	97	49,305
Dividend						(1,571)			(1,571)
Issue of compulsory convertible loan note 2013							804		804
Net losses from changes in fair value, net of tax				162					162
Net (gains)/losses transferred to net profit on disposal and impairment, net of tax				(236)					(236)
Employee share option plan: — equity settled share based payment plan, net of tax			371						371
— proceeds from options exercised			3,153						3,153
Release of capitalised interest, net of tax							35		35
Translation adjustments and other movements, net of tax					(594)				(594)
Movement in minority interests, net of tax						3		(39)	(36)
Purchases/sales of treasury shares ⁴	(37,715)	(75)	(7,329)						(7,404)
Net profit						9,074		3	9,077
Balance at 31 December 2005	12,874,759	25,750	(5,275)	(1,216)	(8,180)	39,863	2,063	61	53,066

The notes on pages 28 to 67 are an integral part of these financial statements

⁴ See note 30

Group Statement of Cash Flows

for the year ended 31 December 2005

	Notes	2005	2004
Cash flows from operating activities		€ 000's	€ 000's
Net profit		9,077	2,747
Adjustment for:			
Taxation		(250)	(452)
Profit attributable to minority interest		(3)	(3)
Depreciation of tangible fixed assets	22	3,722	2,881
Income from associates		(739)	(134)
Provisions	10	5,890	—
Share-based compensation (IFRS 2)		371	157
Profit on sale of operations in Jersey and Switzerland	5	(4,220)	—
Loss on sale of Bank Insinger de Beaufort Plc		—	825
<i>Net cash inflow from operating activities before changes in operating assets and liabilities</i>		<u>13,848</u>	<u>6,021</u>
Decrease/(increase) in operating assets:			
Loans and advances to credit institutions		(32,883)	(11,896)
Loans and advances to customers		(53,478)	17,367
Purchase of trading securities		(920)	—
Other assets		(2,761)	(5,223)
(Decrease)/Increase in operating liabilities:			
Amounts owed to credit institutions		7,734	(7,224)
Amounts owed to customers		57,531	(59,725)
Other liabilities		<u>(6,762)</u>	<u>2,633</u>
<i>Net cash (outflow) from operating activities before payment of taxation</i>		<u>(17,691)</u>	<u>(58,047)</u>
Taxation received /(paid)		<u>293</u>	<u>101</u>
<i>Net cash (outflow) from operating activities after payment of taxation</i>		<u>(17,398)</u>	<u>(57,946)</u>
Cash flows from investing activities			
Purchase of securities		(81,865)	(175,885)
Procees from sale and redemption of securities		99,268	214,303
(Purchase) of fixed assets	22	(2,766)	190
Capitalisation of deferred considerations		—	(262)
Sale of subsidiaries in Jersey and Switzerland	5	7,391	—
Sale of Bank Insinger de Beaufort Plc	5	—	14,161
<i>Net cash inflow from investing activities</i>		<u>22,028</u>	<u>52,507</u>

The notes on pages 28 to 67 are an integral part of these financial statements

Group Statement of Cash Flows

for the year ended 31 December 2005

(continued)

	Notes	2005	2004
Cash flows from financing activities		€ 000's	€ 000's
Movement in minority interests		(33)	1
Dividends paid		(1,571)	(899)
Option exercise		3,153	—
Treasury shares		(7,404)	(1,532)
Issue of compulsory convertible loan note		996	—
Repayment of loans	27	(1,600)	(18,222)
Warrant exercise	32	—	11,864
Warrant buy back	32	—	(525)
<i>Net cash (outflow) from financing activities</i>		<u>(6,459)</u>	<u>(9,313)</u>
Net (decrease) in cash and cash equivalents		(1,829)	(14,752)
Cash and cash equivalents at beginning of year		9,430	25,223
Net (decrease) in cash and cash equivalents		(1,829)	(14,752)
Exchange differences		<u>(1,156)</u>	<u>(1,041)</u>
Cash and cash equivalents at end of year		<u>6,445</u>	<u>9,430</u>
* Cash flows from operating activities include:			
Interest received		10,452	10,745
Interest paid		(6,721)	(6,814)
Dividends received		—	—

The notes on pages 28 to 67 are an integral part of these financial statements

Company Profit and Loss Account

for the year ended 31 December 2005

	Notes	2005	2004
		€ 000's	€ 000's
Interest income		1,680	1,303
Interest expense		(511)	(921)
Net interest income	6	1,169	382
Commission income		36	(21)
Commission expense		—	(39)
Other operating income	7	2,716	818
Gross income		3,921	1,140
Personnel cost		(376)	(157)
Other general administrative expenses	11	(185)	(1,196)
Profit/(loss) before taxation		3,360	(213)
Taxation	12	97	(48)
Net profit/(loss)		3,457	(261)

The notes on pages 28 to 67 are an integral part of these financial statements

Company Balance Sheet

as at 31 December 2005

	Notes	2005	2004
		€ 000's	€ 000's
Assets			
Loans and advances to credit institutions		—	654
Shares in subsidiary undertakings	19	49,647	49,647
Goodwill	21	1,249	1,249
Other assets	24	42,864	41,186
Total assets		93,760	92,736
Liabilities			
Amounts owed to credit institutions	25	6,098	—
Loan notes and other long term debt	27	7,329	8,929
Other liabilities	29	5,555	6,396
Total liabilities		18,982	15,325
Capital resources			
Shareholders' equity		74,778	77,411
Total equity and liabilities		93,760	92,736

The notes on pages 28 to 67 are an integral part of these financial statements

Company statement of changes in equity

for the year ended 31 December 2005

	Shares	Share Capital	Share premium	Other reserves	Total
		€ 000's	€ 000's	€ 000's	€ 000's
Balance at 1 January 2004	13,385,583	26,771	15,050	42,242	84,063
Dividend				(1,071)	(1,071)
Exercise of warrants			(3,611)		(3,611)
Reversal of unamortised interest on the 2008 loan note, net of tax			(1,365)		(1,365)
Employee share option plan: — equity settled share based payment plan, net of tax			157		157
Translation adjustments and other movements, net of tax				(501)	(501)
Net result				(261)	(261)
Balance at 1 January 2005	13,385,583	26,771	10,231	40,409	77,411
Dividend				(1,606)	(1,606)
Employee share option plan: — equity settled share based payment plan, net of tax			371		371
Option exercise			(4,855)		(4,855)
Net result				3,457	3,457
Balance at 31 December 2005	13,385,583	26,771	5,747	42,260	74,778

The total authorised number of ordinary shares at year-end was 115,000,000 (2004: 115,000,000) with a par value of € 2 per share (2004: € 2 per share). All issued shares are fully paid.

The notes on pages 28 to 67 are an integral part of these financial statements

Company Statement of Cash Flows

for the year ended 31 December 2005

	2005	2004
	€ 000's	€ 000's
Cash flows from operating activities		
Net profit/(loss)	3,457	(261)
Adjustment for:		
Taxation	(97)	48
Share-based compensation (IFRS 2)	371	157
Option recharge revenue	(1,069)	(822)
<i>Net cash (outflow)/inflow from operating activities before changes in operating assets and liabilities</i>	2,662	(878)
Decrease/(increase) in operating assets:		
Loans and advances to credit institutions	6,752	(654)
Other assets	(609)	—
(Decrease)/increase in operating liabilities:		
Amounts owed to credit institutions	—	(61)
Other liabilities	(841)	(4,538)
<i>Net cash (outflow)/inflow from operating activities before payment of taxation</i>	7,964	(6,131)
Taxation received/ (paid)	97	(48)
<i>Net cash (outflow)/inflow from operating activities after payment of taxation</i>	8,061	(6,179)

The notes on pages 28 to 77 are an integral part of these financial statements

Company Statement of Cash Flows

for the year ended 31 December 2005
(continued)

	2005	2004
	€ 000's	€ 000's
Cash flows from financing activities		
Dividends paid	(1,606)	(1,071)
Option exercise	(4,855)	—
Warrant buy back	—	(501)
Repayment of loans	(1,600)	—
Share buy back	—	(4,976)
Receipt/(Repayment) of loans	—	12,726
<i>Net cash (outflow)/inflow from financing activities</i>	(8,061)	6,178
Net (decrease)/increase in cash and cash equivalents	—	(1)
Cash and cash equivalents at beginning of year	—	—
Net (decrease)/increase in cash and cash equivalents	—	(1)
Exchange differences	—	1
Cash and cash equivalents at end of year	—	—
* Cash flows from operating activities include:		
Interest received	1,680	1,303
Interest paid	(511)	(921)
Dividends received	—	—

The notes on pages 28 to 67 are an integral part of these financial statements

Notes to the Financial Statements

for the year ended 31 December 2005

Notes to the Financial Statements

for the year ended 2005

1. General

Insinger de Beaufort Holdings S.A. 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.

Together with its subsidiaries, Insinger de Beaufort Holdings S.A. (“the consolidated Group” or “the Group”) operates in the fields of private banking, asset management, securities trading and corporate advisory.

In order to reflect appropriately the banking character of the Group, the layout of the Financial Statements adopted is that of a bank holding company and complies with International Financial Reporting Standards (IFRS).

2. Summary of significant accounting policies

2.1 General

The Financial Statements of the Company and the Group have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations (hereinafter referred to as IFRS) as such are endorsed by the European Union and are issued and effective for the annual report beginning January 1, 2005. The application of the endorsed standards of IFRS as opposed to full application of IFRS has not resulted in any changes in accounting policies applied to the Company. The accounting policies for the Company and the Group are the same. The significant accounting policies applied in the preparation of these Financial Statements are set out below. In 2005, the Group did not early adopt any standard. The following standards, interpretations and amendments to published standards are not yet effective:

- IAS 1 Amendment – Presentation of Financial Statements: Capital Disclosures
- IAS 39 Amendment – The Fair Value Option
- IAS 39 and IFRS 4 Amendment – Financial Guarantee Contracts
- IFRS 7 Financial Instruments: Disclosures as at 1 January 2005. IFRS 7 supersedes IAS 30 and the disclosure requirements of IAS 32.
- IAS 19 Amendment – Actuarial Gains and Loss, Group plans and Disclosures
- IAS 39 Amendment – Cash flow hedge accounting of forecast intragroup transactions
- IFRIC 4 – Determining whether an arrangement contains a lease.

The Group expects that the above amendments will not have a material impact on the accounting policies.

Other new standards, amendments and interpretations issued are not relevant to the Group.

2.2 Changes in accounting standards

In 2005 new standards, amendments and interpretations became effective. The most relevant items were:

IFRS 2 Share-based Payment

In February 2004, the IASB issued IFRS 2 Share-based Payment, which requires share-based payments made to employees and non-employees to be recognized in the financial statements based on the fair value of these awards measured at the date of grant. The Group adopted the new standard on 1 January 2005 and fully restated the comparatives in accordance with IFRS 2. The effects of restatement are disclosed in note 2.21.

Revised IAS 27 and Revised IAS 28

On 1 January 2005, the Group adopted revised IAS 27 Consolidated and Separate Financial Statements and revised IAS 28 Investments in Associates. IAS 27 was amended to eliminate the exemption from consolidating a subsidiary where control is exercised temporarily. IAS 28 was likewise amended to eliminate the exemption from equity method accounting for investments that are held exclusively for disposal. The Group does not have subsidiaries where control is exercised temporarily and consequently the change in accounting standards did not affect the group.

Non-current Assets Held for Sale and Discontinued Operations

On 31 March 2004, the IASB issued IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. The standard requires that non-current assets or disposal groups be classified as held for sale if their carrying amount is recovered principally through a sale transaction rather than through continuing use. Such assets are measured at the lower of carrying amount and fair value less costs to sell and are classified separately from other assets in the balance sheet. Netting of assets and liabilities is not permitted. Discontinued operations are presented on the face of the income statement as a single amount comprising the total of the Net profit and loss from discontinued operations and the gain or loss after tax recognized on the sale or the measurement to fair value less costs to sell of the net assets constituting the discontinued operations. In the period where an operation is presented for the first time as discontinued, the income statements for all comparative prior periods presented are restated to present that operation as discontinued. IFRS 5 provides certain criteria to be met for a component of an entity to be defined as a discontinued operation. The criteria include amongst others that a discontinued operation is a component of an entity that has either been disposed of, or is classified as held for sale, and represents a major line of business or geographical area of operations. During 2005 the company did not dispose any components of an entity representing a major line of business or geographical area of operations.

Presentation of minority interests and earnings per share

With the adoption of revised IAS 1 Presentation of Financial Statements on 1 January 2005, net profit and equity are presented including minority interests. Net profit is split into net profit attributable to the Group shareholders and net profit attributable to minority interests. Earnings per share continue to be calculated based on net profit attributable to Insinger de Beaufort shareholders. Minority interests and earnings per share are presented on the face of the income statement.

Financial Instruments

On 1 January 2005, the Group adopted revised IAS 32 Financial Instruments: Disclosure and Presentation and revised IAS 39 Financial Instruments: Recognition and Measurement, which were applied to all financial instruments affected by the two standards. As part of a project to improve IAS 32 and IAS 39 the International Accounting Standards Board developed revisions to the standards. The most important revisions relate to:

- Classification of contracts settled in an entity’s own equity instruments
- Measurement of the components of a compound financial instrument on initial recognition
- Transactions in treasury shares. Acquisition or subsequent sale of treasury shares does not result in a gain or loss for the entity.
- Transaction costs incurred as a necessary part of completing an equity transaction are accounted for as part of that transaction and are deducted from equity.
- Derecognising a financial asset
- Application of the fair value option
- Impairment of financial assets and hedge accounting

The changes to IAS 32 and 39 did not significantly impact the valuation or presentation of financial instruments in the Group’s accounts.

Investment properties IAS 40

The main objective of the International Accounting Standards Board was to permit a property interest held by a lessee under an operating lease to qualify as investment property under specified conditions. The revision did not affect the fundamental approach to the accounting for investment property and had no impact on the accounting principles applied by the Group.

SIC 12

On 11 November 2004 SIC 12 has been amended and does no longer scope out equity compensation plans. Consequently, the Group has consolidated its ESOP entity as from 2005 onwards. The impact of the consolidation of ESOP is not material.

2.3 Accounting convention

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

Notes to the Financial Statements

for the year ended 2005

(continued)

2.4 Principles of consolidation

The Consolidated Financial Statements comprise Insinger de Beaufort Holdings S.A., its subsidiaries and companies over which it has management control. The list of significant subsidiaries and Group companies is disclosed in ‘Other Information’ on page [x Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

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

2.5 Revenue recognition

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

Net interest revenues:

Interest income and expense are recognised in the income statement for all instruments measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and interest basis points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Fees and commissions:

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

2.6 Goodwill

Goodwill comprises the difference between the fair value of net assets purchased on the effective date of the transactions determined on the basis of the accounting policies of the Group and the total cost of acquisition. As per 1 January 2004 the Company applies IFRS 3, Business Combinations. This implies that the goodwill is recorded at cost less any accumulated impairment losses. Write offs are booked when the value of the goodwill is considered to be impaired. On disposal of cash generating units, the attributable amount of unamortised goodwill is deducted from the result of the sale of these units.

Goodwill is tested annually for impairment, as well as when there are indications of impairment. Goodwill is allocated to cash-generating units for the purpose of impairment testing. Impairment testing is based on discounting of cashflows of cash-generating units, being business units within the primary segments.

2.7 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 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 as an adjustment to shareholders’ equity. Transactions arising in foreign currencies are translated into the currency of record at the approximate rate of exchange ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the currency of record 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.

2.8 Financial assets

The Group classifies its financial fixed assets in the following categories:

I. Held-to-maturity

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group’s management has the intention and ability to hold to maturity. If the Group sells other than an insignificant amount of held-to-maturity assets, the entire category would be tainted and reclassified as available for sale;

II. Financial assets at fair value through profit or loss

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

III. Loans and advances

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

IV. Available for sale.

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

Management determines the classification of its securities at initial recognition.

ad. I – Held-to-maturity

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

ad. II – Financial assets at fair value through profit or loss

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

ad. III – Loans and advances

Loans and advances are stated at amortised cost net of a provision for doubtful debts based on a case-by-case valuation.

ad. IV – Available for sale

This category consists of securities. They are shown at market value. Revaluations are taken to a revaluation reserve in equity, net of tax. Realised results at disposal are recorded through the profit and loss account.

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

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

Derecognition of financial assets

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

Notes to the Financial Statements

for the year ended 2005

(continued)

2.9 Impairment of financial assets

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

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

Loans are evaluated on impairment on a case by case basis. When a loan is uncollectable, it is impaired and provided for. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of the provision for loan impairment in the income statement. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the income statement.

2.10 Tangible assets

The valuation principles for tangible fixed assets are as follows:

Leasehold improvements

Leasehold improvements are shown at cost net of accumulated depreciation less accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets taking into account estimated residual values.

The following rate is applied:
— Leasehold improvements 10.0 %

Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is stated at its fair value at the balance sheet date. The fair value is determined based on market data such as quotes received and trade data on comparable property. Gains or losses arising from changes in the fair value of investment property are included in net profit or loss for the period in which they arise.

Periodically the investment property is valued by an independent valuer.

In 2005 no valuation has taken place by an independent valuer.

Other tangible fixed assets

Other tangible fixed assets are shown at cost net of accumulated depreciation.

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets taking into account estimated residual values.

The following rates are applied:

- Furniture and fixtures 10.0 % - 20.0 %
- Computer equipment 20.0 % - 33.3 %

2.11 Shares in subsidiary undertakings

In the company financial statements investments in subsidiaries are stated at costless provision for impairment if any.

2.12 Interest in associates

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

2.13 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.

2.14 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.

2.15 Borrowings

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.

2.16 Provisions

Provisions for legal claims 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.

2.17 Compulsory convertible loan notes

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

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

2.18 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 and property for own use as at balance sheet date.

d) Translation reserves

Reference is made to note 2.7 foreign currency translation

e) Other reserves

Other reserves comprise retained earnings.

f) Minority interest

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

g) Treasury shares

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

Dividends on ordinary shares

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

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2.19 Earnings per share

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

2.20 Derivative financial instruments

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

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

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

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

2.21 Employee benefits

a) Pension obligations

The Group has only defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions once the contributions have been paid. The contributions are recognised as personnel costs when they are due.

b) Share based payments

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

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest. The fair values of the option awards have been determined by using an option-pricing model. This model takes the risk free interest rate into account, as well as the expected life of the option granted, the exercise price, the current share price, the expected volatility and the expected dividends.

The proceeds received net of any direct attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

The adoption of IFRS 2 resulted in:

	2005	2004
	€ 000's	€ 000's
Increase in staff expenses	157	24
decrease in basic earnings per share (cents)	1.4	0.2
decrease in diluted earnings per share (cents)	1.3	0.1
decrease in retained earnings	181	24
increase in share premium	181	24

2.22 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, investment 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, deposits at the Dutch Central Bank and deposits at other banks.

2.23 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.

2.24 Accounting estimates

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements 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) Impairment losses on loans and advances

The Group reviews its loan portfolio to assess impairment at least on an annual basis. In determining whether an impairment loss should be recorded in the income statement, the Group makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flow from that loan.

b) Litigation

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

c) Fair value of financial assets and liabilities

Fair value of financial assets and liabilities are 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 judgement is involved in establishing fair values for financial assets and liabilities.

2.25 Fiduciary activities

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

2.26 Segment reporting

A business segment is a group of assets and operations engaged in providing services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments. The geographical analyses are based on the location of the office from which the transactions are originated. The five operating divisions of the Group are the basis on which the Group reports its primary segment information, the geographical segments the secondary.

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3. Financial risk management

3.1 General

The risk management-process of the Group is fostered through a formal substructure in which executive management is made responsible for ensuring that risks and controls are addressed in each of their operations. Our risk management department provides them with support and tools in order to ensure that the risk management process is adequately executed in a consistent manner throughout the Group.

Specific expertise is provided by our Group Risk Committee, Compliance Department and the Asset & Liability Committee who support executive management with managing respectively integrity and credit risks, compliance risks and market and liquidity risks.

Overlaying this process our internal audit independently monitors the ongoing adequacy and execution of this structure. They report their findings to responsible management and directly to the Audit Committee, which oversees our risk management and control systems on behalf of the Supervisory Board.

Our policy on risk tolerance is based on an ongoing assessment of the environment that emphasizes high liquidity, limited credit and foreign currency risk exposures and a healthy capital base.

3.2 Credit Risk

The credit policy of the Group is to extend credit on the basis of sufficient liquid collateral. This collateral is mostly comprised of listed securities with sufficient liquidity or mortgages on private residential property. The policy on the level of required collateral coverage is determined by the Risk Committee of the Group.

The credit risk policy in relation to professional counter party risk for investment/placing of financial assets is set by the Risk Committee of the Group.

The Group is also engaged in settlement of securities transactions with professional counterparties on a delivery versus payment basis. This can expose the Group to the risk that such a counterparty is not able to fulfill its obligations in relation to the settlement of the securities transaction. The Group may then be exposed to a credit risk on the counterparty for interest claims and potentially adverse market movements in the value of the related securities. The Risk Committee of the Group sets policies on the determination of limits in relation to such counterparty settlement risks.

Insinger de Beaufort in the UK has outsourced the settlement and clearing of security transactions to professional clearing service providers. As a consequence these settlements are not booked through the accounts of the Group. Insinger de Beaufort in the UK has given indemnities to its clearing service providers in respect of customer default in relation to these securities transactions settlements. The amount of open settlements as at 31 December 2005 was £ 59 million.

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From time to time clients of Insinger de Beaufort in the UK enter into Contracts for Difference (“CFD”) and Financial Spread Betting Contracts (“FSB”) with third party providers. As security for these CFD’s and FSB’s clients pay in cash collateral with these providers. Insinger de Beaufort in the UK has given an indemnity to the third party providers for customer default in relation to clients introduced by Insinger de Beaufort, that fail to perform any of their obligations under the terms of the CFD’s and FSB’s. For one of the major third party providers this indemnity is limited to a maximum of £ 3 million per security position per client. As per the end of 2005 the total nominal underlying value of the CFD and FSB positions of clients amounted to £ 221 million (2004: £ 263 million).

The loans and advances to credit institutions and customers may be analysed by sector and geographical region as follows:

	2005	2004
	€ 000's	€ 000's
Financial institutions	148,671	114,782
Others	119,262	91,033
	267,933	205,815
European Union	220,251	188,782
Rest of Europe	5,358	16,483
Other	42,324	550
	267,933	205,815

Notes to the Financial Statements

for the year ended 2005

(continued)

3.3 Geographical concentration of assets, liabilities and off-balance sheet items

The following note incorporates credit risk disclosures, geographical concentrations of assets, liabilities and off balance items disclosure and the Company’s secondary segment disclosure.

	Total assets	Total liabilities	Gross income	Capital expenditure
At 31 December 2005	€ 000's	€ 000's	€ 000's	€ 000's
European Union	331,180	256,034	73,405	4,299
Rest of Europe	8,151	32,455	6,136	51
Other	64,393	66,086	2,322	6
Share of associates	3,917			
Total	407,641	354,575	81,863	4,356
At 31 December 2004				
European Union	308,671	299,686	64,604	2,796
Rest of Europe	20,454	15,004	7,951	579
Other	38,228	6,435	2,825	—
Share of associates	3,077			
Total	370,430	321,125	75,380	3,375

Included under the geographical segments is the category other. This includes amongst other the British Virgin Islands, Channel Islands and South Africa.

3.4 Currency risk

Foreign currency positions are monitored on a continuous daily basis and closed in the market. The Group has hedged all these foreign currency exposures. Table: Concentration of assets, liabilities and off balance sheet items.

	EUR	£	USD	CHF	ZAR	Other	Total
At 31 December 2005							
Assets							
Cash and balances with central banks	6,444	1					6,445
Treasury bills	35,896						35,896
Loans and advances to credit institutions	133,856	25,913	(12,975)	789	2,287	(1,199)	148,671
Loans and advances to customers	64,083	15,197	24,600	1,016	6,847	7,519	119,262
Interest bearing securities							0
— issued by public bodies	7,127						7,127
— issued by other borrowers	16,145						16,145
Shares	1,816	666	362		237		3,081
Investments in Associates	282	3,635					3,917
Goodwill	14,386	1,704					16,090
Tangible fixed assets	2,651	3,972			4		6,627
Investment property	1,458						1,458
Other assets	(108,210)	(435)	138,743	722	287	(43)	31,064
Deferred tax assets	11,858						11,858
Total assets	187,792	50,653	150,730	2,527	9,662	6,277	407,641
Liabilities							
Amounts owed to credit institutions	(33,239)	(4,344)	51,518	795	4,056	(9,086)	9,700
Amounts owed to customers	143,797	28,424	106,042	598	6,876	15,334	301,071
Loan notes and other long term debt	7,737						7,737
Other liabilities	18,497	16,603	(5,688)	1,796	219	23	31,450
Provisions		1,986					1,986
Current income tax liabilities	2,631						2,631
Total liabilities	139,423	42,669	151,872	3,189	11,151	6,271	354,575
Net on-balance sheet position	48,369	7,984	(1,142)	(662)	(1,489)	6	53,066
Off-Balance sheet items: contingent assets	11,464						11,464
Off-Balance sheet items: contingent liabilities	9,293				139		9,432
At 31 December 2004							
Total assets	427,911	44,851	(124,765)	928	4,588	16,917	370,430
Total liabilities	379,875	43,142	(121,094)	(1,336)	3,914	16,624	321,125
Net on-balance sheet position	48,036	1,709	(3,671)	2,264	674	293	49,305
Off-Balance sheet items: contingent assets	11,464						11,464
Off-Balance sheet items: contingent liabilities	7,749	229		24	146		8,148

Notes to the Financial Statements

for the year ended 2005

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3.5 Market risk

From time to time equity and bond broking desks may take limited positions to facilitate the broking activity. These positions are controlled through relatively limited intra day and overnight limits set by the Risk Committee of the Group. Our interest rate mismatch is controlled through a relatively limited one-day value at risk (VAR) limit that is monitored daily and adjusted for actual results achieved during the year. The VAR limit may be changed on the basis of an evaluation of our risk tolerance in relation to our net income.

3.6 Liquidity risk

The Group has a policy to have a comfortable surplus in available cash resources for draw-downs on current accounts and maturing deposits. In addition, lending to customers is primarily done on the basis of sufficient collateral in the form of liquid securities. Under the contractual lending arrangements these securities are available to the bank for refinancing.

The following table analyses the Group’s assets and liabilities into relevant maturity groupings based on the remaining period at balance sheet date to the contractual maturity date.

	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Not allocated	Total
At 31 December 2005	€ 000's	€ 000's	€ 000's	€ 000's	€ 000's	€ 000's	€ 000's
Assets							
Cash and balances with central banks	6,335	110					6,445
Treasury bills		35,896					35,896
Loans and advances to credit institutions	70,660	78,011					148,671
Loans and advances to customers	88,680	19,039	8,707	2,836			119,262
Interest bearing securities							
— issued by public bodies	57	2,013	5,057				7,127
— issued by other borrowers					16,145		16,145
Shares						3,081	3,081
Investments in Associates						3,917	3,917
Goodwill						16,090	16,090
Tangible fixed assets						6,627	6,627
Investment property						1,458	1,458
Other assets						31,064	31,064
Deferred tax assets						11,858	11,858
Total assets	165,732	135,069	13,764	2,836	16,145	74,095	407,641
Liabilities							
Amounts owed to credit institutions	8,929	771					9,700
Amounts owed to customers	221,718	79,146	207				301,071
Loan notes and other long term debt	408			7,329			7,737
Provisions			350	1,373	263		1,986
Other liabilities						31,450	31,450
Current income tax liabilities			2,631				2,631
Total liabilities	231,055	79,917	3,188	8,702	263	31,450	354,575
Net liquidity gap	(65,323)	55,152	10,576	(5,866)	15,882	42,645	53,066
At 31 December 2004							
Total assets	185,613	46,310	25,935	25,441	19,800	67,331	370,430
Total liabilities	195,889	66,048	9,485	566	20,654	28,483	321,125
Net liquidity gap	(10,276)	(19,738)	16,450	24,875	(854)	38,848	49,305

Notes to the Financial Statements

for the year ended 2005

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4. Related parties

a. UTB Partners Ltd

As part of the sale of Bank Insinger de Beaufort Plc, the Company provided a £ 2,500,000 floating rate unsecured subordinated loan note to UTB Partners Limited. £ 400,000 of the loan note should be repaid on or before 31 May 2010. The remaining should be repaid on or before 31 May 2014. Early redemptions are permitted. Interest is fixed for the term of the loan note at 6.9 % per annum. The loan note is guaranteed by one of the directors of UTB Partners Limited to be repaid in five annual equal instalments commencing on 31 May 2006. The guarantee has been capped at a maximum of £ 2,100,000.

b. Remuneration of key personnel

Key personnel consists of the board of the Company and other directors within the Group. Each director receives remuneration on a cost to company basis. The allocation to pension or other benefit is done on an individual basis. The remuneration of the directors is set out below and includes salaries, pension cost and social cost:

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

	2005	2004
	€ 000's	€ 000's
Non Executive	58	58
Executive	881	750
	939	808
At 31 December advances made to directors amount to:	34	897

The interest rate is LIBOR +1.5%

The Group has issued various call options to the directors and staff. One option gives the right to acquire one share in Insinger de Beaufort Holdings S.A. at the respective price. As at 31 December 2005 the directors of the Company held 323,680 options (2004: 190,000) with exercise prices varying between € 6.30 and € 7.88 (2004: € 4.04 and € 4.70) and with exercise period expiring from 25 October 2007 through 25 October 2008. The number of options as 31 December 2004 have been restated to reflect the effect of an adjustment in the way the Company accounted for the share split in 2003.

During the year no options (2004: nil) were granted and 38,080 options (2004: no options) have been exercised by the directors.

5. Acquisitions and disposals

Bank Insinger de Beaufort Plc

As announced on 14 November 2003 the Company sold a 75% controlling interest in one of its UK subsidiaries, Bank Insinger de Beaufort Plc (now named United Trust Bank Plc) to an investor syndicate led by Mr Graham Davin, Chief Executive of Insinger de Beaufort's UK business and director of the Company until 14 November 2003. The sale was completed on 30 April 2004.

Insinger de Beaufort International Ltd

The Company has sold its subsidiary Insinger de Beaufort International Ltd, in Jersey, as per 30 September 2005 for a total consideration of £ 8,7 million. Part of the consideration is dependent on actual commissions earned in the two yeas following the date of sale. The amount receivable has been estimated. The future actual amount may differ from this amount

The net assets of Insinger de Beaufort International Ltd at the date of disposal and at 31 December 2004 were as follows:

	30 September 2005	2004
	€ 000's	€ 000's
Loans and advances to credit institutions	3,013	4,675
Loans and advances to customers	25,249	11,365
Financial fixed assets	—	(100)
Goodwill	—	750
Tangible fixed assets	146	395
Other assets	1,741	1,658
Amounts owed to customers	(26,877)	(12,561)
Other liabilities	(1,075)	(1,007)
	2,197	5,175
Attributable goodwill	4,891	4,891
Other	1,489	—
Total	8,577	10,066
Gain on sale of Insinger de Beaufort International Ltd	4,077	
Total consideration	12,654	
Cash and cash equivalents in subsidiary sold	—	
Deferred consideration	4,583	
Broking consideration	1,018	
Net cash inflow on sale	7,053	

During the year, Insinger de Beaufort International Ltd contributed € 1,1 million (2004: € 0.6 million) to the Company's net operating cash flow, € nil million (2004: € nil) to the financing cash flows and € 0.7 million (2004: € 0.6) million) on the investing cash flows.

Insinger de Beaufort SA (Geneve)

The Company has sold its subsidiary Insinger de Beaufort SA (Geneve) as per 7 November 2005 with effect from 31 December 2004 for a total consideration of CHF 0.5 million (€ 0.3 million). The gain on sale of Insinger de Beaufort SA (Geneve) amounts to € 0.1 million.

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6. Net interest income

	2005	2004
Group	€ 000's	€ 000's
Fixed income securities	2,609	3,731
Other interest and similar income	9,548	8,629
Interest income	12,157	12,360
Interest expense	(6,721)	(6,814)
Net interest income	5,436	5,546
Company		
Net intercompany interest income	1,646	1,594
Other	(477)	(1,212)
	1,169	382

Net interest includes no interest accrued on impaired financial assets.

7. Other operating income

	2005	2004
Group	€ 000's	€ 000's
Administration fees	1,751	1,575
Foreign exchange income	3,011	2,917
Advisory fee income	2,442	1,846
Other	4,393	5,716
	11,597	12,054
Company		
Recharged option expenses	1,069	818
Foreign exchange income	1,647	—
	2,716	818

The category “other” consists mainly of placing fees received.

8. Personnel costs

	2005	2004
Group	€ 000's	€ 000's
Wages and salaries	27,788	30,176
Pension costs	1,767	1,739
Social security costs	2,618	4,189
Other staff costs (including bonus entitlements)	8,441	4,583
	40,614	40,687

The Group’s pension schemes are defined contribution plans.

9. Redundancy expense

In 2005 certain employees became redundant. The expense recorded under this item relates to severance pay for these employees.

10. Provisions

Onerous contract

During 2005 the Company provided for the onerous contract representing the future lease payment for the UK office at 44 Worship Street less an estimate of amounts recoverable under subleases. During 2005 the UK activities moved to a new location at 131 Finsbury Pavement.

The Company has not recognised an impairment loss on assets related to 44 Worship Street because the fixed assets have a book value of nil.

The operating lease may be summarised as follows over the periods in which amounts fall due:

	2005
Amounts payable:	€ 000's
within one year	421
more than one year and less than five years	1,344
more than five years	624
	2,389
less: estimated recoverable amounts	(403)
Net provision	1,986

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for the year ended 2005

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Litigation

NUSA SIM SpA (“Nusa”), a company acquired by the Group in 2001, has been involved in a court case in Rome in relation to claims made by two clients on losses incurred by them on the purchase of certain securities on which Nusa acted as a broker. In January 2005 Nusa was informed of a court ruling condemning Nusa to unwind the original sale of the securities and to pay € 3.2 million plus legal interest and inflation damages.

Part of the purchase price paid for Nusa has been paid into escrow for potential damages incurred on this case. Including earned interest the amount in escrow is approximately € 0.5 million.

In September 2005 a payment was made of € 4,4 mln. The branch filed an appeal with the Court for a second level trial, and subsequently made a provision for the full amount claimed per 31 December 2005.

The impact of the legal dispute can be summarised as follows:

2005		
	€ 000's	
Payment made	4,404	
Escrow amount	(500)	
Impairment booked on receivable	3,904	

Impairment losses on loans and advances

2005		2004
Group	€ 000's	€ 000's
At 1 January	1,591	2,935
Charge for the year	586	545
Disposal of subsidiaries	—	(527)
Used for write off's	(395)	(1,362)
	1,782	1,591

The impairment losses on loans and advances are recorded under the loans and advances to customers in the balance sheet. Reference is made to note 17.

11. Other general administrative expenses

2005			2004
Group	€ 000's		€ 000's
Audit fees	515		473
Other administrative expenses	26,629		25,637
	27,144		26,110
Company			
Audit fees	24		24
Other administrative expenses	161		1,172
	185		1,196

12. Taxation

Tax rate		2005	2004
Group	%	€ 000's	€ 000's
Profit before tax		8,827	2,295
Tax calculated at a tax rate of 30.38% (2004: 30,38%)	30.4	(2,682)	(697)
Effect of liquidation of company on deferred tax asset	4.9	(428)	0
Tax on non-deductible expenses	0.0	(0)	(870)
Tax on non-taxable income	(31.9)	2,817	1,216
Effect of different tax rates in other countries	(6.2)	543	803
Effective tax rate/tax expense for the year	(2.8)	250	452

The movement in the deferred tax assets is as follows:

2005			2004
	€ 000's		€ 000's
At 1 January	13,156		12,805
Revenue for the year	250		452
Reclassify to current tax	(1,548)		(101)
	11,858		13,156

The deferred tax assets for the Group relates to accrued tax on losses carried forward. The fiscal loss can be carried forward indefinitely.

Company

Insinger de Beaufort Holdings S.A. is a so called billionaires holding company for tax purposes. Billionaire Holding Companies are taxed on the basis of various percentage rates applied to interest paid out and dividends distributed by the company, and on the remuneration and fees paid to directors, auditors and liquidators residing less than six months of the year in Luxembourg. The Company has no deferred tax assets and liabilities.

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13. Earnings per share

	2005	2004
Basic earnings per share: (cents)	71.1	23.6
Diluted earnings per share: (cents)	65.7	22.6

There were no operations discontinued in the period.

	2005	2004
Weighted average	Shares	Shares
Number of ordinary shares outstanding	12,767,502	11,630,789
Dilutive potential ordinary shares	1,058,644	540,498
Number of ordinary shares for the purpose of diluted earnings per share	13,826,146	12,171,287

Diluted earnings per share take into account the effect of outstanding employee stock options and other dilutive equity instruments. See note 31.

14. Cash and balances with central banks

	2005	2004
Group	€ 000's	€ 000's
Cash in hand	22	45
Balances with central banks	6,423	9,385
	6,445	9,430

The balances with central banks include demand deposits with De Nederlandsche Bank N.V.

15. Treasury Bills

This relates to zero coupon short term Dutch Government paper. € 11,295,000 (2004: € 8,130,000) of treasury bills have been pledged as security for the execution of payments and security settlements. Due to the short remaining life of the treasury bills the fair value does not differ material from the recorded amount in the balance sheet. Reference is made to note 18 for the classification of the treasury bills.

16. Loans and advances to credit institutions

	2005	2004
Group	€ 000's	€ 000's
Receivable in relation to settlements of securities transactions	13,785	4,689
Placements with other banks	134,886	110,093
	148,671	114,782
Company		
Bank Insinger de Beaufort N.V.	—	62
Placements with other banks	—	592
	—	654

17. Loans and advances to customers

	2005	2004
Group	€ 000's	€ 000's
Receivable in relation to settlements of securities transactions	25,472	11,594
Advances against securities	52,651	39,679
Mortgages	25,226	14,959
Other loans	17,695	26,392
	121,044	92,624
Less: impairment losses on loans and advances	(1,782)	(1,591)
	119,262	91,033

Notes to the Financial Statements

for the year ended 2005

(continued)

18. Transferable securities

Transferable securities, which are included in the following balance sheet categories may be analysed between listed, and unlisted securities, and held-to-maturity, available for sale and trading portfolios as follows:

2005							2004
	Listed	Unlisted		Total	Listed	Unlisted	Total
	€ 000's	€ 000's		€ 000's	€ 000's	€ 000's	€ 000's
Treasury bills	35,896	—		35,896	40,801	—	40,801
Interest bearing securities	7,127	16,145		23,272	17,276	16,145	33,421
Shares	1,148	1,933		3,081	2,295	2,018	4,313
Total	44,171	18,078		62,249	60,372	18,163	78,535

	Held-to-maturity	Available for sale	Trading	Total	Held-to-maturity	Available for sale	Trading	Total
	€ 000's	€ 000's	€ 000's	€ 000's	€ 000's	€ 000's	€ 000's	€ 000's
Treasury bills	35,896	—	—	35,896	40,801	—	—	40,801
Interest bearing securities	7,127	16,145	—	23,272	57	33,364	—	33,421
Shares	—	2,161	920	3,081	—	4,313	—	4,313
Total	43,023	18,306	920	62,249	40,858	37,677	—	78,535

On the interest bearing securities € 1,052,135 (2004: € 1,049,232) of the available for sale portfolio has been pledged as security for execution of payments and security settlement. Of the interest bearing securities € 16.144.663 is invested in Equity Trust Sarl (2004: € 16.144.663).

Included in the unlisted, available for sale shares is the Group's holding of € 414,961 (2004: € 356,946) in the special purpose companies that held the Convertible Loan Notes on behalf of current and former senior employees of the Group (see note 33).

Included in the unlisted, available for sale shares is the interest of 11,2% in Equity Trust Sarl which amounts to € 679,775 (2004: € 679,775).

The fair value of the held-to-maturity portfolio does not differ materially from the recorded amount in the balance sheet.

The movement in transferable securities may be summarised as follows:

	Available for sale	Held-to-maturity	Total
	€ 000's	€ 000's	€ 000's
Balance as at 1 January	37,582	40,953	78,535
Additions	3	81,355	81,358
Sold during the year	(2,484)	—	(2,484)
Redemptions	(1)	(96,636)	(96,637)
Changes in valuations	(74)	342	268
Foreign exchange difference	289	—	289
Transfer ¹	(17,219)	17,219	—
Balance as at 31 December	18,096	43,233	61,329

1) Transfer relates to the reclassification of the bond portfolio from available for sale to held-to-maturity category due to the fact that the period in which the portfolio was tainted has ended.

Gains less losses from investment securities consists of € 218,154 result from the trading portfolio and € 246,157 result on sale of securities from the available for sale portfolio.

19. Shares in subsidiary undertakings

2005		2004
Company	€ 000's	€ 000's
	49,647	49,647

A list of significant subsidiaries held as direct and indirect investments of Insinger de Beaufort Holdings S.A. is disclosed in 'Other Information' on page 65.

Notes to the Financial Statements

for the year ended 2005

(continued)

20. Investments in Associates

	2005	2004
Group	€ 000's	€ 000's
At 1 January	3,077	247
Acquired during the year	18	2,709
Share in results	739	134
Dividends paid	—	—
Exchange differences	83	(13)
At 31 December	3,917	3,077

The Group's interests in its principle Associates, which are unlisted, are as follows:

Name	Country of incorporation	Assets	Liabilities	Revenues	Profit/Loss	% interest held
UTB Partners Ltd	United Kingdom	18,237,402	3,783,105	1,228,237	977,111	25 %
B & S Insinger Beheer ¹	The Netherlands	227,343		90,572	(810)	50%
Holland Immo Groep Insinger de Beaufort Beheer B.V. ¹	The Netherlands	235,743	8,789	177,638	193	50%
Holland Immo Groep Insinger de Beaufort V B.V. ¹	The Netherlands	17,436	764		(76)	50%
Holland Immo Groep Insinger de Beaufort VI B.V. ¹	The Netherlands	18,414	531		433	50%
Holland Immo Groep VII / Winkelfonds Zuidplein B.V. ¹	The Netherlands	18,272	416		(824)	50%
Holland Immo Groep X / Woningfonds B.V. ¹	The Netherlands	19,199	607		(23)	50%
Holland Immo Groep XI / Retail Residential Fund B.V. ²	The Netherlands					50%
Germany Residential Fund Management B.V. ²	The Netherlands					50%

1) Figures are based on annual reports for the year ended 31 December 2004.
2) Holland Immo Groep XI / Retail Residential Fund B.V. and Germany Residential Fund Management B.V. have been acquired in 2005. No annual report is available yet.

21. Goodwill

	2005	2004
Group	€ 000's	€ 000's
At 1 January	20,868	20,523
Additions arising during the year	—	262
Sale of subsidiaries	(4,891)	—
Foreign exchange translation adjustments	113	83
At 31 December	16,090	20,868
Company		
At 1 January	1,249	1,249
Impairment charges	—	—
At 31 December	1,249	1,249

22. Tangible fixed assets

	Leasehold improvements	Computing equipment	Other fixtures, fittings and equipment	Total
Group	€ 000's	€ 000's	€ 000's	€ 000's
Cost	3,943	12,756	4,663	21,362
Accumulated depreciation	(1,107)	(10,676)	(2,952)	(14,735)
Net book value	2,836	2,080	1,711	6,627
Net book value				
At 1 January 2005	501	3,556	3,402	7,459
Additions	2,807	995	554	4,356
Disposals	(81)	(128)	(1,540)	(1,749)
Impairment	(1)	(330)	(85)	(416)
Impact of sale of consolidated subsidiaries	(23)	(128)	(41)	(192)
Depreciation	(370)	(1,908)	(628)	(2,906)
Foreign exchange translation adjustments and other	3	23	49	75
At 31 December 2005	2,836	2,080	1,711	6,627

The impairment relates to the write down of certain assets in our Italian office. The fair value of the fixed assets is estimated to be in excess of the carrying amounts.

Assets are depreciated using the straight-line method:
— Leasehold improvements: 10 years
— Computing equipment: 3-5 years
— Other: 4-5 years

Notes to the Financial Statements

for the year ended 2005

(continued)

23. Investment property

	2005	2004
Group	€ 000's	€ 000's
At 1 January	1,858	1,858
Additions	—	—
Fair value adjustments	(400)	—
At 31 December	<u>1,458</u>	<u>1,858</u>

The fair value adjustments relate to Dutch property.

The following amounts have been recognised in the income statement:

	2005	2004
	€ 000's	€ 000's
Rental income	34	25
Direct operating expense	(53)	(8)

24. Other assets

	2005	2004
Group	€ 000's	€ 000's
Trade debtors	2,829	3,972
Staff advances	89	123
Accrued income	14,717	18,677
Other receivables and prepaid amounts	<u>14,011</u>	<u>8,355</u>
	31,646	31,127
less: impairment charges	<u>(582)</u>	<u>(895)</u>
	31,064	30,232
Company		
Amounts due from Group companies	42,864	41,186

25. Amounts owed to credit institutions

The amounts owed to credit institutions can be specified as follows:

	2005	2004
Group	€ 000's	€ 000's
Payable in relation to settlements of securities transactions	3,960	1,764
Other loans	<u>5,740</u>	<u>203</u>
	9,700	1,967
Company	€ 000's	€ 000's
Bank Insinger de Beaufort N.V.	6,529	—
Placements with other banks	<u>(431)</u>	<u>—</u>
	6,098	—

26. Amounts owed to customers

	2005	2004
Group	€ 000's	€ 000's
Payable in relation to settlements of securities transactions	12,306	14,014
Current accounts	209,412	183,694
Time deposits	<u>79,353</u>	<u>72,754</u>
	301,071	270,462

27. Loan notes and other long-term debt

	2005	2004
Group	€ 000's	€ 000's
Accrued interest compulsory convertible loan note	408	251
Subordinated loan note	<u>7,329</u>	<u>8,929</u>
	7,737	9,180

On 24 December 2003 a Euro denominated, subordinated loan note 2008 in an amount of € 8,929,000 was issued by the Company to the note holder. The loan note is subordinated to all the current and future liabilities of the Company. The note will be redeemable on 1 July 2008 and in the meantime, will attract interest at the rate of the 12-month EURIBOR plus 3% per annum. In the event that more than 30% of the Banking Group's assets are distributed or sold, or if a controlling interest in the Company (namely, 30% or more of the issued ordinary share capital) is transferred to a single party, then within three months of such

event, the note holder will be entitled to demand the early redemption of such loan note. During 2005 € 1,600,000 has been repaid.

Company

The Loan notes for the Company are entirely the same as for the Group only with the exception that the accrued interest of the compulsory convertible loan note is not included in the Company balance sheet. The compulsory convertible loan note has been issued by a Group company.

Notes to the Financial Statements

for the year ended 2005

(continued)

28. Provisions

This item relates to the provision for onerous contract. See note 10.

29. Other liabilities

2005			2004
Group	€ 000's		€ 000's
Trade creditors	2,933		1,003
Salaries payable	304		499
Payroll taxes payable	1,300		1,238
VAT payable	418		299
Accruals and deferred income	11,611		11,977
Other short-term payables	14,884		20,614
	31,450		35,630
Company			
Accruals and deferred income	4,887		5,432
Short-term payables	636		635
Taxation	32		322
Amounts owed to Group companies	—		7
	5,555		6,396

30. Treasury shares

The movement of Treasury share is as follows:

2005			2004
At 1 January	473,109		3,047,075
Used for warrant exercise	—		(2,579,189)
Movement Treasury shares	37,715		5,223
At 31 December	510,824		473,109

The Treasury shares are not deducted from the Company balance sheet as they are held by a consolidated subsidiary.

31. Options

The Company has issued various call option series to staff and staff related vehicles. One option gives the right to acquire one share at the respective exercise price. The number of options at 31 December 2004 have been restated to reflect the effect of an adjustment in the way the Company accounted for the share split in 2003. The following number of options were outstanding as at 31 December 2005:

Exercise Date	Number of options in issue							Exercise Price	Capped profit above	Vesting Period Applicable
	at 31 dec 2004	Adjusting event	After adjustment	issued	exercised	cancelled	at 31 dec 2005			
25 October 2005	246,293	168,972	415,265		(363,617)	(51,648)		5.78		yes
9 June 2007	95,000		95,000			(45,000)	50,000	6.00		yes
25 October 2007	230,542	186,081	416,623	1,314		(58,937)	359,000	6.30		yes
25 October 2007	15,752		15,752	4,310		(3,314)	16,748	4.04		yes
25 October 2007	16,210	14,654	30,864			(2,628)	28,236	5.78		yes
25 October 2007	51,540		51,540			(12,620)	38,920	3.52		yes
7 November 2007				26,476			26,476	4.32		yes
25 October 2008	827,500	725,460	1,552,960			(58,320)	1,494,640	7.88		yes
25 November 2009	972,000		972,000			(50,000)	922,000	5.35		yes
9 November 2009	327,400		327,400	135,200		(18,250)	444,350	6.50		yes
21 December 2009	100,000		100,000				100,000	7.50		yes
	2,882,237	1,095,167	3,977,404	167,300	(363,617)	(300,717)	3,480,370			
21 October 2005	353,122	319,223	672,345			(672,345)		6.62	19.96	no
21 October 2005	76,130	68,822	144,952			(144,952)		6.62	19.96	no
21 October 2005	325,000	293,800	618,800		(618,800)			5.88	15.23	no
25 October 2005	100,000	90,400	190,400		(190,400)			5.85	10.19	yes
26 January 2006	139,129	125,772	264,901				264,901	4.73	10.27	yes
	993,381	898,017	1,891,398		(809,200)	(817,297)	264,901			
	3,875,618	1,993,184	5,868,802	167,300	(1,172,817)	(1,118,014)	3,745,271			

Where a vesting period is applicable the option rights can only be exercised when the person is still employed in the Group at the exercise date. Otherwise the person can only exercise the number of vested options as earned up to the date of the end of his or her employment.

The share price at the date of exercise for share options exercised during the period was € 10.

The fair value charge of the issued options is included in the other staff costs in note 8.

Notes to the Financial Statements

for the year ended 2005

(continued)

32. Warrants

On 2 April 2004 the Company announced that it wished to further improve the capital structure of the Company and to lower the Company’s financing costs. In line with the proposals to warrant holders and shareholders, dated 4 April 2004, this has been achieved by the exercise of 2,579,189 warrants in 2004. Each

warrant entitles the holder to acquire one fully paid Ordinary Share at an exercise price of € 6.00. The warrants may be exercised at any time during the period from 25 May to 24 June each year up to and including 2008.

	Outstanding	Owned by Group Companies	Net
At 1 January 2004	4,129,192	828,054	3,301,138
Repurchased	(345,336)	35,339	(380,675)
Exercised	(2,579,189)	—	(2,579,189)
At 1 January 2005	1,204,667	863,393	341,274
Repurchased	—	24,762	(24,762)
Exercised	—	—	—
At 31 December 2005	1,204,667	888,155	316,512

33. Shareholders’ compulsory convertible loan note

On 24 November 2003 a Group company issued a compulsory convertible loan note (“CCLN2011”) of € 1,475,000 to part of senior management of the Group. The CCLN2011 will mature in 2011 and will pay 150 interest basis points above the 3-month Euribor and ranks pari passu with all other unsecured obligations of the issuing company. The conversion rate has been set at € 5.00, which will lead to an issuance of 295,000 shares in Insinger de Beaufort Holding S.A. in 2011. Bank Insinger de Beaufort N.V. has lent the money to senior management in order to acquire the loan note. The amount receivable as at 31 December 2005 amounts to € 1,409,187 (2004: € 1,428,511)

On 11 May 2005, a Group company issued a compulsory convertible loan note (“CCLN2013”) of € 995.875 to part of senior management of the Group. The CCLN2013 will mature in 2013 and will pay 150 interest basis points above the 3-month Euribor and ranks pari passu with all other unsecured obligations of the issuing company. The conversion rate has been set at € 7.75, which will lead to an issuance of 128,500 shares in 2013. Bank Insinger de Beaufort N.V. has lent the money to senior management in order to acquire the loan note. The amount receivable as at 31 December 2005 amounts to € 970,278.

34. Derivatives

The Group hedges its foreign currency positions by ways of forward contracts relating UK operations (British Pounds Sterling). The results of this net investment hedge are recorded in the translation reserve. At year end the Euro equivalent of sold forward contracts amounted to € 19,495.474 (2004: € 25,415,100). The forward contracts will be renewed on a revolving basis as required.

35. Leasehold commitments

	2005	2004
	€ 000's	€ 000's
Minimum lease payments under operating leases recognised in income for the year	3,871	4,141

Group commitments due under non-cancelable operating leases may be summarised as follows over the periods in which amounts fall due:

	2005	2004
	€ 000's	€ 000's
Amounts payable:		
within one year	3,391	3,938
more than one year and less than five years	11,066	17,785
more than five years	4,459	4,948
	18,916	26,671

Operating leases represent mainly rentals payable by the Group for some of its office properties. The leases have varying terms, escalation clauses and renewal rights.

At the balance sheet date the future sublease payments to be received under non-cancelable subleases at the balance sheet date may be summarised as follows:

	2005	2004
	€ 000's	€ 000's
Amounts receivable:		
within one year	406	—
more than one year and less than five years	1,548	—
more than five years	553	—
	2,507	—

The subleases relate to the office in Amsterdam and the office in Eindhoven. The sublease contracts started in 2005.

Process outsourcing

The outsourcing of our back office processes and IT systems to Ordina has been completed in the third quarter of 2005. The term of the contract is seven years. The fixed costs of the contract are estimated at € 4.5million a year.

Notes to the Financial Statements

for the year ended 2005

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36. Contingent assets & liabilities

	2005	2004
Group	€ 000's	€ 000's
Contingent asset:	11,464	11,464

This represents the deferred consideration loan notes due by Equity Trust Sarl.

Contingent liability:

Guarantees and other direct substitutes for credit	9,432	8,148
--	-------	-------

Insinger de Beaufort in the UK (IDBUK) acts as stockbroker to customers, which include institutional counterparties. IDBUK has engaged the services of a Model B Clearing Agent, to which IDBUK acts as introducing broker for clients and executed trades. A technical query has arisen with regard to stamp duty reserve tax (“SDRT”) and the availability of recognised intermediary relief under the Finance Act 1986 in respect of riskless principal trades executed by IDBUK on behalf of institutional customers and introduced to the Model B Clearing Agent. IDBUK has sought legal advice and does not believe that it carries a liability. However, IDBUK is in discussion with HM Revenue and Customs to resolve this matter. IDBUK currently expects this matter to be resolved within the next three months. The financial effect of this issue is unknwn.

37. Litigation

As per 30 April 2003 the group has sold its Trust Group activities. The purchaser of the Trust Group has made a claim against the Company under the warranties provided in the sale and purchase agreement. This claim relates to damages incurred and potentially to be incurred by the Trust Group from an alleged error made by the Trust Group in the services provided to a client. The Company is in proceedings brought forward by the purchaser of the Trust Group before the High Court in England. The amount of damages claimed is uncertain but the potential amount of damages could be approximately £ 10 million.

The Company believes the claim is unfounded and is vigorously denying any liability.

For the legal dispute regarding NUSA SIM SpA see footnote 10 provisions.

38. Segmental analysis

For management purposes, the Group is currently organised into five operating divisions - Private Banking, Asset Management, Institutional and Corporate products and services, Ops & Support and Group. These divisions are the basis on which the Group reports its primary segment information.

- Principal activities are as follows:
- Private Banking – Wide range of services on behalf of individuals
 - Asset Management – Activities that offer individuals and institutions a comprehensive choice of funds and investment programmes
 - Institutional and Corporate products and services – Wide range of financial products and services aimed at institutions and corporate clients
 - Ops & Support – Operations & Support area’s within the Group
 - Group – All Group activities such as legal, head office and financing activities.

Secondary segmentation is the geographical information as disclosed in note 3.3.

Notes to the Financial Statements

for the year ended 2005

(continued)

	Private Banking	Asset Management	Institutional	Ops & Support	Group	Total
At 31 December 2005	€ 000's	€ 000's	€ 000's	€ 000's	€ 000's	€ 000's
Gross income	34,005	27,419	17,220	4	3,212	81,863
Provisions				(1,987)	(3,903)	(5,890)
Operating profit	2,886	10,289	108	(5,305)	(4,113)	3,868
Income on sale of subsidiaries	143	4,077				4,220
Share of results of Associates	—	—	—	—	739	739
Profit before tax	3,029	14,366	108	(5,305)	(3,374)	8,827
Income tax expense						250
Net profit						9,077
Segment assets	101,190	12,078	6,408	82,858	201,190	403,724
Associates	282				3,635	3,917
Total assets	101,472	12,078	6,408	82,858	204,825	407,641
Segment liabilities	216,350	77,554	5,323	30,057	25,291	354,575
Total liabilities	216,350	77,554	5,323	30,057	25,291	354,575
Other segment items						
Capital expenditure	11	57	—	4,288	—	4,356
Depreciation		(109)		(2,948)		(3,722)

	Private Banking	Asset Management	Institutional	Ops & Support	Group	Total
At 31 December 2004	€ 000's	€ 000's	€ 000's	€ 000's	€ 000's	€ 000's
Gross income	30,530	23,952	19,089	(349)	2,158	75,380
Operating profit	667	6,477	628	(3,884)	(905)	2,986
Income on sale of subsidiaries			(825)			(825)
Share of results of Associates	—	—	—	—	134	134
Profit before tax	667	6,477	(197)	(3,884)	(768)	2,295
Income tax expense						452
Net profit						2,747
Segment assets	75,751	32,442	3,560	26,047	229,553	367,353
Associates	274				2,803	3,077
Total assets	76,025	32,442	3,560	26,047	232,356	370,430
Segment liabilities	198,696	62,388	3,562	13,442	43,037	321,125
Total liabilities	198,696	62,388	3,562	13,442	43,037	321,125
Other segment items						
Capital expenditure	203	313	43	576	1,978	3,113
Depreciation	(390)	(139)		(2,351)		(2,880)

Notes to the Financial Statements

for the year ended 2005

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Employees

The average number of employees was:

	2005	2004
	individuals	individuals
Private banking	146	143
Asset Management	58	85
Institutional	63	71
Ops & Support	111	127
Group	12	12
	390	438

39. Dividends

A dividend of 0.18 eurocent per ordinary share totaling € 2,317,457 (2004: 12 eurocent per ordinary share totaling € 1,549,497) is proposed by the Board of Directors and is payable as soon as possible after shareholder approval at the general meeting on 22 May 2006 to those shareholders registered on 31 May 2006. The dividend proposal has not been included under the liabilities in the Financial Statement. Dividend payments are exempt from withholding tax.

Other Information

List of significant investments

Name	Registered office	Issued equity held%
Direct Investments		
Insinger de Beaufort Finance Sàrl	Luxembourg, Grand-Duchy of Luxembourg	100
Insinger Finance (BVI) SA	Tortola, British Virgin Islands	100
Insinger Trust Holdings Limited	Tortola, British Virgin Islands	100
Indirect investments		
Bank Insinger de Beaufort Safe Custody N.V.	Amsterdam, The Netherlands	100 ¹
Bank Insinger de Beaufort NV	Amsterdam, The Netherlands	100
Insinger de Beaufort	London, United Kingdom	100
Insinger Asset Management AG	Zug, Switzerland	50
Insinger de Beaufort Asset Management NV	Amsterdam, The Netherlands	100
Insinger de Beaufort Holding BV	Amsterdam, The Netherlands	100
Insinger de Beaufort Investments Limited	Tortola, British Virgin Islands	100
Insinger de Beaufort (Luxembourg) SA	Luxembourg, Grand-Duchy of Luxembourg	100
Insinger de Beaufort (UK) Limited	London, United Kingdom	100
Reitsma & Wertheim & Partners B.V.	Amsterdam, The Netherlands	100
Insinger de Beaufort Associates B.V.	Eindhoven, The Netherlands	100
Insinger de Beaufort Investments (S.A.) (Proprietary) limited	Claremont, South Africa	100
Associates		
UTB Partners Limited	London, United Kingdom	25
B & S Insinger Beheer B.V.	Laren, The Netherlands	50
Holland Immo Groep Insinger de Beaufort Beheer B.V.	Eindhoven, The Netherlands	50
Holland Immo Groep Insinger de Beaufort V B.V.	Eindhoven, The Netherlands	50
Holland Immo Groep Insinger de Beaufort VI B.V	Eindhoven, The Netherlands	50
Holland Immo Groep VII /Winkelfonds Zuidplein B.V.	Eindhoven, The Netherlands	50
Holland Immo Groep X / Woningfonds B.V.	Eindhoven, The Netherlands	50
Germany Residential Fund Management B.V.	Amersfoort, The Netherlands	50
Non-consolidated indirect Investments		
Equity Trust Holdings Sàrl	Luxembourg, Grand-Duchy of Luxembourg	11.2

¹ Depository receipts of shares

Post balance sheet date events

Acquisition of Monument Securities Ltd

On 21 October 2005 Insinger de Beaufort entered into a conditional contract with Monument Securities Ltd; conditional inter alia on regulatory approval by the Dutch Central Bank and the Financial Services Authority (FSA). Formal approval was received from the FSA on 28 November 2005 and the Dutch Central Bank on 28 December 2005. The transaction was fully completed on 4 January 2006.

Consideration totalled £16.45 million of which an element was payable immediately in cash, £3 million conditional upon future performance and payable on anniversary of year 1, 2 and 3 and the third part of consideration payable in year 3, based on future performance.

A post-acquisition dividend was declared and paid by Monument Securities on 26 January 2006 of £8.5 million paid by £6.5 million cash and £2.0 million intercompany account between Insinger de Beaufort (UK) Limited and Monument Securities Ltd.

Monument Securities specialises in equity and derivative products and compliments the existing UK operations of Insinger. Monument Securities will be a wholly owned subsidiary of Insinger de Beaufort (UK) Limited.

The following financials are extracted from the Annual Report 2005 of Monument Securities Ltd:

2005	
	€ 000's
Gross income	7,898
Net result	570
Total assets	19,178
Net asset value	17,470

Sale of investment in UTB Partners Limited and repayment of subordinated loan

On 27 February 2006 the Company signed an agreement on the early redemption of the subordinated loan by UTB Partners Limited in the amount of £ 2,500,000. On 15 March 2006 the Company received formal notice of repayment on 24 March 2006.

On 27 February 2006 the Company signed an agreement on the sale of the 25% shareholding in UTB Partners Limited for a consideration of £ 2,500,000 with an ultimate day of completion of 26 April 2006.

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