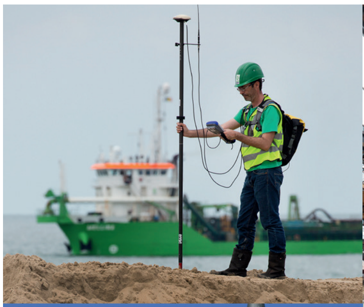
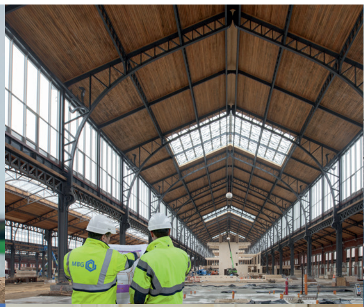
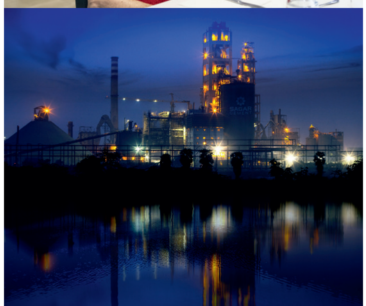








Annual report 2018

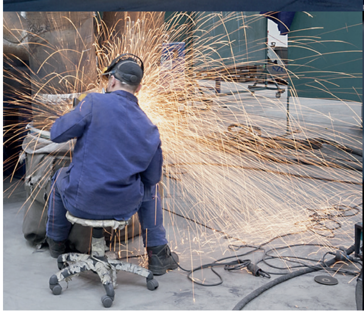




ACKERMANS & VAN HAAREN





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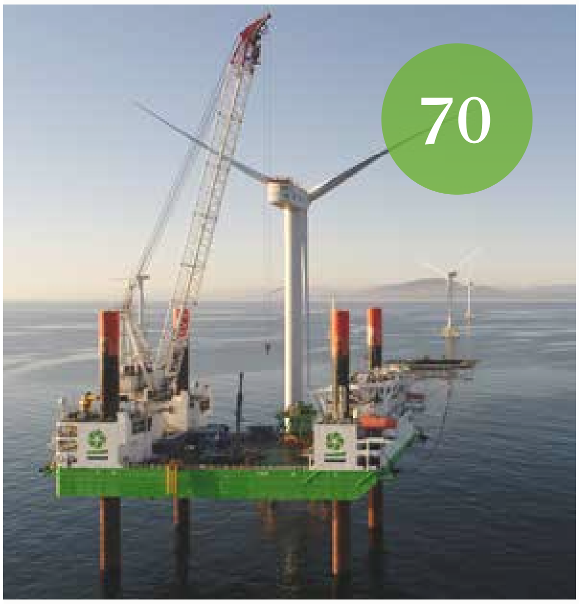
ACKERMANS & VAN HAAREN

Private Banking



Marine Engineering & Contracting

Real Estate & Senior Care

Pursuant to the Royal Decree of November 14, 2007 on the obligations of issuers of financial instruments admitted to trading on a Belgian regulated market, Ackermans & van Haaren is required to publish its annual financial report. This report contains:

- the combined statutory and consolidated annual report of the board of directors prepared in accordance with Article 119, last paragraph of the Companies Code,
- a condensed version of the statutory annual accounts prepared in accordance with Article 105 of the Companies Code,
- and the full version of the consolidated annual accounts.

The full version of the statutory annual accounts has been deposited with the National Bank of Belgium, pursuant to Articles 98 and 100 of the Companies Code, together with the annual report of the board of directors and the audit report. The auditor has approved the statutory and consolidated annual accounts without qualification.

In accordance with Article 12, §2, 3° of the Royal Decree of November 14, 2007, the members of the executive committee (i.e. Jan Suykens, Tom Bamelis, John-Eric Bertrand, Piet Bevernage, André-Xavier Cooreman, Piet Dejonghe and Koen Janssen) declare that, to their knowledge:

a) the annual accounts contained in this report, which have been prepared in accordance with the applicable standards for annual accounts, give a true view of the assets, financial situation and the results of Ackermans & van Haaren and the companies included in the consolidation;
b) the annual accounts give a true overview of the development and the results of the company and of the position of Ackermans & van Haaren and the companies included in the consolidation, as well as a description of the main risks and uncertainties with which they are confronted.

The annual report, the full versions of the statutory and consolidated annual accounts, as well as the audit reports regarding said annual accounts are available on the website (www.avh.be) and may be obtained upon simple request, without charge, at the following address:

Begijnenvest 113 - 2000 Antwerp - Belgium
Tel. +32 3 231 87 70 - info@avh.be

Growth Capital

Energy & Resources

Contents

Partners for sustainable growth

Our mission is to create shareholder value through long-term investments in a limited number of strategic participations with growth potential on an international level.

ACKERMANS & VAN HAAREN
Partners for sustainable growth

Long-term perspective

- Clear objectives agreed upon with the participations.
- Responsibility of the participations for their own financial position.
- Strive for annual growth in the results of each participation and of the group as a whole.
- Focus on growth companies in an international context.

Proactive shareholder

- Involvement in selecting senior management and defining long-term strategy.
- Permanent dialogue with management.
- Monitoring and control of strategic focus, operational and financial discipline.
- Active support of management for specific operational and strategic projects.

Positioning of Ackermans & van Haaren

- An independent and diversified group.
- Led by an experienced, multidisciplinary management team.
- A healthy financial structure to support the growth ambitions of the participations.

Partners

- A partnership right from the start of Ackermans & van Haaren.
- Successful track record of partnerships with families, co-shareholders and management teams as the basis for further growth.

Sustainable

- Development and growth of activities in a sustainable way, with respect for people, environment and society.
- Transparent reporting and communication, with an eye for financial balances and discipline.
- Focus on recurring results and a long-term steadily increasing dividend.

Growth

- An entrepreneurial group that seeks to develop its businesses on a recurrent basis through internationalization and innovation.
- Focus on operational excellence and the capacity to achieve long-term recurrent and profitable growth.

> “If the family history of Ackermans & van Haaren has taught us one thing, it is the belief that long-term value creation is closely connected with a focus on sustainable growth, starting from a financially sound balance sheet, in cooperation with partners who share the same vision.“

Luc Bertrand, Chairman of the board of directors

2018 at a glance

- DEME and CFE both achieved a significant growth in revenue. Combined with the capital gain achieved by Rent-A-Port in Vietnam and the first contribution from the participation in the Rentel offshore wind farm (via Green Offshore), this also translates into an increase of 27.5 million euros in the contribution of '**Marine Engineering & Contracting**', to 118.1 million euros

- Despite the turmoil on the financial markets in the fourth quarter of 2018, both Delen Private Bank and Bank J.Van Breda & Cº achieved excellent commercial performances. Both banks contributed a total of 121.3 million euros to the 2018 group result in the '**Private Banking**' segment (2017: 113.9 million euros).

- The sale by the French retirement home group HPA of the real estate of 14 retirement homes that are operated by Residalya contributes 21.3 million euros to the annual profit of AvH, and explains why the contribution from '**Real Estate & Senior Care**' even surpasses the strong result of 2017.

- SIPEF and Sagar Cements both achieved a substantial increase in their production in 2018. These are not sufficient to absorb the reduction in the prices of palm oil (SIPEF) and cement in India (Sagar) in 2018, however, which explains the decrease in profit contribution from '**Energy & Resources**'.

- The exit from Distriplus, which was finalised in Q4 2018, had a total negative impact of 30.7 million euros on the AvH group result in 2018 (-12.9 million euros contribution to the result in '**Growth Capital**' till Q3 2018, and 17.8 million euros capital loss). The capital gains on, among others, the sale of the participations in Atenor (8.7 million euros) and BDM-Asco (6.1 million euros) have not been able to fully compensate for this.

- The decline from non-recurrent elements in combination with the absence of a remeasurement gain of 19.8 million euros in 2017 (in relation to SIPEF) explains why the group result (289.6 million euros) is ultimately lower than the 302.5 million euros of 2017.

> "Ackermans & van Haaren fully focussed on the further expansion of its core sectors in 2018. The fact that the contribution to the result of these participations has increased by 35.4 million euros (+13%), to a record level of 312.4 million euros, is satisfactory to us.“
>
> Jan Suykens, CEO - Chairman of the executive committee

Breakdown of the consolidated net result (part of the group)

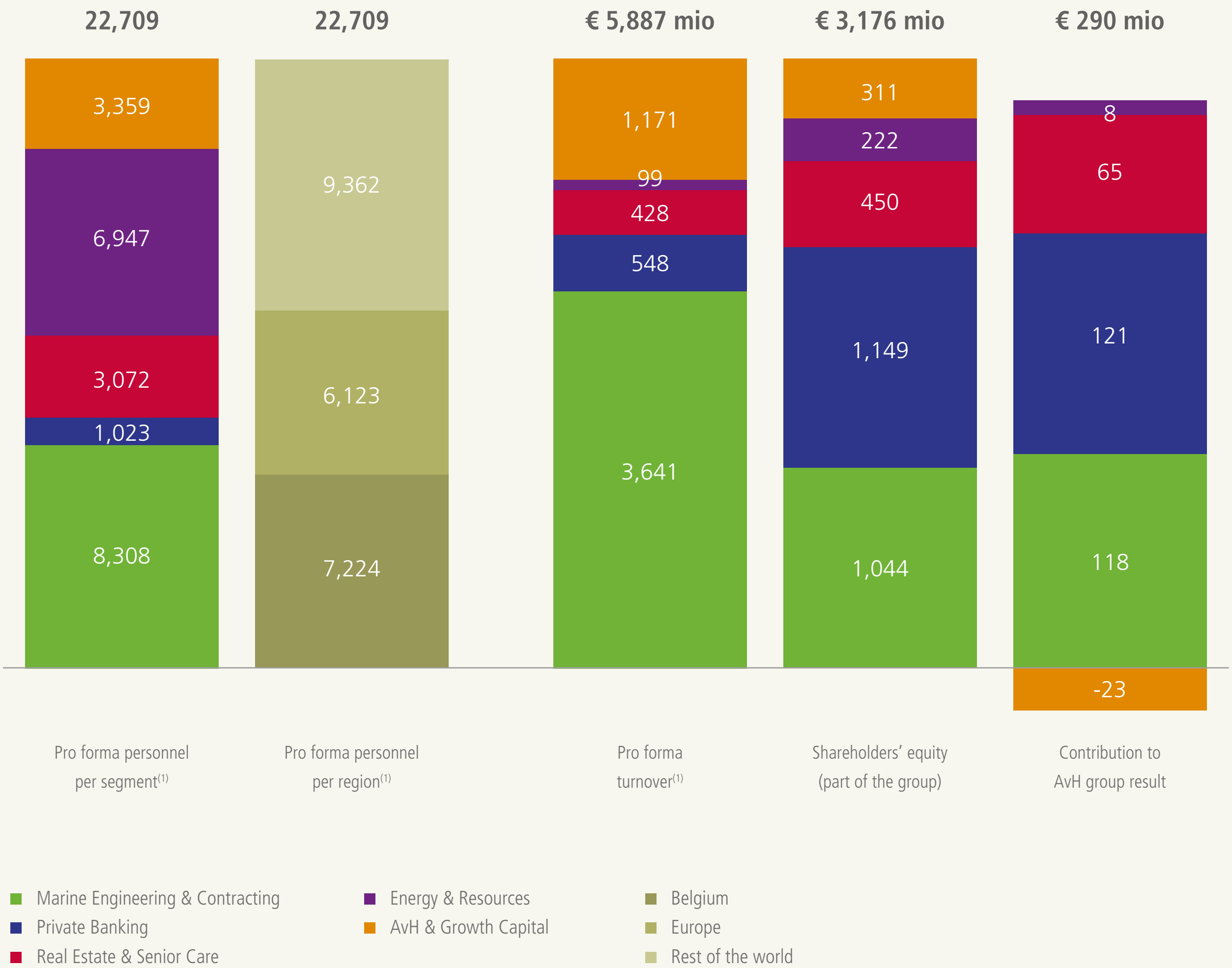
(€ mio)	2018	2017
Marine Engineering & Contracting	**118.1**	90.6
Private Banking	**121.3**	113.9
Real Estate & Senior Care	**65.3**	54.3
Energy & Resources	**7.7**	18.2
Contribution from core segments	**312.4**	277.0
Growth Capital	**-6.9**	-1.3
AvH & subholdings	**-13.7**	-10.6
Net capital gains(losses) / impairments	**-2.2**	17.6
Result before remeasurement	**289.6**	282.7
Remeasurement	**-**	19.8
Consolidated net result	**289.6**	302.5

Key figures - consolidated balance sheet

(€ mio)	2018	2017
Shareholders' equity (part of the group - before allocation of profit)	3,176.5	2,972.2
Net cash position of AvH & subholdings	102.9	80.2

Net result	Net equity (part of the group - before allocation of profit)	Gross dividend	Market capitalization (31/12/2018)
290 (million euros)	3,176 (million euros)	78 (million euros)	4,415 (million euros)
8.74 (euros per share)	95.81 (euros per share)	2.32 (euros per share)	131.80 (euros per share)

Economic footprint of the AvH group



(1) Based on consolidated figures 2018, pro forma: all (exclusive) control interests incorporated in full, the other interests proportionally.

Key events 2018

- **Anima Care**: acquisition of residential care centre Ark van Noé (Bilzen)
- **Mediahuis**: end of the stock exchange listing of Telegraaf Media Groep

- **AvH**: sale of Atenor (AvH 10.53%)
- **HPA**: agreement in principle on the sale of the real estate of 14 residential care centres to Icade Santé

January

February

March

DEME - Living Stone

SIPEF - Acquisition additional land rights

July

August

September

- **DEME**: Living Stone, multifunctional cable laying ship, in service

- **DEME**: Apollo, self-propelled DP2 jack-up vessel, added to the fleet
- **SIPEF**: acquisition of 1,770 ha of additional land rights in Bengkulu in Indonesia

- **DEME**: order for 2 trailing suction hoppers and 2 split barges; presentation of Patania II
- **CFE**: contract for Neo II in Brussels, in cooperation with Cofinimmo
- **LRE**: purchase of Montoyer 14 office building in the European district in Brussels

Key events 2019

January

- **DEME**: Luc Vandenbulcke new CEO

February

- **AvH**: participation in Biolectric (AvH 60%)

March

- **AvH**: agreement in principle on sale of HPA (AvH 71.7%)

April

- **CFE - VMA**: contract for 'green' European distribution centre of Nike
- **Delen Private Bank**: opening new office in Knokke

May

- **AvH**: appointment of Victoria Vandeputte as director

June

- **AvH** and **SIPEF**: closing of the sale of BDM-Asco (AvH 50%)
- **Bank J.Van Breda & C°**: launch of the Bank de Kremer app

CFE - Nike distribution centre Ham

◄ Bank de Kremer app

Leasinvest - acquisition of Hangar 26/27 in Antwerp ►

October

- **AvH**: sale of Distriplus (AvH 50%)
- **DEME**: financial close of Blankenburgverbinding
- **LRE**: capital increase (84 million euros)

November

- **DEME**: launch of the Spartacus, a cutter suction dredger, and of the Orion, an offshore installation vessel
- **Delen Private Bank**: opening new office in Leuven
- **Extensa**: building permit for Gare Maritime obtained

December

- **DEME, Green Offshore**: financial close of SeaMade, a 487 MW offshore wind farm
- **Leasinvest**: acquisition of Hangar 26/27 in Antwerp
- **AvH**: investment in EVS (AvH 2.45%)

Annual report 2018

Ackermans & van Haaren

Message from the chairmen

Luc Bertrand and Jan Suykens

Ladies and gentlemen,

Our group once again stood its ground in 2018, in a very volatile and uncertain world in which the economic growth forecasts were adjusted downwards. In this context, the ECB considers it necessary to maintain a low interest policy. The political agenda of the superpowers also weighs on the prospects of world trade, and the spectre of a trade war between East and West has not yet been dispelled.

It is therefore not surprising that the financial markets are suffering from these uncertainties and unclear perspectives. The major indexes faced a sharp decline in the last quarter of the year. The BEL20 index started the year at 3,980, fell to a low of 3,165 on December 27, 2018, and ended the year at 3,244. The FTSE 20 started at 7,724, and, after the low of 6,584 on December 27, rose slightly again to 6,728 at year-end. The MSCI Global Index also displayed a similar trend, from 520, with a low point of 445 in the last week of December, before ending the year at 455.

> “The core participations of the AvH group realised solid results in 2018.“
>
> Luc Bertrand and Jan Suykens

The focus of Ackermans & van Haaren on strengthening its core sectors translates into a good increase of the ‘current’ result, measured by the net contribution of the core participations, to 312.4 million euros, i.e. an increase of 13% compared to 2017 (277.0 million euros). This increase was achieved in the 3 core sectors:

- Marine Engineering & Contracting: +30% to 118 million euros (2017: 91 million euros)
- Private Banking: +6.5% to 121 million euros (2017: 114 million euros)
- Real Estate & Senior Care: +20% to 65 million euros (2017: 54 million euros)

Only the ‘Energy & Resources’ segment experienced a decline to 8 million euros (2017: 18 million euros), mainly due to the global decline in the market prices of palm oil, and of cement in India, despite the underlying increases in production volume.

The fact that the net result for 2018 is slightly lower (289.6 million euros) than in 2017 (302.5 million euros) can mainly be explained by 2 elements. In 2017, SIPEF recorded a non-recurrent profit for an amount of 19.8 million euros (AvH share) butas a result of the mandatory revaluation under IFRS. Although capital gains amounting to 14.8 million euros were realised on the sale of our participations in Atenor and BDM-Asco in 2018, the exit from Distriplus, in the context of the further streamlining of the portfolio, weighed on the group for an amount exceeding 30 million euros.

The divestments yielded 82.9 million euros in cash. On the other hand, AvH invested 85.7 million euros in the strengthening of its portfolio in 2018, including, among others, 25.2 million euros in the capital increase of LRE, 7.4 million euros in the increase of its participation in SIPEF (to 31.59%), 7.5 million euros in the financing of Green Offshore (in the context of the Rentel and SeaMade wind farms) and 28 million euros as the third and final tier in the context of the acquisition of the 26% minority stake of NPM Capital in Sofinim. Another 7.4 million euros were also paid for a 2.45% stake in EVS at the end of the financial year.

The net cash at the end of 2018 therefore amounted to nearly 103 million euros. The financial capacity of the group is a multiple of this cash on the balance sheet, however. On the one hand, AvH has no net financial debts but significant credit lines at its disposal, while, on the other, a normal rotation within the Growth Capital portfolio and a sharper focus within the core participations can still generate substantial cash reserves as evidenced by the sale of the participation in HPA, announced in mid-March 2019.

AvH aims to invest these funds in a cautious manner, on the one hand to strengthen its core participations (as has already happened in the past, for example for CFE/DEME, Leasinvest Real Estate, SIPEF and Anima Care), and, on the other, by proactively identifying new investment opportunities in line with the existing knowledge, experience and networks of these core sectors. Active prospecting is therefore taking place in the broad sectors of cleantech, fintech, medtech and food & agtech.

With Biolectric (AvH 60%), a first investment was carried out in February 2019 within the framework of the above-mentioned investment strategy. Biolectric, founded in 2011, is the market leader in the production and sale of compact biogas plants (< 100 kW). The methane gas from manure is converted into usable energy (electricity and warmth), whereby the emission of harmful greenhouse gases is avoided. Biolectric's activity therefore contributes to a climate-efficient agricultural production, which is perfectly in line with AvH's 'Partners for sustainable growth' mission.

The group's consolidated shareholders' equity again increased by almost 10%, to 3,176.5 million euros (+9.3% including dividend).

The AvH model has proven its worth over the last 10 years, and has built up a track record. The consolidated shareholders' equity doubled, from 1,595 million euros to 3,176 million euros, over the period 2009-2018. The current profit, measured by the contribution of the core segments, tripled from 105 million euros to 312 million euros. In 2009, 47% of this current result was generated by 'Marine Engineering & Contracting', 43% by 'Private Banking', and only 10% by the remaining assets. The result not only increased steadily over this period, but the quality of the profit generated in 2018 also improved and strengthened, in view of the fact that each segment now makes a substantial contribution:

	Equity share	Current result share
Marine Engineering & Contracting	33%	38%
Private Banking	36%	39%
Other segments	31%	23%

The board of directors proposes to the general meeting to increase the dividend by 5.5% to 2.32 euros per share, i.e. a total amount of 77,712,817 euros.

DEME realised a 12.3% increase of its turnover to 2,645.8 million euros in 2018 (2017: 2,356.0 million euros), with a stable EBITDA of 458.9 million euros in 2018 (2017: 455.5 million euros), and a stable net result of 155.6 million euros in 2018 (2017: 155.1 million euros). DEME's offshore activities (GeoSea, Tideway, A2Sea) again provided a strong contribution, with a share of 46% of the total turnover.

The improvement of the operational margin in the second half of the year, compared to the first half of the year, globally ending at 17.3% of turnover, has to do, in both a negative (1H) and a positive (2H) sense, with the late delivery of the Living Stone cable installation ship and the self-propelled jack-up vessel Apollo. This demonstrates that DEME made the right investment decisions three years ago with regard to the expected order backlog and turnover evolution.

Together with the completion of the Bonny River, Spartacus and Orion, expected at the end of 2019/beginning of 2020, this explains the increase in the net debt position to 556 million euros at the end of 2018, which represents, in fact, only 1.2 x the EBITDA. In the meantime, DEME's consolidated equity has increased to 1,401 million euros at the end of 2018.

Including orders that have not yet been definitely confirmed, the order backlog amounted to approximately 4,700 million euros at the end of 2018. The offshore wind projects share remains significant, as well as the maritime civil construction projects within DIMCO (mainly in Benelux), while the traditional dredging market is also experiencing a tentative revival.

As the new CEO of DEME, Luc Vandenbulcke will further develop the implemented strategy of innovation and diversification through a strengthened organisation, while Alain Bernard will focus on the future of DEME Concessions and the potential of deep sea harvesting through GSR. We believe that, in this way, DEME will be in an even stronger position to approach the challenges and opportunities of an increasingly more global, complex and diversified marine engineering company.

CFE realised an increase (+40%) in its turnover to 994.9 million euros in 2018, partly thanks to the integration of Van Laere, and achieved a net profit of 17.9 million euros. Whereas 2017 was still affected by exceptional profits, the Contracting (15.2 million euros) and Real Estate Development (9.3 million euros) divisions realised a healthy operating margin, despite the negative impact of phasing out the activities in Tunisia. All sections of CFE made a positive contribution to this result, and contributed to the increase of the order book of CFE Contracting to 1,320 million euros.

In the course of the second half of 2018, CFE received a payment to the equivalent of 7.5 million euros from its receivables on Chad, and remains hopeful for a global solution with the Afreximbank.

Rent-A-Port increased its contribution to the group result, thanks to a capital gain realised following the entry of Tepco into the electricity distribution subsidiary in Haiphong. AvH and CFE bought out the founders of Rent-A-Port at the beginning of 2019, and, together, now hold 100% of Rent-A-Port.

Green Offshore made a positive contribution thanks to the start-up of the Rentel wind farm off the Belgian coast.

Both Delen Private Bank and Bank J.Van Breda & C° had their second best year ever in terms of inflows. Due to the decline in the equity markets in the fourth quarter of 2018, this strong business performance is not reflected in the total assets under management as of December 31, 2018. These amounted to 27,673 million euros for **Delen Private Bank** (29,410 million euros at the end of 2017), 9,563 million euros for JM Finn (10,475 million euros at the end of 2017) and 476 million euros for Oyens & Van Eeghen (660 million euros at the end of 2017).

The improved performance of the financial markets at the end of February 2019 allowed a large part of the lower performances of the funds to be caught up.

The volumes at **Bank J.Van Breda & C°** held up slightly better in 2018. Deposits increased by 7% to 4.9 billion euros, and the loan portfolio increased by 6%, to 4.8 billion euros. The off-balance sheet investments (including market effect) still experienced a slight increase of 2% to 9.4 billion euros.

The clients of Bank J.Van Breda & C° represent approximately 20% of the total assets under management at Delen Private Bank, and correspond to 30 to 40% of the inflows every year. Thanks to the network of Bank J.Van Breda & C°, but also because of the bank's own strategy of opening local branches (Leuven and Knokke in 2018), Delen Private Bank now realises almost two thirds of its inflows from the regional offices outside Brussels and Antwerp. Delen Private Bank's own business dynamics, and the synergies with Bank J.Van Breda & C° now continuously strengthen the positions of both banks as an asset manager and advisor on the Belgian market.

On the whole, Delen Private Bank and Bank J.Van Breda & C° represent entrusted assets in excess of 45 billion euros, more than 35 billion euros of which in Belgium.

Delen Private Bank realised a consolidated net profit of 112.4 million euros in 2018. Notwithstanding the significant investments in the commercial development through the opening of new branches, the cost-income ratio of Delen Private Bank (excluding JM Finn and Oyens & Van Eeghen) remained at an extremely competitive 44%. With a shareholder's equity of 742.9 million euros and a Core Tier1 capital ratio of 30.9%, the group remains highly capitalised.

Thanks to the strong business growth, and despite the continuing low interest rate having a negative impact on the net interest earnings, Bank J.Van Breda & C° still managed to increase its total revenue to 143.8 million euros. Net profit increased to 42.2 million euros, partly thanks to one-off tax effects. With a solid Core Tier1 capital ratio of 13.6%, and, above all, an extremely conservative leverage ratio of 8.6%, Bank J.Van Breda & C° has a strong and liquid balance sheet, entirely for the benefit of its target group clients.

The 'Real Estate & Senior Care' sector also increased its contribution to the group result again by 20%, to 65.3 million euros. 21 million euros of this increase is due to the capital gain that HPA has been able to realise on the sale of the real estate of 14 of its residential care centres. Anima Care also sold the shell of one of its residences in the course of the second half of 2018.

Extensa made a contribution at a high level, with a net result of 27.2 million euros (29.9 million euros in 2017). The contribution in 2018 mainly originated from the Cloche d'Or development site in Luxembourg, with the completion of an office building for Alter Domus at the end of 2018, and Deloitte early in 2019. The residential developments on the site also continue to be very successful. In 2018, the Tour & Taxis site had to wait for the permits relating to the development of the Gare Maritime and the residential zone beyond it. The building permit was obtained in November 2018, enabling this new development phase to now start in 2019/2020.

Leasinvest Real Estate experienced an increase of its real estate portfolio's fair value to 1,037 million euros in 2018. The positions in Luxembourg (54% of the portfolio) and Austria (10%) were thereby strengthened, and, with Hangar 26/27, the first project was won in the Antwerp office market. Thanks to a capital increase for an amount of 84 million euros, to which AvH subscribed for its full percentage interest, the debt ratio decreased to a more acceptable level of 53.5%.

Anima Care operated 2,097 beds at the end of December 2018, spread over 21 care residences (9 in Flanders, 8 in Brussels and 4 in Wallonia), and thereby realised a turnover of 84 million euros. Anima Care is currently building 4 brand new residential care centres that will be put into operation in 2019, namely in Forest, Anderlecht, Zoutleeuw and Bilzen.

HPA operated 2,647 beds at the end of December 2018, spread over 35 residences throughout France (with the exception of Paris), and thereby realised a turnover of 120 million euros. HPA currently has expansion or relocation projects for 7 sites in preparation or realisation. On March 14, 2019, AvH announced that it had concluded an agreement with the French retirement home group DomusVi regarding the acquisition of HPA.

Both Anima Care and HPA focus on quality care for their residents, and are the proof that a private operator in this sector can combine quality care and profitability, thanks to the long-term perspective and cautious financing.

SIPEF realised a 6.3% increase in its total palm oil production, to 351,757 tonnes, in 2018. The global decline of the palm oil price (on average 598 USD/tonne in 2018, compared to 715 USD/tonne in 2017) naturally had a substantial impact on the turnover (-14% to 275 million USD) and the net result (30 million USD).

SIPEF continues to plant its newly acquired Musi Rawas and Dendymarker plantations as foreseen. The total planted area already consisted of 80,540 hectares at the end of 2018.

AvH has taken advantage of the market conditions to slightly increase its participation to 31.59%. AvH continues to believe in the potential of sustainable palm oil as the most efficient vegetable oil for the Asian population. SIPEF is - and wants to remain - 100% RSPO compliant, both in its existing plantations and in those to be newly planted.

The increase in turnover at **Sagar Cements** (+17%) did also not lead to an increase in the result, due to the local market prices. In the context of the planned production expansion to 8.25 million tonnes per year, Sagar decided in early 2019 to implement a capital increase. AvH will participate in this for nearly 14 million euros, whereby the interest percentage of AvH will increase to 21.85%.

The contribution of the 'AvH & Growth Capital' segment is completely distorted by the loss booked following the exit from Distriplus, which had an impact of 30.7 million euros on the group result.

Mediahuis, Euro Media Group, Turbo's Hoet Groep and Telemond were able to improve their results. Agidens suffered from the losses on one project, and Manuchar also recorded a loss due to the planned closure of a mining activity in Mexico.

The intended streamlining of the portfolio led to the sale of the participations in Atenor and BDM-Asco in 2018, which together generated cash proceeds of 43.7 million euros and a capital gain of 14.8 million euros.

The strategy of the group remains oriented towards 'focus & diversification': focus on strengthening the recurring sustainable profit growth of our core sectors and a healthy diversification into new growth opportunities.

Thanks in part to the strengthening of the investment team and the ample financial resources available to the group, we are therefore confident about the future of AvH.

We wish to thank all employees of the group, both the employees at Begijnenvest and the 22,700 employees worldwide in the group companies, for their continuous commitment to the successful and sustainable development of Ackermans & van Haaren.

March 21, 2019

Luc Bertrand
Chairman of the board of directors

Jan Suykens
Chairman of the executive committee

Annual report of the board of directors

Dear shareholder,
It is our privilege to report to you on the activities of our company during the past financial year and to submit to you for approval both the statutory and consolidated annual accounts closed on December 31, 2018. In accordance with Article 119 of the Companies Code, the annual reports on the statutory and consolidated annual accounts have been combined.

I Statutory annual accounts

1. Share capital and shareholding structure

No changes were made to the company's share capital during the last financial year. The share capital amounts to 2,295,278 euros, and is represented by 33,496,904 no-nominal-value shares. All shares have been paid up in full. In 2018, 46,000 options were granted within the framework of the stock option plan. As at December 31, 2018, the options granted and not yet exercised entitled their holders to acquire an aggregate of 334,000 Ackermans & van Haaren shares (0.01%). The company received a transparency notice on October 31, 2008 under the transitional regulations of the Act of May 2, 2007, whereby Scaldis Invest NV - together with Stichting Administratiekantoor 'Het Torentje' - communicated its holding percentage. The relevant details of this transparency notice can be found on the company's website (www.avh.be).

2. Activities

For an overview of the group's main activities during the 2018 financial year, we refer to the Message from the chairmen (p. 14) and to the Key events (p. 10).

3. Comments on the statutory annual accounts

3.1 Financial situation as at December 31, 2018

The statutory annual accounts have been prepared in accordance with Belgian accounting principles. The balance sheet total at year-end 2018 amounted to 2,010 million euros, which is an increase compared with the previous year (2017: 2,735 million euros). The assets consist of 10 million euros in tangible fixed assets (primarily the office building located at Begijnenvest and Schermersstraat in Antwerp), 49 million euros in cash investments and 1,917 million euros in financial fixed assets. On the liabilities side of the balance sheet, the recording of the dividend of 78 million euros and the profit for the financial year of 63 million euros resulted in a shareholders' equity of 1,853 million euros (2017: 1,869 million euros). This amount does not include unrealised capital gains present in the portfolio of Ackermans & van Haaren and the group companies. In 2018, short-term financial debts mainly consisted of the issue of treasury certificates or commercial paper. Subsidiary AvH Coordination Center was dissolved in the second half of the year, resulting in a significant decrease in internal group debts. The other liabilities already include the profit distribution for the 2018 financial year that is being proposed to the ordinary general meeting. In the course of 2018, Ackermans & van Haaren purchased 304,867 treasury shares and sold 323,709. These transactions relate to the implementation of the stock option plan and the liquidity agreement with Kepler Cheuvreux that came into effect on July 1, 2013.

3.2 Appropriation of the result

The board of directors proposes that the result (in euros) be appropriated as follows:

Profit carried forward from the previous financial year	1,654,847,881
Profit for the financial year	62,580,337
Total for appropriation	1,717,428,218
Allocation to the legal reserve	0
Allocation to the non-distributable reserves	615,385
Allocation to the distributable reserves	0
Dividend on capital	77,712,817
Directors' fees	587,500
Profit premium for employees(1)	151,416
Profit to be carried forward	**1,638,361,099**

(1) Profit participation in favour of employees without participation in the capital of AvH, cf. provisions of the summer agreement.

The board of directors proposes that a gross dividend of 2.32 euros per share be distributed. After deduction of withholding tax (30%), the net dividend will amount to 1.624 euros per share. If the annual general meeting approves this proposal, the dividend will be payable from June 5, 2019. Following this distribution, shareholders' equity will stand at 1,853,043,264 euros, and will be composed as follows:

Capital	
Subscribed	2,295,278
Issue premiums	111,612,041
Reserves	
Legal reserve	248,081
Non-distributable reserves	35,280,304
Tax-exempt reserves	0
Distributable reserves	65,246,462
Profit carried forward	1,638,361,099
Total	**1,853,043,264**

3.3 Outlook

As in previous years, the results for the current financial year will to a large extent depend on the dividends paid by the companies within the group and on the realisation of any capital gains or losses.

4. Major events after the closing of the financial year

Since the closing of the 2018 financial year, there have been no major events that could have a significant impact on the development of the company, except those referred to under II.3 below.

5. Research and development

The company undertook no activities in the area of research and development.

6. Financial instruments

Companies within the group may use financial instruments for risk management purposes. Specifically, these are financial instruments principally intended to manage the risks associated with fluctuating interest and exchange rates. The counterparties in the related transactions are exclusively first-ranked banks. At the end of 2018, neither Ackermans & van Haaren nor any other fully consolidated group company within the 'AvH & Growth Capital' segment had any such instruments outstanding.

7. Notices

7.1 Application of Article 523 of the Companies Code

The regulations of Article 523 of the Companies Code regarding conflicts of interest did not have to be applied in 2018.

7.2 Additional remuneration for the auditor

Pursuant to Article 134, §§2 and 4 of the Companies Code, we inform you that an additional fee of 1,900 euros (excluding VAT) was paid for a training course on non-financial reporting and of 10,000 euros (excluding VAT) for miscellaneous activities to Ernst & Young Bedrijfsrevisoren, and of 5,100 euros (excluding VAT) for tax advice to Ernst & Young Tax Consultants.

7.3 Acquisition or disposal of treasury shares

On November 13, 2017, the extraordinary general meeting authorised the board of directors of Ackermans & van Haaren to acquire treasury shares within a well-defined price range during a period of five years. In the course of 2018, Ackermans & van Haaren purchased 304,867 treasury shares and sold 323,709. These transactions relate to the implementation of the stock option plan and the liquidity agreement with Kepler Cheuvreux. More details about this can be found in the financial statements (p. 191-192).

Taking into account the sale of 323,709 treasury shares, the situation as at December 31, 2018 was as follows:

Number of treasury shares	343,415 (1.03%)
Par value per share	0.07 euros
Average price per share	102.63 euros
Total investment value	35,245,551 euros

7.4 Notice pursuant to the law on takeover bids

In a letter dated February 18, 2008, Scaldis Invest sent a notice to the company in accordance with Article 74, §7 of the Act of April 1, 2007 on public takeover bids. From this notice, it appears that Scaldis Invest owns 33% of the securities with voting rights in Ackermans & van Haaren, and that Stichting Administratiekantoor 'Het Torentje' exercises ultimate control over Scaldis Invest.

7.5 Protection schemes

On November 13, 2017, the extraordinary general meeting renewed the authorisation of the board of directors, in the case of a public takeover bid for the securities of Ackermans & van Haaren, to proceed with a capital increase in accordance with the provisions and within the limits of Article 607 of the Companies Code.

The board of directors is allowed to use these powers if the notice of a takeover bid is given to the company by the Financial Services and Markets Authority (FSMA) not later than three years after the date of the above-mentioned extraordinary general meeting (i.e. November 13, 2020).

The board of directors is also authorised, for a period of three years from the date of publication in the Annexes to the Belgian Official Gazette (i.e. until December 13, 2020), to acquire or transfer treasury shares in the event that such action is required in order to safeguard the company from serious and imminent harm.

II Consolidated annual accounts

1. Risks and uncertainties

This section describes, in general terms, the risks facing Ackermans & van Haaren as an international investment company on the one hand, and the operational and financial risks associated with the various segments in which it is active (either directly or indirectly through its subsidiaries) on the other.

The executive committee of Ackermans & van Haaren is responsible for the preparation of a framework for internal control and risk management, which is submitted to the board of directors for approval. The board of directors is responsible for assessing the implementation of this framework, taking the recommendations of the audit committee into account. At least once a year, the audit committee evaluates the internal control systems that the executive committee has set up, in order to ascertain that the main risks have been properly identified, reported and managed. The subsidiaries of Ackermans & van Haaren are responsible for the management of their own operational and financial risks. These risks, which vary according to the sector, are not centrally managed by Ackermans & van Haaren. The management teams of the subsidiaries in question report to their board of directors or the audit committee on their risk management.

Risks at the level of Ackermans & van Haaren

Strategic risk

The objective of Ackermans & van Haaren is to create shareholder value by long-term investment in a limited number of strategic participations. The availability of opportunities for investment and divestment is, however, subject to macroeconomic, political, social and market conditions. The achievement of the objective can be adversely affected by difficulties encountered in identifying or financing transactions, or in the acquisition, integration or sale of participations.

The definition and implementation of the strategy of the group companies is also dependent on these macroeconomic, political and social market conditions. By focusing on long-term value creation and the maintenance of operational and financial discipline, Ackermans & van Haaren, as a proactive shareholder, endeavours to limit those risks as far as possible.

Ackermans & van Haaren works together with partners in several group companies. At Delen Private Bank, for example, control is shared with the Jacques Delen family, with strategic decisions requiring the prior consent of both partners. Ackermans & van Haaren has a minority stake in certain group companies. The diminished control that can result from this situation could lead to relatively greater risks; this is offset as far as possible, however, by a close cooperation with, and an active representation on the board of directors of the group companies concerned.

Risk related to the stock market listing

As a result of its listing on Euronext Brussels, Ackermans & van Haaren is subject to regulations regarding information requirements, transparency reporting, takeover bids, corporate governance and insider trading. Ackermans & van Haaren pays the necessary attention to keeping up and complying with the constantly changing laws and regulations in this area.

The volatility of the financial markets has an impact on the value of the share of Ackermans & van Haaren and of some of its listed group companies. As mentioned above, Ackermans & van Haaren seeks to systematically create long-term shareholder value. Short-term share price fluctuations and the speculation associated with this can produce a momentarily-different risk profile for the shareholder.

Liquidity risk

Ackermans & van Haaren has sufficient resources at its disposal to implement its strategy, and seeks to achieve a position without net financial debts. The subsidiaries are responsible for their own debt financing, it being understood that, in principle, Ackermans & van Haaren does not provide credit lines or guarantees to or for the benefit of its participations. The external financial debts of 'AvH & subholdings' were limited to 24.0 million euros on December 31, 2018, and in particular the treasury bonds issued by AvH (commercial paper programme).

Ackermans & van Haaren has confirmed credit lines available from various banks with whom it has a long-term relationship, and these credit lines amply exceeding the outstanding commercial paper obligations. The board of directors believes that the liquidity risk is fairly limited.

Risks at the level of the group companies

Marine Engineering & Contracting

The operational risks of this segment are essentially associated with the execution of often complex land-based and marine contracting projects and, among other things, are related to: the technical design of the projects and the integration of new technologies; the setting of prices for tenders and, in case of deviation, the possibility or impossibility of hedging against extra costs and price increases; performance obligations (in terms of cost, conformity, quality, turnaround time) with the direct and indirect consequences associated with these; the time difference between the quotation and the actual execution; the evolution of the regulatory framework; and the relationships with subcontractors, suppliers and partners. In new markets, such as the development of concessions for wind farms, the companies are confronted with a still unstable regulatory framework, technological developments, and the ability to finance those large-scale projects. In order to cope with these risks, the various group companies work with qualified and experienced staff. By taking part in risk and audit committees at DEME and CFE, Ackermans & van Haaren monitors the operational risks of the main projects from the tendering stage.

The construction and dredging sector is typically subject to economic fluctuations. The market for large traditional infrastructural dredging works is subject to strong cyclical fluctuations on both the domestic and international markets. This has an impact on the investment policy of private sector customers (e.g. oil companies or mining groups) and of local and national authorities. DEME, CFE and Rent-A-Port, which are or were active in countries such as Oman, Qatar, Vietnam, Chad and Nigeria, are exposed to political risks. Credit insurance and a strong local network are the primary risk management factors in that respect.

DEME is to a significant degree active outside the euro zone, and accordingly runs an exchange rate risk. As a rule, DEME hedges against exchange rate fluctuations or enters into foreign currency futures. Certain materials or commodities, such as fuel, are also hedged. Most of CFE's activities are within the euro zone, and, where relevant, exposure to foreign exchange fluctuations is limited as much as possible. Although Rent-A-Port is mainly active in countries outside the euro zone, it is mostly exposed to the USD, as most business contracts are concluded in USD.

Given the size of the contracts in this segment, the credit risk is also closely monitored. Both DEME and CFE have set up procedures to limit the risk to their trade receivables. Furthermore, a large part of the consolidated turnover is realised through the public sector or public sector-related customers. The level of counterparty risk is limited by the large number of customers. To contain the risk, the group companies concerned constantly monitor their outstanding trade receivables and adjust their position where necessary. For the purposes of major foreign contracts, for instance, DEME regularly uses the services of the Credendo Group, insofar as the country concerned qualifies for this service and the risk can be covered by credit insurance. For large-scale infrastructural dredging contracts, DEME is dependent on the ability of customers to obtain financing and can, if necessary, help to organise the project financing. Although the credit risk cannot be ruled out altogether, it is still limited. CFE's order book for Africa has strongly diminished. At the beginning of 2018, the CFE group had outstanding receivables amounting to 60 million euros in Chad, for which an equivalent of 7.5 million euros was paid in H2 2018. The recovery of those receivables will also be a major challenge in 2019. Together with the local authorities, CFE is making every effort to find financing to allow the settlement of the outstanding receivables. Rent-A-Port has a small number of customers and counterparties owing to the very nature of the group's activities. Consequently, it runs a higher credit risk. The group is able to adequately curtail this risk by providing sufficient contractual safeguards and by building and maintaining strong relations with its customers. The companies from the 'Marine Engineering & Contracting' segment usually invoice as the work progresses.

The liquidity risk is limited by spreading the credit and guarantee lines over several banks, and preferably over the long term. DEME permanently monitors its balance sheet structure and pursues a balance between a consolidated shareholders' equity position and consolidated net debts. DEME predominantly invests in equipment with a long life, which is written off over several years. For that reason, DEME seeks to schedule a substantial part of its debts over a long term. DEME has worked out a new bank financing structure since 2015, based on bilateral unsecured long-term financing with several banks. Some loan agreements include ratios (covenants), which DEME must observe. In order to diversify the funding over several sources, DEME issued a retail bond of 200 million euros in January 2013. This was placed with a diversified group of (mainly private) investors. In accordance with the terms of issue, DEME fully repaid the loan on February 14, 2019.

In 2018, DEME further tightened its procedures for the avoidance of fraud and integrity risks by, among other things, subjecting the award of service contracts to a stricter control of the ultimate beneficiaries. Work is also being carried out to centralise global financial payments within the group at the headquarters. Finally, the internal audit function was also reviewed again.

DEME is fully cooperating with the judicial investigation into the circumstances around the award of a contract that has already been implemented. In the current circumstances, the financial impact on DEME cannot be reliably estimated.

Private Banking

As Delen Private Bank and Bank J.Van Breda & C° are both specialist niche players with a culture of prudence, the operational risk has a limited impact on both banks. Operational departments and control functions work together closely in a 'three lines of defence' model to monitor the quality of operations. They are backed up by an efficient IT system that automates the main processes and provides built-in controls. To ensure the continuity of operations in the event of contingencies, both organisations have detailed continuity and recovery plans.

The credit risk and risk profile of the investment portfolio have been deliberately kept very low for many years now by Delen Private Bank and Bank J.Van Breda & C°. The banks invest in a conservative manner. The volume of lending at Delen Private Bank is very limited, as this is merely a supporting product in the context of asset management. The loans that are extended are usually temporary bridge loans that are amply guaranteed by pledges on securities. The credit risk at JM Finn is very limited. The credit portfolio of Bank J.Van Breda & C° is very widely spread among a client base of local entrepreneurs and professionals. The bank applies concentration limits per sector and maximum credit amounts per client.

The fraud and compliance risk is closely monitored, and is under control.

Bank J.Van Breda & C° adopts a cautious policy with regard to the interest rate risk, well within the standards set by the NBB. Where the terms of assets and liabilities do not match sufficiently, the bank deploys hedging instruments (a combination of interest rate swaps and options) to correct the balance. The interest rate risk at Delen Private Bank is limited, due to the fact that it primarily focuses on asset management.

Delen Private Bank aims to limit the exchange rate risk, and the foreign currency positions are systematically monitored and hedged. At present, the net exposure in pound sterling is limited, as the impact of exchange rate fluctuations on the equity of JM Finn is neutralised by an opposite impact on the liquidity obligation on the remaining approx. 10% in JM Finn. The liquidity and solvency risk is continuously monitored by a proactive risk management. The banks want to be sure at all times that they satisfy the regulatory requirements and maintain a capitalisation level that amply covers the level of activity and risk that is taken. Furthermore, the two groups have more than sufficient liquid assets to meet their commitments, even in unforeseen market conditions, as well as sound Core Tier1 equity ratios.

Both banks are adequately protected against income volatility risk. The operating costs of Delen Private Bank are amply covered by the regular income, while, in the case of Bank J.Van Breda & C°, the income from relationship banking is diversified in terms of clients as well as products, and is supplemented by the specialist vendor activity for car dealers (Van Breda Car Finance).

The market risk may arise from the limited short-term investments in the name of Delen Private Bank and Bank J.Van Breda & C°, or may manifest itself on outstanding positions on suspense accounts over which securities for client portfolios are traded. The intention is that the positions on those suspense accounts should be liquidated so that the bank is not exposed to a market risk. The fair value of the assets under management for clients is partly determined by the developments on the financial markets. Although this has no direct impact on the equity position of the two banks, the total volume of assets under management is a determining factor for their revenues.

Real Estate & Senior Care

A first crucial element related to the operational risks in the real estate sector is the quality of the offering of buildings and services. In addition, long-term lease contracts with solvent tenants are expected to guarantee the highest possible occupancy rate of both buildings and services and a recurrent flow of income, and should limit the risk of non-payment. Finally, the renovation and maintenance risk is also continuously monitored. For Anima Care and HPA, top-quality care for the residents is important. There is a strong focus on working methods, operating systems and human resources management to guarantee a pleasant living environment with a high quality of service.

The real estate development activity is subject to strong cyclical fluctuations (cyclical risk). Development activities for office buildings tend to follow the conventional economic cycle, whereas residential activities respond more directly to the economic situation, consumer confidence and interest rate levels. Extensa Group focuses mainly on Belgium and Luxembourg. The limited residual exposure in Turkey, Romania and Slovakia was further reduced in 2018. The spread of real estate operations over various segments (e.g. residential, logistics, offices, retail) limits this risk.

The exchange rate risk is very limited because most operations are situated in Belgium and Luxembourg.

Extensa Group and Leasinvest Real Estate possess the necessary long-term credit facilities and back-up lines for their commercial paper programme to cover present and future investment needs. Those credit facilities and backup lines serve to hedge the financing risk.

The liquidity risk is limited by having the financing spread over several banks and by diversifying the expiration dates of the credit facilities over the long term. In 2017, the Extensa Group issued a bond of 75 million euros maturing in 2020 and 2022, thereby further reducing the dependence on bank financing. At Leasinvest Real Estate, the tapping of various sources of funding was put into practice in 2013, with the successful launch of a public bond for 75 million euros with six-year maturity and a private bond for 20 million euros with seven-year maturity. At Anima Care, the expansion through acquisitions of existing residences and the construction of new care centres is financed by the paying-up of the authorised capital and by external financing. The cash drain in the start-up phase is taken into account in the financing of the projects. The real estate operations of Patrimoine & Santé are financed with long-term loans over 15 to 25 years.

The hedging policy for the real estate activities is aimed at confining the interest rate risk as much as possible. Financial instruments are used for that purpose.

Energy & Resources

The focus of this segment is on businesses in growth markets, such as India and Indonesia. As the companies involved are active to a significant extent outside the euro zone (Sagar Cements in India, SIPEF in Indonesia and Papua New Guinea, among others), the exchange rate risk (both on the balance sheet and in the income statement) is more relevant here than in the other segments. The geopolitical developments in those areas also call for special attention.

The production volumes, and therefore the turnover and margins realized by SIPEF, are also influenced by climatic conditions such as rainfall, sunshine, temperature and humidity.

Whether or not the group succeeds in achieving its contemplated expansion plans will depend on securing new concession agreements for agronomically suitable land that satisfy the group's sustainability policy on economically responsible provisions.

The group is also exposed to fluctuations in commodity prices in this segment (SIPEF: mainly palm oil, palm kernel oil and rubber; Sagar Cements: coal, electricity).

SIPEF's strategy is to only produce sustainable palm oil and other products. The compliance with the sustainability requirements, and, in a broader context, the perception of these products in the market, is closely monitored by SIPEF.

Growth Capital

Ackermans & van Haaren makes venture capital available to a limited number of companies with international growth potential. The investment horizon is longer on average than that of the typical players on the private equity market. The investments are usually made with conservative debt ratios, with, in principle, no advances or securities being granted to or for the benefit of the group companies concerned. Moreover, the diversified nature of these investments contributes to a spread of economic and financial risks. Ackermans & van Haaren will usually finance these investments with shareholders' equity.

The economic situation has a direct impact on the results of the participations. The fact that the activities of the group companies are spread over various segments affords a partial protection against the risk.

Each participation is subject to specific operational risks, such as the fluctuation in the prices of services and raw materials, the ability to adjust the selling price and competition risks. The companies monitor those risks themselves and can try to limit them by operational and financial discipline and by strategic focus. Monitoring and control by Ackermans & van Haaren as a proactive shareholder also play an important role in that respect.

Various participations (e.g. Manuchar, Telemond Group, Turbo's Hoet Groep) are active to a significant extent outside the euro zone. In such cases, the exchange rate risk is always monitored and controlled at the level of the participation itself.

2. Comments on the consolidated annual accounts

The consolidated annual accounts were prepared in accordance with International Financial Reporting Standards (IFRS).

The group's consolidated balance sheet total as at December 31, 2018 amounted to 14,165 million euros, which is an increase of 5.2% compared with 2017 (13,469 million euros). This balance sheet total is obviously impacted by the manner in which certain group companies are included in the consolidation. In particular, the full consolidation of the stake in Bank J.Van Breda & C° has a major impact on the consolidated balance sheet.

Shareholders' equity (group share) at the end of 2018 was 3,176 million euros, which represents an increase of 204 million euros compared with 2017 (2,972 million euros). In June 2018, Ackermans & van Haaren paid out a gross dividend of 2.20 euros per share, resulting in a decrease in equity by 74 million euros.

In 2018, Ackermans & van Haaren focused on the development of its key participations, whose contribution to the group profit in 2018 amounted to 312.4 million euros (2017: 277.0 million euros). The decline of the contribution from non-recurrent elements in combination with the absence of a remeasurement gain of 19.8 million euros in 2017 (in relation to SIPEF) explains why the group result (289.6 million euros) is ultimately lower than the 302.5 million euros of 2017.

The consolidation scope underwent some changes in 2018, which are explained on page 153. The major scope changes arise from the sale of the participations in Atenor, BDM-Asco and Distriplus.

At year-end 2018, AvH (including subholdings) had a net cash position of 102.9 million euros, compared with 80.2 million euros at year-end 2017. In addition to cash and short-term deposits, this cash position consisted, among others, of investments of 37.2 million euros, treasury shares and short-term debts.

An (economic) breakdown and a detailed description of the results of the various group participations is shown in the 'Key figures' appendix and in the activity report (page 68) of the annual report.

Marine Engineering & Contracting

DEME and CFE both achieved a significant growth in revenue. Combined with the capital gain achieved by Rent-A-Port in Vietnam and the first contribution from the participation in the Rentel offshore wind farm (via Green Offshore), this also translates into an increase of 27.5 million euros in the contribution of 'Marine Engineering & Contracting', to 118.1 million euros.

Private Banking

Despite the turmoil on the financial markets in the fourth quarter of 2018, both Delen Private Bank and Bank J.Van Breda & C° achieved excellent commercial performances. Both banks contributed a total of 121.3 million euros to the 2018 group result in the 'Private Banking' segment (2017: 113.9 million euros).

Real Estate & Senior Care

The sale by the French retirement home group HPA of the real estate of 14 retirement homes that are operated by Residalya contributes 21.3 million euros to the annual profit of AvH, and explains why the contribution from 'Real Estate & Senior Care' even surpasses the strong result of 2017.

Energy & Resources

SIPEF and Sagar Cements both achieved a substantial increase in their production in 2018. These are not sufficient to absorb the reduction in the prices of palm oil (SIPEF) and cement in India (Sagar) in 2018, however, which explains the decrease in profit contribution from 'Energy & Resources'.

AvH & Growth Capital

The exit from Distriplus, which was finalised in Q4 2018, had a total negative impact of 30.7 million euros on the AvH group result in 2018 (-12.9 million euros contribution to the result in 'Growth Capital' till Q3 2018, and 17.8 million euros capital loss). The capital gains on, among others, the sale of the participations in Atenor (8.7 million euros) and BDM-Asco (6.1 million euros) have not been able to fully compensate for this.

3. Major events after the closing of the financial year

On March 1, 2019, Sofinim (AvH 100%) acquired a 60% interest in Biolectric, alongside CEO and founder Philippe Jans.

On March 14, 2019, AvH announced that, together with CEO and founder Hervé Hardy as well as certain members of the management, it had concluded an agreement with the French retirement home group DomusVi regarding the acquisition of HPA (Residalya and P&S Expansion). This transaction is likely to be concluded in the second quarter of 2019, and, subject to approval by the French competition authorities, will provide AvH with a total capital gain of 105 million euros.

4. Research and development

In the area of research and development at the fully consolidated participations of Ackermans & van Haaren, the DEME teams of R&D and the Central Competence Centre develop groundbreaking, innovative technologies, while the engineering departments of CFE are involved in civil engineering and construction projects. SIPEF is involved in the development of high-yielding oil palms through a stake in Verdant Biosciences. In June 2018, the new Bank de Kremer was presented with an innovative app that enables private individuals to map their assets, both movable and immovable. The app, which was completely developed internally, can count on innovation support from the government. Both Bank J.Van Breda & C° and Delen Private Bank invested in the development of specific management software.

5. Financial instruments

Within the group (including Bank J.Van Breda & C°, Leasinvest Real Estate, DEME, Extensa), an effort is being made to pursue a cautious policy in terms of interest rate risk by using interest swaps and options. A large number of the group companies operate outside the euro zone (including DEME, Delen Private Bank, SIPEF, Manuchar, Telemond Group, Turbo's Hoet Groep). Hedging activities for interest rate and exchange rate risk are always carried out and managed at the level of the individual company.

6. Outlook 2019

Ackermans & van Haaren aims to further develop its portfolio in 2019, both by strengthening existing participations as by new investments. The group has ample financial resources to do so, which can be supplemented by the proceeds of asset disposals.

Combined with the good positioning of the group's core participations and the prospect of a capital gain from the realisation of the sale of HPA, the board of directors is therefore looking forward to the results of 2019 with confidence.

III Corporate governance statement

1. General information

Ackermans & van Haaren applies the Belgian Corporate Governance Code (the 'Code'), as published on March 12, 2009, as its reference code. The Code can be consulted on the website of the Corporate Governance Committee (www. corporategovernancecommittee.be).

On April 14, 2005, the board of directors of Ackermans & van Haaren adopted the first Corporate Governance Charter ('Charter'). The board of directors has subsequently updated this Charter several times.

- On April 18, 2006, the Charter was aligned to various Royal Decrees adopted pursuant to European regulations on market abuse.
- On January 15, 2008, the board of directors amended Article 3.2.2 (b) of the Charter in order to clarify the procedure regarding investigations into irregularities.
- On January 12, 2010, the Charter was modified to reflect the new Code and the new independence criteria set forth in Article 526ter of the Companies Code.
- On October 4, 2011, the board of directors deliberated on the adaptation of the Charter to the Act of April 6, 2010 on the reinforcement of corporate governance in listed companies and the Act of December 20, 2010 on the exercise of certain shareholders' rights in listed companies. On that occasion, the board of directors also tightened its policy on the prevention of market abuse (Section 5 of the Charter) with the introduction of a prohibition on short selling and speculative share trading.
- On October 10, 2016, the Charter was amended to align it to Regulation (EU) no. 596/2014 of the European Parliament and of the Council dated April 16, 2014 on market abuse and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/ EC and 2004/72/EC.
- On February 24, 2017, the Charter was aligned to the Act of December 7, 2016 on the organisation of the profession and the public supervision of company auditors.
- On February 25, 2019, the board of directors eased the rule on the age limit (more info on page 27).

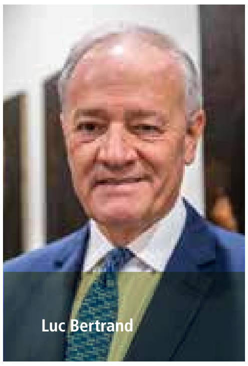
The Charter is available in three languages (Dutch, French and English) on the company website (www.avh.be).

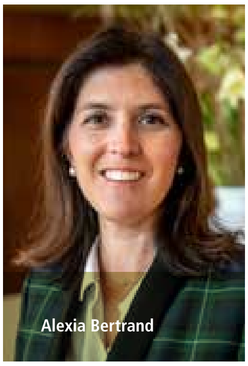
This chapter ('Corporate Governance Statement') contains the information referred to in Articles 96, §2 and 119, second paragraph, 7° of the Companies Code (both as amended by the Law of 3 September 2017). In accordance with the Code, this chapter specifically focuses on factual information involving corporate governance matters and explains any derogations from certain provisions of the Code during the past financial year in accordance with the principle of 'comply or explain'.

Board of directors - from left to right:
top row: Jacques Delen, Thierry van Baren, Frederic van Haaren,
Pierre Macharis, Alexia Bertrand, Pierre Willaert
bottom row: Victoria Vandeputte, Luc Bertrand, Marion Debruyne, Julien Pestiaux

2. Board of directors

audit committee   remuneration committee   nomination committee





2.1 Composition

Luc Bertrand (°1951, Belgian)
Chairman of the board of directors
Non-executive director (since 1985)

Luc Bertrand graduated in 1974 as a commercial engineer (KU Leuven). He began his career at Bankers Trust, as Vice-President and Regional Sales Manager, Northern Europe. He has been with Ackermans & van Haaren since 1985, where he was chairman of the executive committee from 1990 to 2016. He is chairman of the board of directors of CFE, DEME and SIPEF and a director of Delen Private Bank and Bank J.Van Breda & C°. He is also chairman of the Duve Institute and Middelheim Promoters, and member of a number of other boards of directors of non-profit associations and public institutions, such as KU Leuven, Voka, Institute of Tropical Medicine, Museum Mayer van den Bergh and Europalia.

Mandate ends 2021

Alexia Bertrand (°1979, Belgian)
Non-executive director (since 2013)

Alexia Bertrand obtained a law degree (Université Catholique de Louvain - 2002) and a master of laws (Harvard Law School - 2005). She has worked as an adviser at the office of the Deputy Prime Minister and Minister of Foreign Affairs since 2012, and was appointed 'chef de cabinet' for general policy on October 1, 2015. She regularly gives courses in negotiation techniques. From 2002 to 2012, she worked as a lawyer specialising in financial and company law (with Clifford Chance and later with Linklaters). For part of that time, she was a teaching assistant at the Law Faculty of the Université Catholique de Louvain and a research assistant at the Katholieke Universiteit Leuven.

Mandate ends 2021

Marion Debruyne bvba[1]
permanently represented by Marion Debruyne (°1972, Belgian)
Independent, non-executive director (since 2016)

Professor Marion Debruyne has a degree in civil engineering (RU Ghent - 1995) and a PhD in applied economic sciences (RU Ghent - 2002). She lectured at Wharton School, Kellogg Graduate School of Management, and Goizueta Business School, all in the USA. Marion Debruyne was appointed dean of Vlerick Business School in 2015. She is a director at Kinepolis and Guberna.

Mandate ends 2020

[1] References in this annual report to 'Marion Debruyne' should be read as Marion Debruyne bvba, permanently represented by Marion Debruyne.

Jacques Delen (°1949, Belgian)
Non-executive director (since 1992)

Jacques Delen obtained the diploma of exchange agent in 1976. He has been the chairman of the board of directors of Delen Private Bank since July 1, 2014, and is also a director of the listed plantation group SIPEF and of Bank J.Van Breda & C°. Jacques Delen was chairman of the board of directors of Ackermans & van Haaren from 2011 to 2016.

Mandate ends 2020

Pierre Macharis (°1962, Belgian)
Non-executive director (since 2004)
Chairman of the remuneration committee (since 2011)

Pierre Macharis graduated in commercial and financial sciences (1986) and also obtained the degree of industrial engineer in automation (1983). He is currently CEO and chairman of the executive committee of VPK Packaging Group. He is also chairman of Cobelpa, the Belgian association of paper and pulp producing companies, a director at CEPI, the European association of paper and pulp producing companies and a director at Sioen Industries.

Mandate ends 2020

Julien Pestiaux (°1979, Belgian)
Independent, non-executive director (since 2011)

Julien Pestiaux graduated in electromechanical civil engineering with specialisation energy (Université Catholique de Louvain - 2003), and also obtained a master's degree in engineering management (Cornell University - USA). Julien Pestiaux is a partner at Climact, an agency that provides advice on energy and climate issues. He is now leading a team developing a model for the EU Commission which assesses the potential for EU Member States to reduce energy consumption and greenhouse gases in the medium to long term. He worked for five years as a consultant and project leader at McKinsey & C°.

Mandate ends 2019

Thierry van Baren (°1967, French / Dutch)
Non-executive director (since 2006)

Thierry van Baren holds a master's degree and a teaching qualification in philosophy, and obtained an MBA, with specialisation marketing (Solvay Business School). He is currently an independent consultant. He worked for 13 years as a marketing consultant at, among others, TBWA Belgium, BDDP Belgium, Ammirati Puris Lintas and Ogilvy Brussels.

Mandate ends 2022

Menlo Park bvba[2]
permanently represented by Victoria Vandeputte (°1971, Belgian)
Independent, non-executive director (since 2018)

Victoria Vandeputte is a civil engineer in electromechanics (KU Leuven - 1995) and holds a master's degree in risk management (Ecole Supérieure de Commerce de Bordeaux - 1996). She is currently a member of the executive committee and Chief Innovation & Marketing Officer of Diversi Foods (Oetker-Gruppe).

Mandate ends 2022

[2] References in this annual report to 'Victoria Vandeputte' should be read as Menlo Park vba, permanently represented by Victoria Vandeputte.

Frederic van Haaren (°1960, Belgian)
Non-executive director (since 1993)

Frederic van Haaren is an independent entrepreneur and an alderman of the Municipality of Kapellen. He is also a director at several companies and associations: director at water-link, chairman of the non-profit organisation 'Consultatiebureau voor het Jonge Kind' in Kapellen, of the Zonnekind primary school in Kalmthout and of Bosgroepen Antwerpen Noord, as well as member of the police council of the police zone Noord.

Mandate ends 2021

Pierre Willaert (°1959, Belgian)
Non-executive director (since 1998)
Chairman of the audit committee (since 2004)

Pierre Willaert (°1959) holds a master's degree in commercial and financial sciences, and obtained the diploma of the Belgian Association of Financial Analysts (ABAF-BVFA). Pierre Willaert was a managing partner, and member of the audit committee, at Bank Puilaetco, until the acquisition by KBL in 2004. He worked for many years as a financial analyst at Bank Puilaetco and covered the main sectors represented on the Belgian stock exchange. He later became responsible for the Institutional Management department. He is also a director at Tein Technology, an ICT company in Brussels specialising in, among other things, video surveillance.

Mandate ends 2020

The mandate of Julien Pestiaux expires at the ordinary general meeting of May 27, 2019. The board of directors will propose to the ordinary general meeting that his mandate should be renewed for a period of 4 years.

It is furthermore pointed out that, on February 25, 2019, the board of directors decided to ease the age limit for directors, currently set at 70, in the sense that the board of directors can decide in a reasoned way to deviate from the age limit by (i) allowing the director concerned to complete his or her current mandate, and/or (ii) by nominating the director concerned for reappointment. At the same meeting, the board of directors decided to allow mr Jacques Delen to complete his current mandate, which expires in 2020, in view of his extensive experience and knowledge of, among others, the banking sector.

2.2 Independent directors

- Marion Debruyne
- Julien Pestiaux
- Victoria Vandeputte

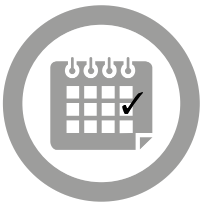
Marion Debruyne, Victoria Vandeputte and Julien Pestiaux meet the independence criteria of Article 526ter of the Companies Code.

2.3 Other directors

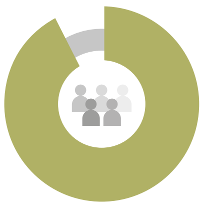
- Alexia Bertrand
- Luc Bertrand
- Jacques Delen
- Pierre Macharis
- Thierry van Baren
- Frederic van Haaren
- Pierre Willaert

Luc Bertrand, Jacques Delen and Frederic van Haaren are directors of Scaldis Invest, which, with a stake of 33%, is the principal shareholder of Ackermans & van Haaren. Luc Bertrand and Frederic van Haaren are also directors of Belfimas, which holds a controlling interest of 92.25% in Scaldis Invest. Scaldis Invest and Belfimas are holding companies that exclusively invest (directly and indirectly) in Ackermans & van Haaren shares.

2.4 Activity report



Meetings: 8



Presence: 92.5%

In 2018, the board of directors discussed and regularly updated the budget for the current financial year, monitored the group's results and the development of the activities of the various group companies on the basis of reports prepared by the executive committee, examined the off-balance-sheet commitments, and discussed the recommendations of the advisory committees.

Various (dis)investment files were discussed during the course of the financial year, such as participation in the capital increases of Leasinvest Real Estate, Sagar Cements and Green Offshore, the acquisition of Biolectric and the sale of the participating interests in BDM and Asco, Atenor Group, Henschel Engineering and Distriplus.

The board of directors has devoted two meetings to the follow-up of the strategic policy of the group, and visited the SIPEF plantations in North Sumatra and the works of DEME in Singapore during the last week of November.

The board of directors approved an integrity code at the meeting of March 19, 2018. This Code is available in three languages (Dutch, French and English) on the company website (www.avh.be). The board of directors has also paid attention to strengthening the compliance procedures at DEME.

The board of directors also invited the management of Bank J.Van Breda & C°, Extensa Group, Leasinvest Real Estate, Rent-A-Port and Manuchar to give a presentation on the general state of affairs of their respective companies and/or an explanation of a specific investment or project.

In accordance with Article 2.7 of the Charter, assessment procedures are carried out periodically within the board of directors. These assessments take place on the initiative and under the supervision of the chairman.

The annual assessment of the relationship between the board of directors and the executive committee took place on March 19, 2018. On that occasion, the non-executive directors expressed their general satisfaction with the good quality of the collaboration between the two bodies and made a number of suggestions to the chairman of the executive committee in this respect.

	Presence
Luc Bertrand	8/8
Alexia Bertrand	8/8
Marion Debruyne	7/8
Jacques Delen	8/8
Valérie Jurgens	2/4
Pierre Macharis	6/8
Julien Pestiaux	8/8
Thierry van Baren	8/8
Victoria Vandeputte	3/4
Frederic van Haaren	8/8
Pierre Willaert	8/8

For the sake of completeness, it should be mentioned that the members of the executive committee attend the meetings of the board of directors.

2.5 Code of conduct regarding conflicts of interest

In the Charter (Articles 2.9 and 4.7), the board of directors published its policy regarding transactions between Ackermans & van Haaren or a company affiliated to it on the one hand, and members of the board of directors or executive committee (or their close relatives) on the other, which may give rise to a conflict of interest (within the meaning of the Companies Code or otherwise). In 2018, no decisions were made to which this policy applied.

2.6 Code of conduct regarding financial transactions

The board of directors published its policy on the prevention of market abuse in the Charter (Section 5). At the meeting of October 10, 2016, the Charter was amended to bring it into line with Regulation (EU) no. 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse, and included the repeal of Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.

3. Audit committee

3.1 Composition

Chairman	Pierre Willaert Non-executive director
	Marion Debruyne Independent, non-executive director (succeeding Thierry van Baren)
	Julien Pestiaux Independent, non-executive director

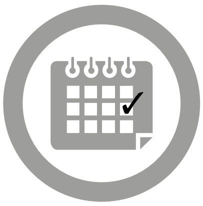
All members of the audit committee have the necessary accounting and audit expertise:

Pierre Willaert (°1959) holds a master's degree in commercial and financial sciences, and obtained the diploma of the Belgian Association of Financial Analysts (ABAF-BVFA). He worked for many years as a financial analyst at Bank Puilaetco. He later became responsible for the Institutional Management department. Pierre Willaert was managing partner and member of the audit committee of Bank Puilaetco until 2004. He was appointed as a director at Ackermans & van Haaren in 1998, and has been chairman of the audit committee since 2004.

Marion Debruyne (°1972) graduated as a civil engineer at Ghent University (1995) and obtained her PhD in applied economics (2002). Marion Debruyne has lectured at Wharton School, Kellogg Graduate School of Management and Goizueta Business School, all in the USA. She has been active as dean of the Vlerick Business School since 2015. Marion Debruyne was appointed director of Ackermans & van Haaren in 2016 and as a member of the audit committee in 2018. In addition, she holds directorships at Kinepolis and Guberna.

Julien Pestiaux (°1979) graduated in electromechanical civil engineering (specialisation energy) from the Université Catholique de Louvain in 2003, and also obtained a master's degree in engineering management at Cornell University (USA). The focus of the master in engineering management was on financial and economic analyses. Most of the course was given at the 'Johnson Graduate School of Management' of Cornell. Julien Pestiaux is a partner at Climact, a company that advises on energy and climate themes with numerous business customers. Before that, he worked for five years as a consultant and project leader at McKinsey & C°, where he became acquainted with various aspects of accounting. Julien Pestiaux was appointed director at Ackermans & van Haaren in 2011.

3.2 Activity report



Meetings: 4

Presence: 100%

On February 21 and August 24, 2018, in the presence of the financial management and the auditor, the audit committee mainly focused on the reporting process and the analysis of the annual and half-yearly financial statements, respectively. The members of the audit committee received the available reports of the audit committees of the operational subsidiaries of Ackermans & van Haaren in advance.

The audit committee of March 16, 2018 focused on the financial reporting, as published in the annual report of 2017, the review of the 'one-on-one' rule related to the non-audit services provided by Ernst & Young, and an analysis of the off-balance-sheet commitments. For the first time, attention was also paid to the new statement on non-financial information and to the main issues that the auditor is obliged to include in his report.

On December 17, 2018, the audit committee deliberated on the internal audit and control of ICT, off-balance-sheet commitments, IFRS 16 and the rotation obligation of the auditors.

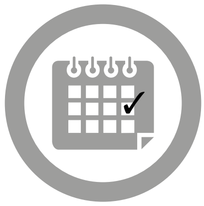
The audit committee reported systematically and extensively to the board of directors on the performance of its duties.

4. Remuneration committee

4.1 Composition

Chairman	Pierre Macharis Non-executive director
	Julien Pestiaux Independent, non-executive director
	Victoria Vandeputte, Independent, non-executive director (succeeding Thierry van Baren)

4.2 Activity report



Meetings: 2

Presence: 100%

At its meeting of March 19, 2018, the remuneration committee discussed the draft remuneration report, which, in accordance with Article 96, §3 of the Companies Code, constitutes a specific part of the Corporate Governance Statement, and ensured that the draft report contains all the information required by law. The committee also reviewed the payment of the variable remuneration to the members of the executive committee, against the recommendations it had made on this subject at its meeting of November 20, 2017.

At the meeting of November 20, 2018, the committee discussed the following subjects and made recommendations to the board of directors in this respect, partly on the basis of a benchmarking of remunerations with the market: the fixed and variable remuneration of the members of the executive committee for 2019, the remuneration of the directors, and the number of stock options to be granted to the members of the executive committee. The committee also recommended maintaining the attendance fee for directors for meetings of the board of directors and of the audit and remuneration committees at 2,500 euros for the 2018 financial year.

5. Nomination committee

On February 23 and March 19, 2018, the board of directors, in the role of the nomination committee, deliberated on the future composition of the board of directors, and, in accordance with the procedure of Article 2.2.2 of the Charter, decided to propose to the ordinary general meeting of May 28, 2018 the renewal of the mandate of Thierry van Baren for a period of 4 years, and the appointment of Victoria Vandeputte as independent director, also for a period of 4 years. The proposal to appoint Victoria Vandeputte followed the decision of Valérie Jurgens in February 2018 to resign early as a director at the annual meeting of 2018.

6. Executive committee

6.1 Composition

The chairman of the board of directors attends the meetings of the executive committee as an observer.

Jan Suykens (°1960, Belgian)
Chairman of the executive committee (as of 2016)

Jan Suykens holds a degree in applied economic sciences (UFSIA - 1982) and subsequently obtained an MBA (Columbia University -1984). He worked for a number of years in Corporate & Investment Banking at the Generale Bank.

Since 1990 at Ackermans & van Haaren

Tom Bamelis (°1966, Belgian)
CFO and member of the executive committee

After completing his studies as a commercial engineer (KU Leuven - 1988), Tom Bamelis also obtained a master's degree in financial management (VLEKHO - 1991). He joined Touche Ross (now Deloitte) and Groupe Bruxelles Lambert.

Since 1999 at Ackermans & van Haaren

John-Eric Bertrand (°1977, Belgian)
Member of the executive committee

Following his studies as a commercial engineer (UCL Louvain - 2001), John-Eric Bertrand obtained a master's degree in international management (CEMS - 2002) and an MBA (Insead - 2006). He worked at Roland Berger as a senior consultant and at Deloitte as a senior auditor.

Since 2008 at Ackermans & van Haaren

Piet Bevernage (°1968, Belgian)
Legal counsel and member of the executive committee

Piet Bevernage holds a law degree (KU Leuven - 1991) and an LL.M. (University of Chicago Law School - 1992). He worked as a lawyer in the Corporate and M&A Department at Loeff Claeys Verbeke.

Since 1995 at Ackermans & van Haaren

André-Xavier Cooreman (°1964, Belgian)
Member of the executive committee

Following his law degree (KU Leuven - 1987), André-Xavier Cooreman studied international law (at the Johns Hopkins University, Bologna Campus - 1988) and tax management (ULB - 1991). He worked for the International Development Law Institute (course assistant, Italy), the Shell Group (legal counsel, The Netherlands), Fortis Bank (Corporate & Investment Banking), McKinsey & C° (consultant) and Bank Degroof (public sector manager).

Since 1997 at Ackermans & van Haaren

Piet Dejonghe (°1966, Belgian)
Member of the executive committee

After his studies for a law degree (KU Leuven - 1989), Piet Dejonghe obtained a postgraduate degree in business administration (KU Leuven - 1990) and an MBA (Insead - 1993). He worked as a lawyer for Loeff Claeys Verbeke and as a consultant for The Boston Consulting Group.

Since 1995 at Ackermans & van Haaren

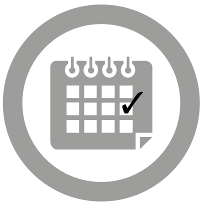
Koen Janssen (°1970, Belgian)
Member of the executive committee

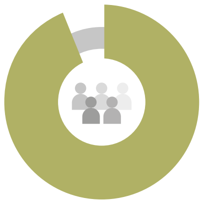
After his studies as a civil engineer, electromechanics (KU Leuven - 1993), Koen Janssen also obtained an MBA (IEFSI, France - 1994). He worked for Recticel, ING Investment Banking and ING Private Equity.

Since 2001 at Ackermans & van Haaren

Executive committee - from left to right: André-Xavier Cooreman, Piet Bevernage, Piet Dejonghe, Jan Suykens, John-Eric Bertrand, Koen Janssen, Tom Bamelis

6.2 Activity report


Meetings: 18


Presence: 94.4%

The executive committee is responsible, among other things, for the day-to-day management of Ackermans & van Haaren, and prepares the decisions to be taken by the board of directors.

During the past financial year, the executive committee prepared and followed up on the participation in the boards of directors of the subsidiaries, examined new investment proposals (both in the current group companies and outside), approved certain divestments, prepared the quarterly, half-yearly and annual financial reports, and investigated the implications of changes in the law relevant for the company.

7. Diversity policy

Ackermans & van Haaren is convinced of the positive influence of a diversity-based personnel policy on the performance and innovative strength of its participations, and is itself actively striving for a complementary composition of its board of directors and executive committee (in terms of professional background and skills, as well as gender). At group level, the attraction, education and counselling of talented employees with complementary knowledge and experience is a priority.

At the level of the board of directors, this policy is reflected in the selection procedure for new candidate directors (as included in section 2.2.2 of the Charter): the first selection criterion ensures the complementarity in terms of professional skills, knowledge and experience, while the fourth criterion sets an obligation to consider candidates of different gender, as long as and when the board of directors is not composed of at least one third of directors of the opposite gender.

The current board of directors has 3 female directors (30%) and 7 male directors (70%), with a diversity of education and professional experience. On December 31, 2018, 4 directors were aged 50 or younger (40%) and 6 directors were older than 50 (60%).

With regard to the composition of the executive committee (see Charter, paragraph 4.2), the board of directors must also ensure that the members have diverse professional backgrounds with complementary skills. It is the aim of the board of directors that the long-term vision of Ackermans & van Haaren should be supported by executives who actively promote the values of the company and, in this sense, contribute to value creation. This translates, among other aspects, into a preference for providing talented employees with career development options within the group. To date, all members of the executive committee have been appointed from the Ackermans & van Haaren team based on their personal merits.

A sound diversity policy starts with the recruitment. In 2018, Ackermans & van Haaren recruited four new employees, three women and one man in the age category 25 to 50, with diverse professional experience (administrative support, accounting and investment management), to strengthen the multidisciplinary team.

Finally, investments in the training, career counselling and retention of employees are also made on a permanent basis. This is done through a combination of broadening and deepening knowledge through training programmes, seminars and workshops, career perspectives both within Ackermans & van Haaren itself and in the group, and through a market-compliant remuneration policy.

For further information regarding the personnel policy, reference is made to the statement on non-financial information.

8. Internal and external audit

8.1 External audit

The company's statutory auditor is Ernst & Young Bedrijfsrevisoren BCVBA, represented by Patrick Rottiers and Wim Van Gasse. The statutory auditor conducts the external audit of both the consolidated and statutory figures of Ackermans & van Haaren, and reports to the board of directors twice a year. The statutory auditor was appointed at the ordinary general meeting of May 23, 2016 for a three-year term, which expires at the ordinary general meeting of May 27, 2019.

An annual fee of 62,320 euros (excluding VAT) was paid to the auditor in 2018 for auditing the statutory and consolidated Ackermans & van Haaren annual accounts. In addition, an additional fee of 5,100 euros (excluding VAT) was paid to Ernst & Young Tax Consultants for tax advice, and 1,900 euros (excluding VAT) for a training course on non-financial information and of 10,000 euros (excluding VAT) for miscellaneous activities to Ernst & Young Bedrijfsrevisoren. The total fees for audit activities paid to Ernst & Young by Ackermans & van Haaren and its consolidated subsidiaries in the past financial year amounted to 1,471,385 euros (including the above-mentioned 62,320 euros).

8.2 Internal audit

The internal audit is conducted by the group controllers, who report to the executive committee. The group controllers report directly to the audit committee at least once a year.

8.3 Principal features of the internal control and risk management systems with regard to the process of financial reporting and preparation of the consolidated annual accounts

The board of directors of Ackermans & van Haaren is responsible for assessing the effectiveness of the internal control and risk management systems. By means of the present system, the board of directors aims to ensure that the group's objectives are attained at the group level, and, at a subsidiary level, to monitor the implementation of appropriate systems that take the nature of each company (size, type of activities, etc.) and its relationship with Ackermans & van Haaren (controlling interest, shareholders' agreement, etc.) into account. Given the diversified portfolio and the small number of staff working at the holding company, the group opted for a customised internal control model that nevertheless has all the essential features of a conventional system. The internal control and risk management system is characterised by a transparent and collegiate structure. The executive committee deliberates and decides by consensus. Risks are identified on an ongoing basis, and are properly analysed. Appropriate measures are proposed to accept, limit, transfer or avoid the identified risks. These assessments and decisions are clearly minuted and documented to allow a strict follow-up.

The board of directors also regards the timely provision of complete, reliable and relevant financial information in accordance with IFRS and with the other Belgian reporting requirements to all internal and external stakeholders as an essential element of its corporate governance policy. The internal control and management systems for financial reporting endeavour to satisfy those requirements as fully as possible.

8.3.1 Control environment

The control environment is the framework within which internal control and risk management systems are set up. It comprises the following elements:

a. Integrity and ethics

We try to translate the family values that underlie the success of the group into a respectful relationship between the various stakeholders: the shareholders, management, the board of directors and the staff, but also the commercial partners. These values were explicitly included in the 'Internal company guidelines', so that they are clear to everyone and are propagated by the entire staff.

b. Skills

Another cornerstone of the policy at Ackermans & van Haaren is the way in which its members work together as a professional team. Particular attention is paid to a balanced and qualitative content of the various positions within the organisation. In addition, the necessary training is provided to ensure that knowledge is constantly honed and fine-tuned. Highly skilled people with the right experience and attitude in the right job form the basis of the group's internal control and risk management system. This also applies at the level of the board of directors and the audit committee, who seek to ensure that the backgrounds and experience of the members are complementary.

c. Governance body / audit committee

The operation and responsibilities of the board of directors and, by extension, its advisory committees, including the audit committee, are clearly described in the Charter. The audit committee oversees the financial reporting of the group, the internal control and risk management system, and the internal and external audit procedures.

d. Organisational structure, responsibilities and powers

As already pointed out, Ackermans & van Haaren can pride itself on a transparent organisational structure, where decisions are adopted collectively by the executive committee. The organisational structure and powers are clearly described in the 'Internal company guidelines'.

8.3.2 Risk management process

The risks in terms of financial reporting can be summarised as follows.

Risks at the level of the subsidiaries: these are typically highly diverse and are addressed by the attendance by the investment managers of Ackermans & van Haaren at the meetings of the boards of directors and advisory committees of the subsidiaries, clear reporting instructions to the subsidiaries with deadlines and standardized reporting formats and accounting principles, and an external audit of the half-yearly and annual figures that also takes into account internal control and risk management features at the level of each individual company.

Risks related to information provision: these are covered by a periodic IT audit, a proactive approach involving the implementation of updates, backup facilities and timely testing of the IT infrastructure. Business continuity and disaster recovery plans have also been put in place.

Risks related to changing regulations: these are addressed by close monitoring of the legislative framework on financial reporting, and by a proactive dialogue with the auditor.

Finally, there is the integrity risk, which is addressed by maximum integration of accounting and reporting software, extensive internal reporting at different levels, and proactive assessment of complex and important transactions.

8.3.3 Control activities

As already pointed out above in the description of the risks, various controls are built into the financial reporting process in order to meet the objectives with regard to this reporting as fully as possible.

First, a number of basic controls such as segregation of duties and delegation of powers are built into the administrative cycles at group level: purchase, payroll and (dis)investments. This ensures that only permissible transactions are processed. The integration of accounting and reporting software at group level serves to cover a number of integrity risks. Additionally, a stable IT infrastructure with the necessary backup systems guarantees an adequate communication of information.

Clear reporting instructions with timely communication of deadlines, standardized reporting formats and uniform accounting principles are in place to address certain quality risks in the reporting by the subsidiaries.

There is also a cycle of external audit of both the consolidated group reporting and the reporting by the subsidiaries. One of the purposes of this external audit is to assess the effectiveness of the internal control and risk management systems implemented by the subsidiaries and to report on this to the statutory auditor of Ackermans & van Haaren.

Finally, there is a system of internal audit of the financial reporting by the different policy and management levels. This internal audit is completed prior to the external reporting.

Changes in the legislative framework on financial reporting are closely monitored and the impact on the group reporting is discussed proactively with the financial management and the external auditor.

8.3.4 Information and communication

The Charter provides that every employee of Ackermans & van Haaren can approach the chairman of the board of directors and/or the chairman of the audit committee directly to inform them of any irregularities in financial reporting or other matters.

8.3.5 Control

Each year, the internal control and risk management system is reviewed by one of the group controllers for effectiveness and compliance. The internal auditor reports his findings to the audit committee.

9. Shareholder structure

9.1 Shareholder structure

Scaldis Invest holds 11,054,000 shares in the capital of Ackermans & van Haaren, i.e. a stake of 33%. Scaldis Invest is in turn controlled by Belfimas, which holds 92.25% of the capital of Scaldis Invest. The ultimate control of Scaldis Invest is held by Stichting Administratiekantoor 'Het Torentje'.

9.2 Cross-participations

Ackermans & van Haaren holds 343,415 treasury shares as at December 31, 2018. These shares were mainly acquired with a view to covering the stock option plan.

9.3 Graphic representation

The shareholder structure, as known on December 31, 2018, is represented as shown below:

Stichting Administratiekantoor 'Het Torentje'
Control

Belfimas
92.25%

Scaldis Invest NV
33%

Ackermans & van Haaren NV

9.4 Reference shareholder

Belfimas is the (indirect) reference shareholder of Ackermans & van Haaren. Belfimas' sole purpose is to invest in the shares of Ackermans & van Haaren, directly or indirectly. Any transfer of securities issued by Belfimas is subject to a statutory right of approval of the board of directors of Belfimas. Two of Ackermans & van Haaren's directors, Luc Bertrand and Frederic van Haaren, are members of the board of directors of Belfimas. The board of directors is not aware of any agreements between Ackermans & van Haaren shareholders.

10. Comply or explain

The Charter of Ackermans & van Haaren complies with the provisions of the Code in all but one point:

- Composition of the nomination committee

In accordance with provision 5.3/1, Appendix D of the Code, the majority of the members of the nomination committee should be independent non-executive directors. The Ackermans & van Haaren nomination committee consists of all the members of the board of directors. The board of directors is of the view that, as a collective, it is better placed to evaluate its size, composition and succession planning.

IV Remuneration report

1. Procedure for developing a remuneration policy and determining the level of remuneration

In 2018, the company followed the procedure set out below for developing its remuneration policy and determining the level of remuneration paid to non-executive directors and members of the executive committee.

1.1 Remuneration policy

At its meeting of March 19, 2018, the remuneration committee discussed the draft remuneration report, which, in accordance with Article 96, §3 of the Companies Code, constitutes a specific part of the Corporate Governance Statement, and ensured that the draft report contains all the information required by law.

The committee also reviewed the payment of the variable remuneration to the members of the executive committee, against the recommendations it made on this subject at its meeting of November 20, 2017. It should be recalled that the extraordinary general meeting on November 25, 2011 authorised the board of directors to depart from Article 520ter, second paragraph of the Companies Code, and to link the entire variable remuneration of the members of the executive committee to predetermined and objectively quantifiable performance criteria measured over a one-year period.

Finally, the committee proposed to keep the fixed remuneration of the directors (including attendance fees) for the financial year 2018 at the same level as in 2017.

1.2 Remuneration level

The remuneration paid to the members of the executive committee consists of five components (see 2.1 below). These components are evaluated each year, generally during a meeting in November, by the remuneration committee and reviewed for compliance with market practices. This review is carried out based on public information (for example, the remuneration data disclosed in the annual reports of other comparable listed companies) and/or salary studies. The adjustments proposed by the remuneration committee are then submitted to the board of directors for approval.

The remuneration of non-executive directors consists exclusively of a fixed remuneration. This fixed remuneration consists of a basic amount, an additional amount for the director's membership of a specific committee and an attendance fee for each meeting of the board of directors, of the audit or remuneration committee. Remuneration for non-executive directors is periodically reviewed by the remuneration committee.

Any modifications proposed by the committee are submitted to the general meeting for approval.

2. Application of the remuneration policy to the members of the executive committee in 2018

2.1 Principles

The remuneration paid to the members of the executive committee consists of five components: (i) a fixed remuneration; (ii) a variable remuneration (in cash) related to the consolidated net result; (iii) stock options; (iv) a 'fixed-contribution' group insurance scheme (supplementary pension, death benefit, disability allowance, and orphan's pension) and a hospitalisation insurance; and (v) a company car and smartphone.

The company strives to strike a motivated balance between a market-based fixed compensation on the one hand, and a combination of short-term incentives (such as the annual variable remuneration) and long-term incentives (stock options) on the other.

The fixed remuneration for the members of the executive committee (salary, group and hospitalisation insurance, company car) evolves according to their responsibilities and experience, as well as to market developments.

The variable remuneration that is granted to the members of the executive committee is based on predetermined and objectively quantifiable performance criteria measured over a period of one financial year and is, in particular, dependent on the consolidated net result. There is no long-term cash incentive plan. The variable remuneration is paid out in cash after the board of directors has approved the consolidated net result of the previous financial year.

The granting of stock options is not linked to predetermined and objectively quantifiable performance criteria. The board of directors decides on the granting of stock options to members of the executive committee based on the recommendation of the remuneration committee. Stock options are granted under a stock option plan that was approved in 1999 by the board of directors, which also serves as an incentive for persons who are not members of the executive committee. In accordance with applicable tax law, the members of the executive committee are taxed on the stock options that are granted. The value of this remuneration element is dependent on how the share price evolves.

2.2 Relative weighting of each component of the remuneration

In 2018, the relative share of each component in the overall remuneration paid to members of the executive committee was as follows:

Fixed remuneration	42.7%
Bonus	39.1%
Stock options	9.9%
Group and hospitalisation insurance	7.7%
Company car and smartphone	0.6%

2.3 Characteristics of the stock options

The stock options granted pursuant to the stock option plan of Ackermans & van Haaren have the following characteristics:

- Offer: mid-January.
- Exercise price: price determined on the basis of (i) the closing price of the share preceding the date of the offer, or (ii) the average closing price of the share during the 30 days preceding the date of the offer.
- Exercise period: the options may be exercised from the expiration of the third calendar year following the year in which the offer took place, up to the end of the eighth year following the date of the offer.

2.4 Changes to the remuneration policy

No significant changes were made to the remuneration policy in 2018 compared with 2017.

2.5 Remuneration policy for the next two financial years (2019 - 2020)

The board of directors does not expect to make any fundamental changes to the remuneration policy in the current and next financial years.

2.6 Remuneration of the CEO

The gross amount of the remuneration and other benefits that were granted, either directly or indirectly, to the CEO by Ackermans & van Haaren or its subsidiaries in 2018 can be broken down as follows:

Status	self-employed
Fixed remuneration	€ 600,000
Variable remuneration	€ 700,807
Stock options (taxable basis)	€ 124,858
Group insurance ('fixed contribution' type) and hospitalisation insurance (contributions paid by the company)	€ 104,683
Benefits in kind (company car and smartphone)	€ 6,246

2.7 Remuneration of the other members of the executive committee

The total gross amount of the remuneration and other benefits granted directly or indirectly to the other members of the executive committee by Ackermans & van Haaren or its subsidiaries in 2018 can be broken down as follows:

Status	self-employed
Fixed remuneration	€ 2,018,275
Variable remuneration	€ 1,694,417
Stock options (taxable basis)	€ 483,823
Group insurance ('fixed contribution' type) and hospitalisation insurance (contributions paid by the company)	€ 369,816
Benefits in kind (company car and smartphone)	€ 29,325

2.8 Options exercised by and granted to the members of the executive committee in 2018

(i) Exercised in 2018

Two members of the executive committee exercised a total of 6,000 options in 2018.

Name	Quantity	Exercise price	Year granted
Piet Bevernage	2,000	€ 60.81	2011
Piet Dejonghe	4,000	€ 60.81	2011

(ii) Granted in 2018

Expiry date	January 11, 2026
Exercise price	€ 148.64
Jan Suykens	8,000
Piet Dejonghe	6,000
Tom Bamelis	5,000
Piet Bevernage	5,000
André-Xavier Cooreman	5,000
Koen Janssen	5,000
John-Eric Bertrand	5,000
Total	**39,000**

2.9 Main contractual conditions

The agreements with the members of the executive committee contain the customary provisions regarding remuneration (both fixed and variable), non-competition and confidentiality, and apply for an indefinite period. The only contracts concluded after July 1, 2009 were those concluded on April 17, 2012, June 27, 2014, and July 3, 2015 with Koen Janssen, André-Xavier Cooreman and John-Eric Bertrand, respectively, with regard to their mandates on the executive committee, of which they have been members since April 1, 2012, July 1, 2014, and July 1, 2015, respectively.

The current chairman of the executive committee is entitled to unilaterally terminate his contract subject to a notice period of 6 months. The company is entitled to unilaterally terminate this contract subject to a notice period of 24 months.

The other members of the executive committee are entitled to unilaterally terminate their contract subject to a notice period of 6 months. The company is entitled to unilaterally terminate the contract of these members subject to a notice period of 18 months. This period may increase to a maximum of 24 months depending on the age of the concerned executive committee member at the time of the unilateral termination of the contract by the company, except for Koen Janssen, André-Xavier Cooreman and John-Eric Bertrand, whose contracts for the provision of services date from after the effective date of Article 554, fourth paragraph of the Companies Code (namely May 3, 2010), which imposed limitations on the length of notice periods:

- 18 months in case of termination before the 50th birthday,
- 20 months in case of termination between the 50th and 52nd birthday,
- 22 months in case of termination between the 52nd and 54th birthday,
- 24 months in case of termination after the 54th birthday.

The contracts between the company and the members of the executive committee also contain provisions regarding the criteria for granting variable remuneration, and give the company the right to reclaim variable remuneration that was granted on the basis of incorrect financial information.

3. Remuneration of (non-)executive directors

On the recommendation of the remuneration committee, the board of directors proposed on March 27, 2013 to adjust the remuneration of the directors, which had remained unchanged in 2011 and 2012, as follows from the financial year 2013:

Fixed remuneration for the chairman of the board of directors	€ 60,000
Fixed remuneration for the directors	€ 30,000
Additional fee for the members of the remuneration committee	€ 2,500
Additional fee for the chairman of the audit committee	€ 10,000
Additional fee for the members of the audit committee	€ 5,000
Attendance fee per meeting of the board of directors or the audit or remuneration committee	€ 2,500

This proposal was approved by the ordinary general meeting of May 27, 2013. At that meeting, the chairman made clear that the sum of 2,500 euros for attendance fees should be regarded as a maximum amount. The board of directors decided to implement this increase in three stages: 800 euros for 2013, 1,600 euros for 2014, and 2,500 euros for 2015 and subsequent years.

Having regard to the fact that Luc Bertrand was appointed chairman of the board of directors on May 23, 2016, succeeding Jacques Delen, and that, additionally, and in the interest of the group, he became or remained chairman of CFE, DEME and SIPEF, and remained a director of Delen Private Bank and Bank J.Van Breda & C°, the remuneration committee proposed to grant him a fixed remuneration of 350,000 euros per year with effect from June 1, 2016, as well as placing a company car at his disposal. This proposal was announced at the annual general meeting of May 23, 2016.

Each director received a director's fee in 2018 (for the financial year 2017).

The amounts granted to the directors by Ackermans & van Haaren in 2019 (on the financial year 2018) in the form of individual remuneration and other benefits can be summarised as follows:

	Directors' fees	Attendance fees
Alexia Bertrand	€ 30,000	€ 20,000
Luc Bertrand	€ 60,000	€ 20,000
Marion Debruyne	€ 30,000	€ 22,500
Jacques Delen	€ 30,000	€ 20,000
Valérie Jurgens	€ 15,000	€ 5,000
Pierre Macharis	€ 32,500	€ 20,000
Julien Pestiaux	€ 37,500	€ 35,000
Thierry van Baren	€ 37,500	€ 30,000
Victoria Vandeputte	€ 15,000	€ 7,500
Frederic van Haaren	€ 30,000	€ 20,000
Pierre Willaert	€ 40,000	€ 30,000
Total	**€ 357,500**	**€ 230,000**

Since the amounts of the remuneration, director's fees and attendance fees are not linked to the company's results, they may be classed as fixed, non-performance-related remuneration.

For the sake of completeness, it should be noted that Luc Bertrand also received a director's fee of 60,000 euros from SIPEF in 2018, half of which is transferred to Ackermans & van Haaren. Jacques Delen also received, direct and indirect, remuneration in 2018 in his capacity as chairman of the board of directors of Delen Private Bank and as manager of Delen Investments, to the amount of 356,000 euros (including pension insurance) and has a company car at his disposal. He also received director's fees from SIPEF to the amount of 29,000 euros in 2018. The remuneration which SIPEF paid to Luc Bertrand and Jacques Delen is mentioned in SIPEF's annual report (Remuneration report - Remuneration of non-executive directors) for the financial year 2018.

V Statement regarding non-financial information

In accordance with Art. 119, §2 of the Companies Code, as adopted by the Law of September 3, 2017, the annual report must include a Statement of Non-financial Information. This statement is included in the next chapter of this annual report, of which it is an integral part.

On behalf of the board of directors, March 21, 2019

Luc Bertrand
Chairman of the board of directors

Statement of non-financial information

This statement of non-financial information (the 'Statement') has been drawn up in accordance with Article 119, §2 of the Belgian Company Code, and relates to the financial year ending on December 31, 2018.

1. Scope

Ackermans & van Haaren is legally required to prepare this Statement at the consolidated level.

The contracting company CFE (including DEME) is subject to the same legal obligation, and, in accordance with Article 119, §2, 3° of the Belgian Companies Code, has drawn up a separate statement of non-financial information that can be consulted via www.cfe.be (available from March 29, 2019).

Consequently, this Statement contains the relevant non-financial information of Ackermans & van Haaren itself and the following, fully consolidated subsidiaries:
- Agidens International NV
- Anima Care NV
- Bank J.Van Breda & C° NV
- Extensa Group NV
- Leasinvest Real Estate Comm.VA
- Rent-A-Port NV

Within the Ackermans & van Haaren group, SIPEF and Delen Private Bank also meet the legal criteria. Their respective statement of non-financial information will be available as part of the annual report, via the following web links:
- SIPEF: www.sipef.com (available from April 30, 2019)
- Delen Private Bank: www.delen.be (available from June 2019).

2. Internationally recognised reference model

This Statement is inspired by certain parts of the GRI Sustainability Reporting Standards 2016, as issued by the Global Sustainability Standards Board, and, in particular, those that touch upon the five legally-prescribed domains. The aim is to apply uniform performance indicators ('KPI') across the different companies active in various sectors. A reference table with the applied GRI standards is included on the opposite page.

Certain companies also use specific reference models, to which reference is made in the separate overviews.

3. Activities - non-financial risk factors

Ackermans & van Haaren invests in sustainable companies with an international growth potential. The focus is thereby both on the further expansion and active follow-up of the existing portfolio, and on the analysis of new investments, on companies that offer solutions to societal challenges in the long term, such as population growth and the need for sustainable (tropical) agriculture, the ageing population and the demand for quality care and sustainable wealth accumulation and protection, climate warming and the importance of renewable energy. For a more detailed explanation, including the relationship between the activities of the existing participations and the societal challenges, reference is made to the 'Corporate Social Responsibility' chapter on p. 56 of the annual report. The specific activities of the fully consolidated participations are summarized in the separate overviews, and are further explained in the 'Activity report' of the annual report from p. 68 onwards.

As an active participant in the global economy, the group is exposed to global non-financial risks, such as climate change. Depending on the location and nature of the activities, climate change, as well as any possibly associated policy measures, can have an impact on production capacity, the well-being of employees, and the cost of operations (raw materials, energy, insurance, taxes) in both the short and long term. The subsidiaries of Ackermans & van Haaren are themselves responsible for the identification and, where necessary, the management of such risks and their integration into their investment policy and strategy, on the understanding that Ackermans & van Haaren is hereby involved in this through its representation on the boards of management and audit committees and, based on its long-term vision, ensures that business models and strategies adapt to changing circumstances.

As a so-called 'active owner', Ackermans & van Haaren is represented on the boards of directors and the advisory committees of its participations, and ensures that the participations pursue a sustainable growth policy that takes account of the legal requirements, social trends and the risks in environmental, social and employee matters, human rights and combating corruption and bribery.

Participations that are active in countries with a higher risk profile for human rights violations or, in general, other practices and legislation with regard to working conditions, as well as in countries with a higher score on the corruption perception index, must demonstrate increased vigilance - any infringements here will always have a negative impact on the reputation and credibility of the company and the group, thereby damaging its long-term growth potential. Ackermans & van Haaren expects its participations to conduct a responsible and ethical corporate policy, and encourages participations with increased exposure to follow a proactive policy, to develop concrete codes of conduct and compliance programmes, to provide sufficient training and to strictly monitor compliance.

In the context of new investments, Ackermans & van Haaren traditionally carries out a due diligence examination to investigate whether the target company has complied, among others, with the laws and regulations on environmental and human resources affairs, and also complies with the prohibition on corruption and bribery.

Human capital is an essential asset for the Ackermans & van Haaren group: attracting successful new investments and the sustainable recurring growth of existing investments depends to a large extent on the expertise, reputation, networking and motivation of the multidisciplinary team at the holding level and the key persons in the participations, as well as the availability of qualified employees. The departure of important employees can therefore have a negative impact. This risk is controlled to a large extent by the creation of the best possible working environment at the holding level, the active follow-up of personnel matters via the boards of directors of the participations, and the permanent dialogue with the key persons in the participations in the light of a common vision and strategy. As part of corporate governance, Ackermans & van Haaren also attaches great importance to collegial decision-making and transparent dialogue: this also limits the impact of the departure of important employees.

GRI Disclosure

GRI General Disclosures		Comments	Page
102-1	**Name of the organization**	Ackermans & van Haaren NV	208-209
102-2	**Activities, brands, products, and services**		68-121
102-3	**Location of headquarters**		208-209
102-5	**Ownership and legal form**		34, 208-209
102-6	**Markets served (geographically, sectors)**		9
102-7	**Scale of the organization, including number of employees, turnover and capitalization**		9, Key figures
102-8	**Information on employees (by sex, statute and contract type)**		Declaration
102-9	**Supply chain**	At the Ackermans & van Haaren level, this mainly relates to services and products for the headquarters in Antwerp and consultancy services for the (dis)investments.	
102-10	**Significant changes to the organization and its supply chain**	There are no material changes at the level of Ackermans & van Haaren.	
102-14	**Statement on the relevance of sustainability**		14-17
102-15	**Description of risk factors**		20-22, Declaration
102-16	**Description of values and norms of behavior**	See also the Integrity Code, which is available on the website.	6-7
102-18 and next	**Corporate governance**	The legally required information has been included in the corporate governance statement and the remuneration report.	24-37
102-40 and next	**Stakeholder engagement**	No analysis was carried out with regard to the stakeholders.	
102-45 and next	**Reporting**	• An overview of the perimeter is included in the Statement. • HPA NV was not included. • The content, periodicity and the auditor's review of the Statement is in line with the relevant legal requirements.	24-37
404-1	**Training**		38-55
405-1	**Diversity**		38-55

4. Ackermans & van Haaren

4.1 Policy documents

In order to emphasize the importance of ethical and responsible business and to promote sustainable growth within the group, the board of directors approved the Integrity Code on March 19, 2018. This Integrity Code is founded on the values that underlie the corporate family history of Ackermans & van Haaren, and is also inspired by the ten key principles of the 'UN Global Compact'. This code, which can also be consulted on our website, applies primarily to the directors and employees of Ackermans & van Haaren. At the same time, as an active shareholder, Ackermans & van Haaren wishes to encourage its participating interests to approve their own code and to draw up internal procedures that can guarantee compliance with these provisions.

The employment relations within Ackermans & van Haaren are governed by the following policy documents: The Labour Regulation (for white-collar workers) of January 1, 2014; the Internal Company Guidelines of January 1, 2015, and the Corporate Governance Charter of February 25, 2019.

4.2 Policy objectives

During the 2018 financial year, Ackermans & van Haaren took steps with a view to achieving the objectives set out in its first non-financial statement with regard to the 2017 financial year, as explained below. The aim is still to achieve these objectives by the end of 2020 at the level of Ackermans & van Haaren, and at the level of the aforementioned, fully-consolidated participations over which it exercises exclusive control.

Objective	Steps realised in the financial year 2018
Corporate governance • Advisory committees: constitution of at least an audit and a remuneration committee in each participation.	• Establishment of an audit committee at Anima Care
Ecological footprint • Performance of a survey to measure the ecological footprint of each participation. • Elaboration of measures to structurally diminish that footprint.	• First measurement of the ecological footprint at the level of Ackermans & van Haaren and Bank J.Van Breda & C° • Agidens achieved level 5 on the CO_2 Performance Ladder
Human rights • Performance of a risk analysis relating to the observance of human rights by each participation. • Elaboration of measures to promote the observance of human rights.	

4.3 Environment

The activities at the headquarters have a limited impact on the environment. Nevertheless, Ackermans & van Haaren strives to play an exemplary role, and to limit the negative impact as far as possible by introducing measures to limit paper consumption and save energy.

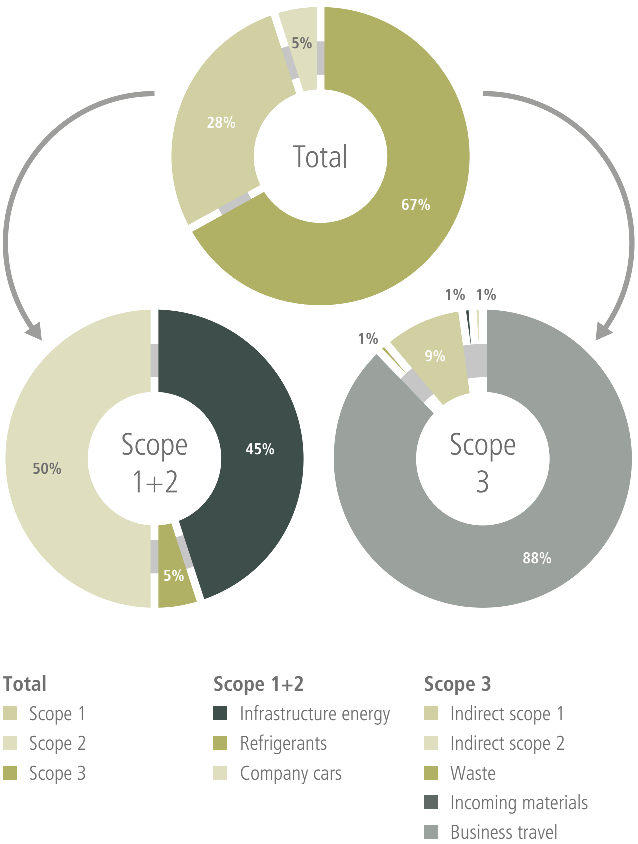
Ackermans & van Haaren had its CO_2 footprint measured for the first time by an external specialist service provider, based on the data available on December 31, 2018. This analysis maps the direct greenhouse gas emissions from the Antwerp headquarters. A distinction is thereby made between three areas of application:

- Scope 1: direct emissions related to the use of fossil fuels (petrol and diesel for the vehicle fleet, gas heating) and leaks in cooling installations
- Scope 2: indirect emissions linked to energy (electricity, heat network and cooling)
- Scope 3: indirect emissions linked to the activities of AvH (commuting, business travel, waste, incoming materials).

This analysis focuses on 'climate change': the end result is a global overview of the different 'impacts' in CO_2 equivalents (the various greenhouse gases are converted based on an average climate warming impact over 100 years).

The result of the baseline measurement made on December 31, 2018 shows that the total emissions of the Antwerp headquarters are 943 tons of CO_2 equivalents, which corresponds to approximately 30 tons of CO_2 equivalent per full-time employee. The most important sub-items that contribute to this footprint are the following:

- business travel (in particular air travel): 59%
- vehicle fleet: 21%
- consumption of natural gas / electricity: 17%



During the 2019 financial year, an 'eco committee' will further analyse these results, and will draw up concrete proposals to reduce and compensate the ecological footprint at the holding level (in addition to the initiatives reported in the statement for the 2017 financial year), as well as monitoring the collection of data for subsequent measurements of the ecological footprint.

4.4 Human resources

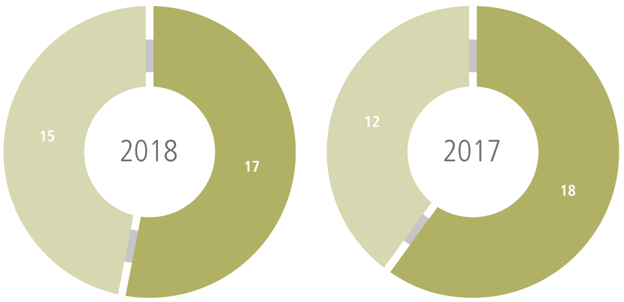
As an employer, Ackermans & van Haaren strives to offer its employees the best possible working environment, in which ethical and respectful conduct is central.

As at December 31, 2018, Ackermans & van Haaren had 32 employees. Ackermans & van Haaren hired four new employees in 2018, three women and one man. Two employees reached the statutory retirement age. None of the staff of Ackermans & van Haaren was on extended sick leave in 2018.

With regard to the specific performance indicators on diversity, nature of employment and training, reference is made to the table below. There are no significant changes compared to the situation as at December 31, 2017. The focus was once again on the general development of employees (through training and evaluation moments) and their general well-being (healthy lunch, fresh fruit, fitness, etc.).

Men and women (GRI 405-1)

Number of staff members[1] 2018: 32 (in 2017: 30)

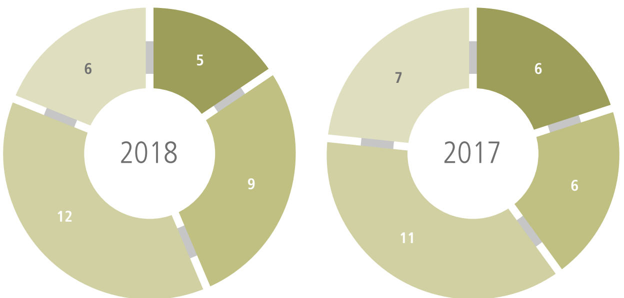


Men Women

[1] Including executive committee

Age (GRI 405-1)

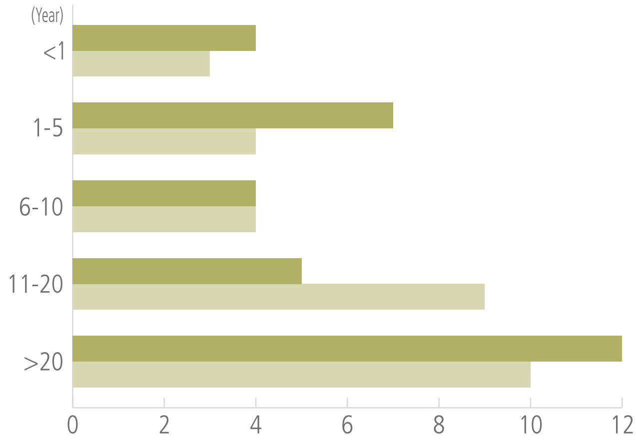
Number of staff members 2018: 32 (in 2017: 30)



< 25 year
25-35 year
36-45 year
46-55 year
> 55 year

Seniority (GRI 405-1)

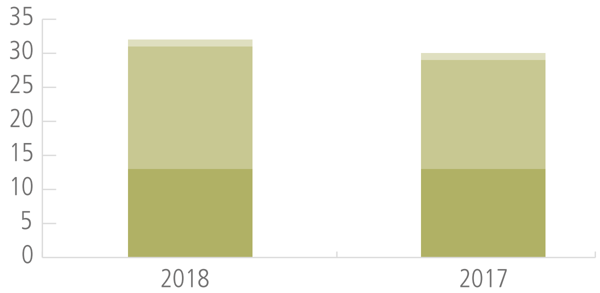
Number of staff members 2018: 32 (in 2017: 30)



2018 2017

Type (GRI 102-8)

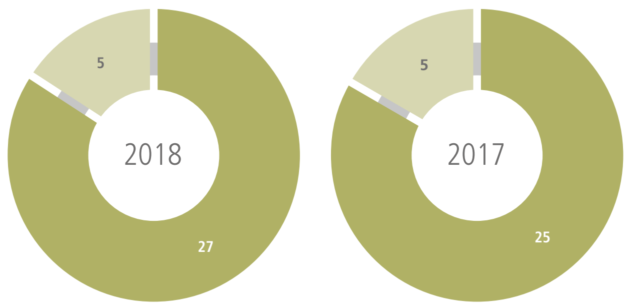
Number of staff members 2018: 32 (in 2017: 30)



Self-employed White-collar Blue-collar

Full-time and part-time (GRI 102-8)

Number of staff members 2018: 32 (in 2017: 30)



Full-time Part-time

Training (GRI 404-1)

Number of hours 2018: 242 (in 2017: 162)

One of the main challenges facing Ackermans & van Haaren is not so much attracting talented staff, but rather the problem of mobility. It is becoming increasingly difficult to conveniently arrive in Antwerp at any time of the day. In that context, employees have been able to use additional office space in Merelbeke (Ghent) since December 2018.

4.5 Social issues

Ackermans & van Haaren also tries to contribute to a more humane society through its patronage policy. For more information about the policy and the supported projects, please refer to the 'Corporate Social Responsibility' section of the annual report.

4.6 Human rights

Ackermans & van Haaren subscribes to the Universal Declaration of Human Rights and demands the same commitment from its staff and from its participations. It is its ambition to verify whether its suppliers also observe those rights.

4.7 Anti-corruption and bribery

Ethical entrepreneurship is one of the fundamental values of Ackermans & van Haaren. The basic rules in that respect are set out in the Integrity Code. To prevent corruption and bribery at the level of Ackermans & van Haaren, care is always taken, as far as outgoing payments are concerned, that the person making the payment is different from the person who has decided on the payment. The application of this rule is verified as part of the annual internal audit by the group controller. There were no violations to report in this context in 2018.

The Corporate Governance Charter also provides for a whistleblower policy, whereby the employees of Ackermans & van Haaren can report possible financial irregularities with regard to financial reporting or other matters to the chairmen of the board of directors and/or the audit committee.

5. Agidens

5.1 Activities

The Agidens group provides advice, automation and maintenance services for five focus markets: Life Sciences, Tank Terminals, Food & Beverage, Infrastructure and Chemicals from Belgium, the Netherlands, France, Switzerland and the United States.

It is ensured that these activities are carried out in accordance with the highest ethical standards. The Business Code of Conduct of Agidens sets out clear guidelines on how those standards should be applied. This enables Agidens not only to guarantee its integrity and to do business in a responsible way, but also to prioritize business ethics in its relations with customers and suppliers, to treat all employees with respect, and to take its responsibilities in the area of health, safety and the environment seriously.

5.2 Policy documents

The topics of environment, human rights and anti-corruption and bribery are specifically featured in the Business Code of Conduct of February 25, 2016, the Supplier Code of Conduct, and the Management Statement on Safety, Environment and Well-being.

The employment relations in the Agidens group are regulated by the following policy documents: Labour Regulation (for white-collar employees) of July 1, 2016, the Agidens Company Book, Section Well-being, of November 2016, the Management Statement on Safety, Environment and Well-being.

5.3 Policy objectives

Each year, the management of Agidens sets 'RPQHS²' targets to increase the efficiency of the Quality Management System and to guarantee the connection with the strategic initiatives and the current business context, where R stands for 'Result', PQH for 'Process, Quality and Human Resources', and S² for 'Safety & Sustainability'.

For 2019, targets have been set to reduce the 'natural attrition' to below 8%, to attain a frequency level (Fg) of maximum 9 in the area of 'Safety & Sustainability', to update the safety plan with a proactive follow-up, but also to organise at least 1 event per quarter to promote and support sustainability.

The target for 2018 - to achieve at least level 5 on the CO_2 Performance Ladder - was achieved. This is a management system that encourages companies to map and reduce CO_2 emissions. The processes and results are verified by an accredited independent body. By obtaining a Level 5 certification (the highest level), Agidens shows that it is one of the leaders in the field of sustainable business.

Agidens has a SMETA certification (SEDEX Members Ethical Trade Audit). SMETA is a standard for guaranteeing ethical action. The SMETA system focuses on the evaluation of 4 major pillars: workers' rights, business ethics, environmental issues and health/safety. After a detailed audit in December 2017, Agidens received the '4 Pillar requirements' certificate, which is valid for three years, on August 27, 2018. Agidens will heed the recommendations in the audit report and intends to achieve the relevant targets at the latest by the next audit in 2021.

Objective	Steps realised in financial year 2018
Environment/Energy - Ecological footprint • Attainment of certification on the CO_2 Performance Ladder based on a carbon footprint. • Elaboration of emission reduction targets and measures to structurally diminish that footprint.	• Adigens sees its sustainable policy efforts rewarded with a Level 5 certificate on the CO_2 Performance Ladder. • Concrete action points for achieving this objective are the reduction of own CO_2 emissions from the vehicle fleet and a reduction in the electricity consumption of the offices. The annual mapping of a CO_2 footprint provides Agidens with the opportunity to monitor its emissions and to take efficient measures to reduce CO_2 emissions, and thereby make its business operations more sustainable. Thanks to these efforts, Agidens aims to reduce CO_2 emissions (related to turnover) by 10% in 2021 compared to 2016.
Human rights • The identification of the stakeholders and stressing important issues regarding human rights. • Assessing and measuring the direct, indirect and potential impact on the stakeholders.	
Anti-corruption and bribery • Introduction of a transparent 'whistleblower system' for reporting improper behaviour, with emphasis on cases of fraud (corruption and bribery). • Training of staff members whose duties involve a higher risk of fraud (corruption and bribery), such as sales, procurement, logistics services.	• A transparent 'whistleblower system' was introduced in 2018 for reporting undesirable behaviour, including fraud (corruption and bribery).

5.4 Environment

Agidens promotes corporate social responsibility in all its activities in the area of environmental policy.

Agidens lays emphasis on the following:

- Using the environmental aspect as a criterion in investment and procurement decisions.
- Limiting the environmental impact of staff movements by encouraging sustainable mobility.
- Minimising and sorting waste.
- Limiting energy consumption in the company buildings.
- Limiting the environmental impact of activities carried out at the customer's premises.
- Proactive provision of environmental advice to the customer about his/her activities.

For further explanation, reference is made to the above with regard to certification on the CO_2 Performance Ladder, and to the 'Corporate Social Responsibility' chapter of the annual report.

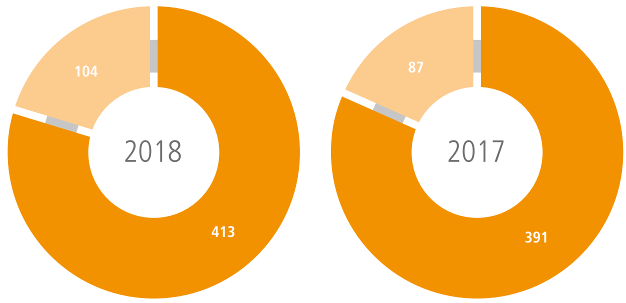
5.5 Human resources

Agidens attaches great importance to a diversified workforce and well-being at work. The safety and health of every member of staff is of vital importance for the success of Agidens' policy.

The Agidens group in total consisted of approx. 600 staff members on December 31, 2018, of which 517 payroll staff members (compared to 478 payroll staff members on December 31, 2017). The specific KPI for diversity, type of employment and training which are mentioned below refer to the payroll staff members. There are no significant changes compared to the situation as at December 31, 2017.

Men and women (GRI 405-1)

Number of staff members[(1)] 2018: 517 (in 2017: 478)



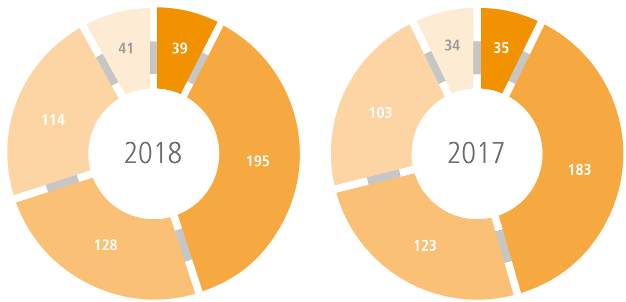
Men

Women

[(1)] Including executive committee

Age (GRI 405-1)

Number of staff members 2018: 517 (in 2017: 478)



< 25 year

25-35 year

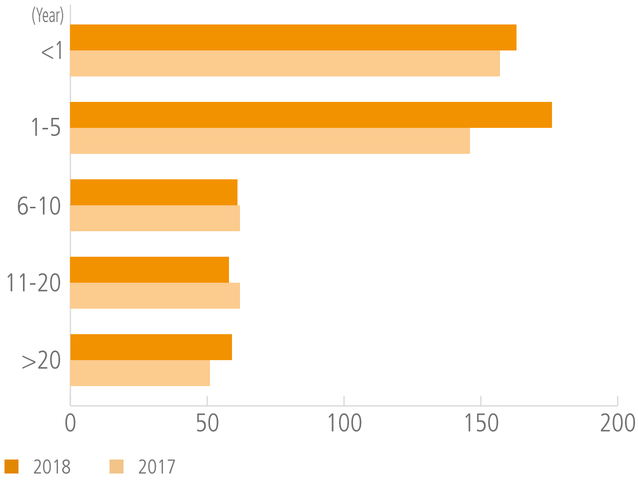
36-45 year

46-55 year

> 55 year

Seniority (GRI 405-1)

Number of staff members 2018: 517 (in 2017: 478)

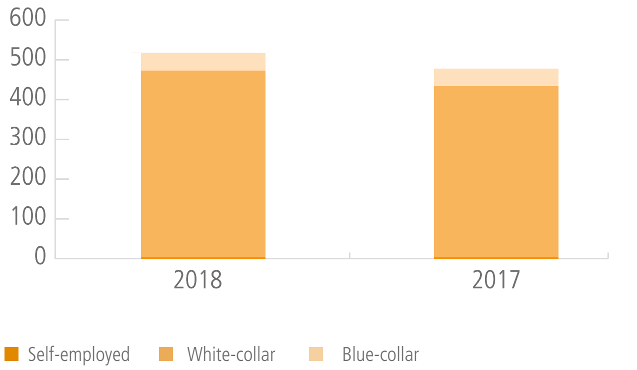


Training (GRI 404-1)

Number of hours 2018: 17,932 (in 2017: 15,569)

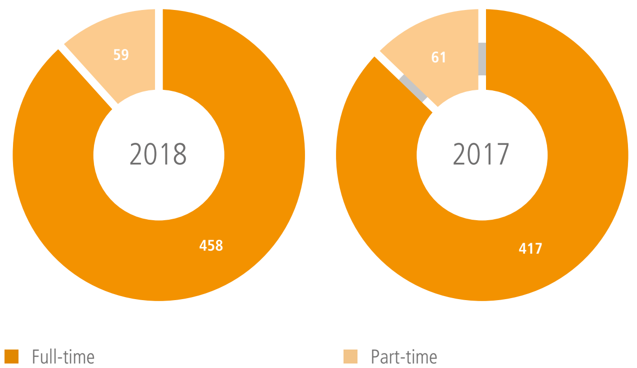
Type (GRI 102-8)

Number of staff members 2018: 517 (in 2017: 478)



Full-time and part-time (GRI 102-8)

Number of staff members 2018: 517 (in 2017: 478)



Absenteeism remained stable during 2018, at 3%. There is still a strong focus on training, within both the divisions and the supporting divisions.

With regard to monitoring well-being, Agidens still has the various prevention services and hotlines as described in the Statement to the 2017 financial year. One of the big challenges is the mobility problem following the start of work on the Oosterweel Link. It is becoming increasingly difficult to get to Zwijndrecht easily. That is why it was decided to open a satellite office in Brasschaat (opened in March 2018) to make it easier for staff members who live in the north of Antwerp to get to work. Flexitime and home-working are also stimulated.

The Intuo app was implemented within Agidens in April 2018. The purpose of this interactive app is to set up a barometer at team level to detect the needs within a team in a timely manner. The ultimate aim is to monitor the psychosocial well-being of employees and to identify problems in the organisation more proactively in this way.

5.6 Social affairs

Agidens seeks an open and constructive dialogue with local authorities, social partners and all other stakeholders involved in the activities. Where possible Agidens supports local social, cultural and economic initiatives. The following initiatives were thereby supported during 2018: Ava & Trix vzw, KWF Kankerbestrijding and Special Olympics.

5.7 Human rights

Agidens subscribes to the Universal Declaration of Human Rights and demands the same commitment from its staff. It is Agidens' ambition to verify whether its suppliers also observe those rights.

5.8 Anti-corruption and bribery

Ethical entrepreneurship is one of the fundamental values of Agidens. The basic rules in that respect are set out in the Business Code of Conduct and in the Supplier Code of Conduct. A transparent whistleblower system was introduced in 2018 for reporting undesirable behaviour, including fraud (corruption and bribery).

6. Anima Care

6.1 Activity

Anima Care specialises in the care and health sector in Belgium, focusing in particular on accommodation and care for the elderly. Anima Care invests in both the operational activities and the real estate.

On December 31, 2018, Anima Care had 2,097 beds in operation, of which 1,785 retirement home beds, 107 convalescent home beds, and 205 service flats, spread over 21 care centres (9 in Flanders, 8 in Brussels, 4 in Wallonia).

Anima Care resolutely opts for quality and puts the residents first. It combines a pleasant living environment with a high quality of service. Anima Care pays a lot of attention to the constant improvement of its working methods and operational systems, as well as to the selection, supervision and development of its employees. They always put the quality vision and values of Anima Care into practice day after day.

6.2 Policy documents

A residence agreement is concluded with each resident, in which the fundamental values of Anima Care are translated. These fundamental values are reflected in the rules of the internal regulations and in the living project that is drawn up for each care centre.

Staff relationships are regulated by the Labour Regulation. Anima Care ensures that the fundamental values and codes of conduct contained in the Labour Regulation are emphasised on various occasions and are applied in practice. The welcome brochure for new employees and the guidelines for the regular appraisals were revised in the course of 2018, so that the values and codes of conduct would be better addressed in these.

6.3 Policy objectives

As a group company of AvH, Anima Care subscribes to the intention to achieve the aforementioned objectives of corporate governance, ecological footprint and human rights by the end of 2020.

An audit committee was set up within the board of directors in 2018.

6.4 Environment

Anima Care tries to keep the impact of its activities on the environment as limited as possible.

In the realisation and management of the new construction projects, a great deal of attention is paid to energy efficiency and ecology, and conscious investments are made in alternative forms of energy (photovoltaic cells, cogeneration), water treatment plants and optimum building management systems. For a more detailed explanation, reference is made to the 'Corporate Social Responsibility' chapter of the annual report.

Investments are also being made in energy-efficient solutions in the existing buildings: LED lighting, the replacement of old boilers, the installation of thermostatic valves on the heating devices, the improvement of the sun protection, etc. The investments mentioned above are supplemented by targeted actions to improve the environmental awareness of employees and to limit the impact of daily operations on the environment, as explained further in the 'Corporate Social Responsibility' chapter of the annual report.

6.5 Human resources

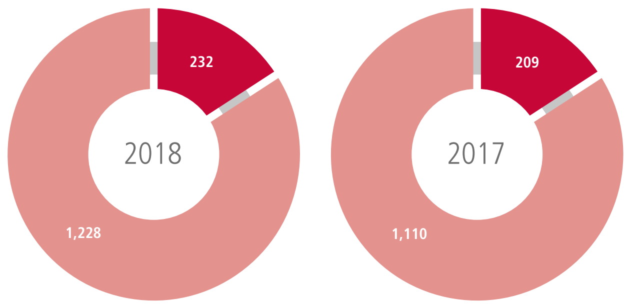
Anima Care attaches great importance to a diverse workforce and well-being at work.

Anima Care had 1,460 employees on December 31, 2018 (compared to 1,319 employees on December 31, 2017).

With regard to the specific performance indicators with regard to diversity, the nature of the employment and training, reference is made to the table below. There are no significant changes compared to the situation as at December 31, 2017. Absenteeism remained virtually stable during 2018.

Men and women (GRI 405-1)

Number of staff members[1] 2018: 1,460 (in 2017: 1,319)

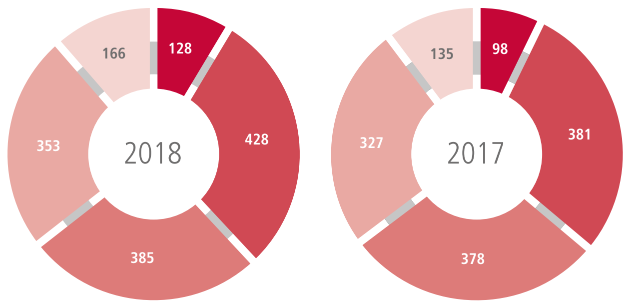


Men
Women

[1] Including executive committee

Age (GRI 405-1)

Number of staff members 2018: 1,460 (in 2017: 1,319)



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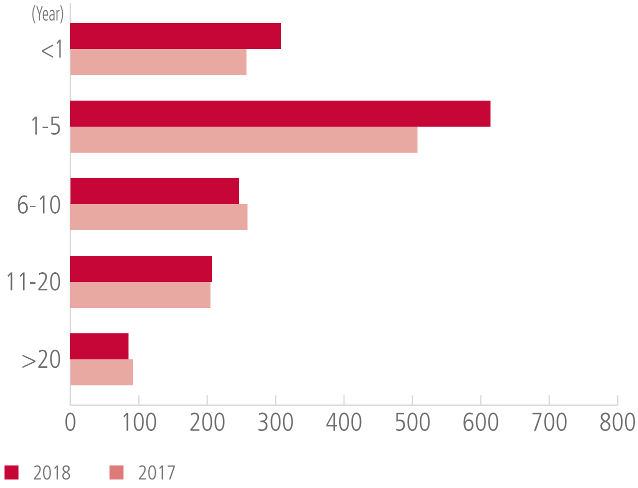
25-35 year
36-45 year
46-55 year
> 55 year

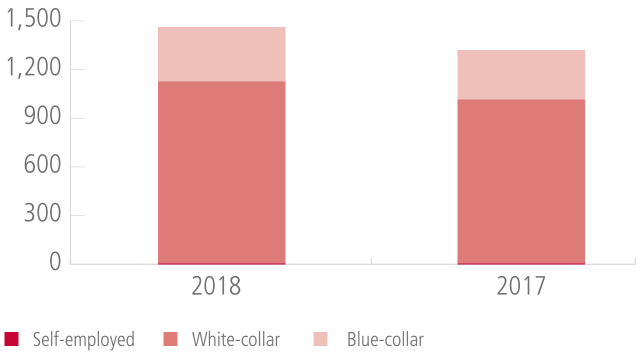
Seniority (GRI 405-1)

Number of staff members 2018: 1,460 (in 2017: 1,319)



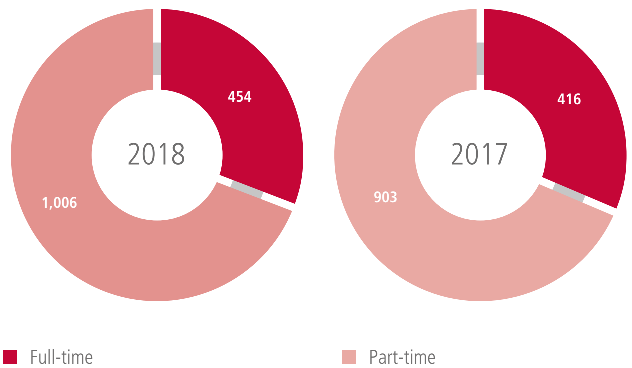
Type (GRI 102-8)

Number of staff members 2018: 1,460 (in 2017: 1,319)



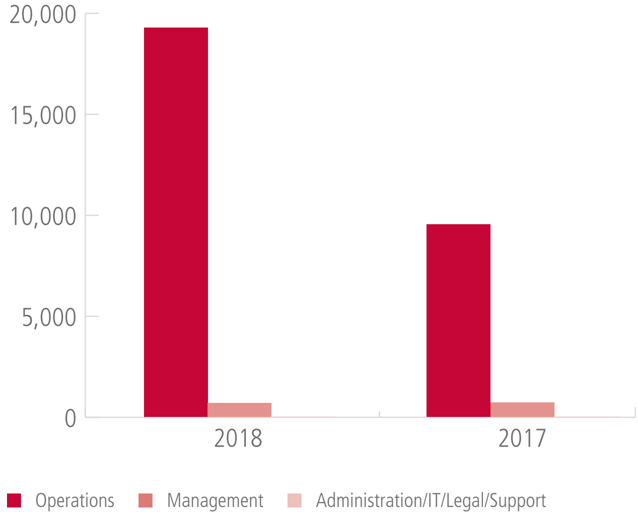
Full-time and part-time (GRI 102-8)

Number of staff members 2018: 1,460 (in 2017: 1,319)



Training (GRI 404-1)

Number of hours 2018: 19,982 (2017: 10,216)



The care staff is continuously coached and regularly gets in-service training. They also have high-quality work equipment at their disposal to minimize physical strain on the job.

The employee well-being indicators are closely monitored by the operational management of Anima Care.

6.6 Social issues

For an explanation of the local anchoring of Anima Care, please refer to the 'Corporate Social Responsibility' section of the annual report.

In the regions in which it is active, Anima Care has concluded various cooperation agreements with local care actors. Where possible and useful, Anima Care also offers additional services itself, in addition to residential care, via home nursing, day care centres and local service centres. These support services are primarily aimed at the dependent residents in the vicinity of the care centres, and enable these people to live independently for longer.

6.7 Human rights

Anima Care subscribes to the Universal Declaration of Human Rights and demands the same commitment from its staff. Anima Care wants to uphold corporate social responsibility in the care industry where respect for other people is the core value.

6.8 Anti-corruption and bribery

Ethical entrepreneurship is one of the fundamental values of Anima Care. The four-eyes principle is consistently applied in all decisions and payments. Negotiations with suppliers are conducted at group level: in this way, the people responsible for care centres receive a fixed framework within which they can place orders.

7. Bank J.Van Breda & C°

7.1 Activity and general policy

Facilitator of the economic and social fabric

Entrepreneurs are the engine of our economy. The liberal professions guarantee health care, legal certainty and financial transparency. Together, they make a crucial contribution to our prosperity and well-being.

Bank J.Van Breda & C° positions itself as the preferred reference bank for family entrepreneurs and the liberal professions, both private and professional, throughout their lives. The bank assists clients in the systematic build-up, management and protection of their assets on the basis of a comprehensive approach that starts with the professional activity as a motor for the private capital, with a view to building a financial buffer for the ever-increasing period of professional inactivity after retirement.

Sustainable credit facilities

Bank J.Van Breda & C° pursues a conservative credit policy and focuses on sound credit facilities in the client's interest on the basis of a critical assessment of every credit application, followed by an analysis of safe forms of credit that are viable for the client. The client's repayment capacity, his professional ability and the ability to build up something himself are hereby the main considerations.

Because of the specific focus in terms of target group clients and the Belgian legislation in this area, credit provision is excluded in the following 'risk' situations:

- violations of human and labour rights,
- the production of fossil fuels such as coal, oil and gas, or unconventional oil and gas extraction, such as tar sands and shale gas,
- violation of public health and environment, such as groundwater poisoning, industrial activities in protected natural areas.

The bank does not provide loans to companies that are active in arms production, the tobacco industry or nuclear energy. SMEs operating in the financing of slot machines are also explicitly excluded.

Equity funds and asset management with responsible investments

Bank J.Van Breda & C° does not manage its own investment funds. Sister company Delen Private Bank specialises in asset management, and also manages the composition of the investment funds that are marketed by Bank J.Van Breda & C°. In this connection, the bank works together with fund manager Capfi Delen Asset Management (Cadelam), a subsidiary of Delen Private Bank. Responsible investing is paramount here, taking into account the 'Principles of Responsible Investment' supported by the United Nations and the exclusion lists published by relevant organisations related to socially responsible investment such as the Nordic State Fund. For further explanation in this regard, reference is made to the 'Corporate Social Responsibility' chapter of the annual report.

7.2 Policy documents

The personnel relations of Bank J.Van Breda & C° and its divisions are regulated by the labour regulations. Specific codes of conduct were drawn up for the Credit Investigation, Payment Transactions and ALM (Assets & Liability Management) departments.

7.3 Environment

In addition to the above-mentioned policy points regarding the environment for credit provision and investment funds, there is also broad support for limiting the ecological footprint in the relationships with the clients and at the corporate level. An 'Eco' working group acts as a pioneer in this, and examines the measures that are needed to turn the bank into a CO_2-neutral company.

A first carbon footprint study was prepared in 2018 to measure the bank's impact on the climate and to reduce this as much as possible. This served as an impetus to develop a long-term vision to become climate-neutral. Through a concrete action plan, the bank is committed to reducing its own emissions by at least 25% by 2025. This can be done through measures in the areas of energy consumption, company vehicles, cooling gases, commuting, paper use, waste and the like, combined with compensation through investments in climate projects. From 2019-2020, the bank wants to measure its achievements on the basis of key figures (KPIs) that are plotted in order to achieve the reduction targets.

In addition to the initiatives listed in the statement for the 2017 financial year, the following initiatives were recently launched:

- The switch to green electricity which the applicable legislation considers to be generated 100% from renewable energy sources or from qualitative co-generation installations;
- In the area of mobility, the focus is on behavioural change, by encouraging a balanced combination of flexible work at the headquarters and in local offices with work from home and video conferencing.

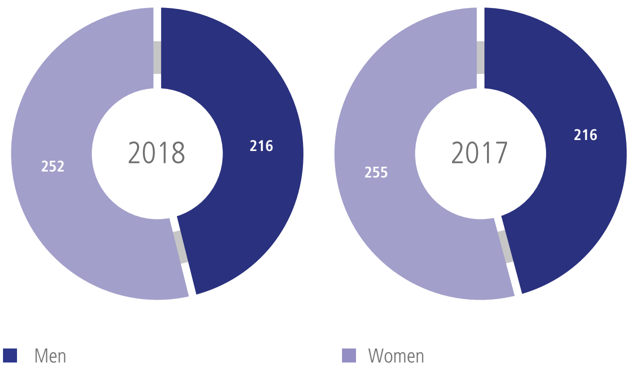
7.4 Human resources

As of December 31, 2018, Bank J.Van Breda & C° had 468 staff members (compared to 471 staff members on December 31, 2017).

With regard to the specific performance indicators on diversity, nature of employment and training, reference is made to the table below. There are no significant changes compared to the situation as at 31 December 2017. Absenteeism remained virtually stable during 2018.

Men and women (GRI 405-1)

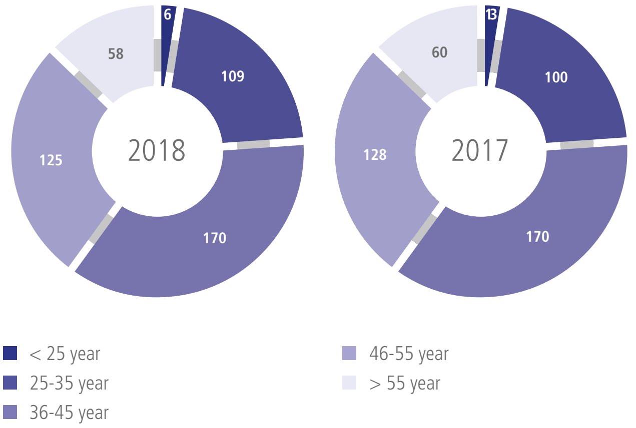
Number of staff members[1] 2018: 468 (in 2017: 471)



(1) Including executive committee

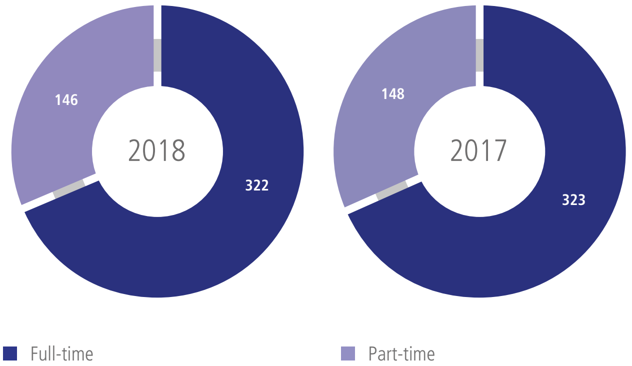
Age (GRI 405-1)

Number of staff members 2018: 468 (in 2017: 471)



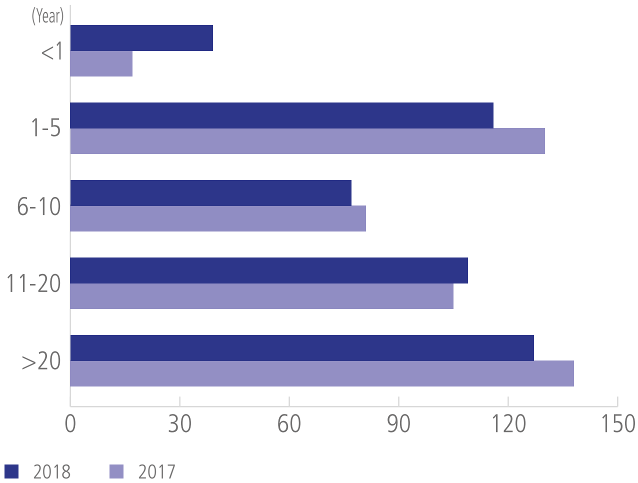
Full-time and part-time (GRI 102-8)

Number of staff members 2018: 468 (in 2017: 471)



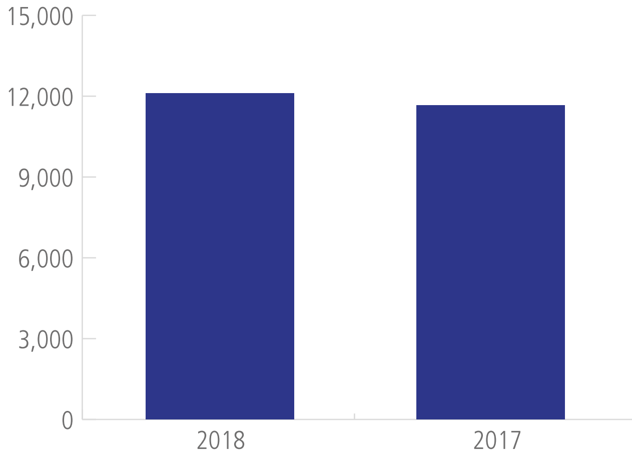
Seniority (GRI 405-1)

Number of staff members 2018: 468 (in 2017: 471)



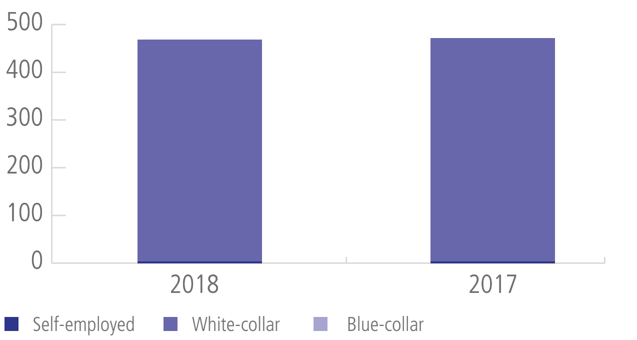
Training (GRI 404-1)

Number of hours 2018: 12,110 (2017: 11,652)



Type (GRI 102-8)

Number of staff members 2018: 468 (in 2017: 471)



Value-driven corporate culture

Bank J.Van Breda & C° believes that the deontology and ethical values of its staff are decisive for the way in which the bank interacts with its clients and suppliers. Culture and values research revealed honesty, a sense of responsibility and enthusiasm to be core values. The success of Bank J.Van Breda & C° is based on this corporate culture, and the bank therefore wants to nurture it.

The bank rejects all forms of discrimination based on race, religion, gender, sexual preference or origin. It is open to all people with talent and a positive attitude to life.

Great place to work

Happy people radiate a positive force, including in their job, and certainly in their interaction with the client. That is why, as an employer, the bank encourages people to work within their talent zone, and offers a framework that ensures growth and development. This is tested twice a year by participation in the international internal survey organised by 'Great place to work' working together with the Vlerick Management School. The bank was certified as a 'Great place to work' in 2018.

Gender diversity

A diverse board of directors pays attention to differences in background, gender and professional skills that are relevant to Bank J.Van Breda & C°. The remuneration and nomination committee assesses candidates for their merits, and on the basis of objective criteria. As of December 31, 2018, the composition of the board of directors and the executive committee meets the targets for representation of the under-represented gender within these bodies.

Keeping an eye on health

The bank also invests in general well-being, and promotes a healthy attitude to life by providing, among other things, a fitness room or financial support for a sports subscription, healthy food and flexible working conditions, all with the intention of achieving a good balance between work and private life.

7.5 Social matters

In order to make the right financial choices, clients should have a good understanding of their options. Not every client has sufficient basic financial knowledge, even if he or she has benefited from a university education. Lectures intended to familiarise, for example, trainee doctors and pharmacists with the financial world are therefore regularly organised. In 2018, Bank de Kremer launched a free app that is available for everyone in an anonymous manner, and that helps to obtain an overview and insight regarding building up a financial buffer for the ever-increasing period of professional inactivity after retirement.

With regard to patronage, reference is made to the 'Corporate Social Responsibility' chapter.

7.6 Human rights

Bank J.Van Breda & C° subscribes to the Universal Declaration of Human Rights and demands the same commitment from its employees and from its divisions.

7.7 Anti-corruption and bribery

Ethical entrepreneurship is one of the basic values of Bank J.Van Breda & C°. The importance the bank attaches to avoiding conflicts of interest is described in the deontological codes for the staff, the members of the executive committee and the members of the board of directors.

In addition to the provisions of the Labour Regulation, specific codes of conduct also apply in order to avoid conflicts of interest for the Credit Investigation, Payment Transactions and ALM (Assets & Liability Management) departments. The integrity policy prioritises the following areas: money laundering prevention, anti-abuse of tax arrangements, transactions in financial instruments, insider trading, price manipulation, privacy law, duty of discretion, ethical codes etc.

In order to assure the quality of services and to prevent corruption and bribery, internal control measures are included in the standards. An example of this is the functional separation of powers between payment orders and payments. The four-eyes principle has also been integrated into the automatic processes as far as possible.

A statement from people with purchasing responsibility is drawn up every year. The application of this rule is the subject of the annual internal audit. There are no violations to report in this context in 2018. The operation of the control measures is supported by a control structure that is based on cooperation between 3 lines of defence (3LoD).

1. The first-line responsibility for risk management (including corruption and bribery) is clearly assigned to the operational departments.
2. The second line (risk management and compliance) provides advice and monitors whether this responsibility is being taken up.
3. An independent third line (internal audit) assesses in an objective manner whether there are further opportunities for process improvement.

8. Extensa Group

8.1 Activity

Extensa Group is a project developer that has paid particular attention to area development and urban expansion since its foundation in 1910. The 'Tour & Taxis' site in Brussels and the 'Cloche d'Or' site in Luxembourg thereby fit perfectly within this strategic positioning. In principle, the realised projects are usually sold to end users or investors after completion, but Extensa Group can also retain buildings as an investment and actively manage them itself. Extensa Group itself is located on the Tour & Taxis site.

8.2 Environment

The expansion and reconversion of urban areas involves major changes for people and the environment. Extensa is therefore aware of the great responsibility that comes with this, and pays special attention to the long-term value of the achievements. This ambition goes far beyond simply complying with the legal requirements, or expressing meaningless statements. We are always looking for the most effective, future-oriented solutions for all aspects of our projects, which have an impact on the living environment of users, local residents and nature.

The renovation and re-use of the 'Gare Maritime' in Tour & Taxis illustrates this approach:

- Renewable energy: Photovoltaic panels and geothermal energy (with boreholes to a depth of 140 m) will provide the vast majority of the energy needs of this covered area.
- Construction - circularity and innovation: High quality natural materials such as bluestone and porphyry cobblestones are being reworked and reused. Dynamically-tinted glazing makes external solar protection superfluous. Innovative designs in wood ensure a greatly reduced CO_2 emission during construction, and guarantee an integral reuse of the materials over the long term.
- Logistics: By preference, building materials are provided and removed using barges on the nearby canal. A local logistics hub shortens the journeys of large trucks and makes small deliveries more efficient, with less traffic and less nuisance for users.
- Rainwater management: Rainwater is collected and stored in buffer basins (1,380 m³), and is used for flushing toilets, irrigating indoor gardens and feeding ponds. Any surplus is drained directly into the canal, without burdening the public sewerage system.

But special efforts are also being made in both Tour & Taxis and Cloche d'Or at the level of the overall sites, including protection of the original flora, the restoration of natural watercourses, and the creation of green zones and ecological passageways.

Extensa's efforts in this respect are also reflected in the sustainability certification it has obtained for the property it has developed: Brussels Environment (BREEAM 'Excellent' both in Design Phase and Post Construction), Herman Teirlinck (classification system 4* in accordance with the Flemish Government's Sustainable Office Buildings Manual, in terms of level comparable to BREEAM 'Excellent'), Alter Domus and Deloitte in Luxembourg (BREEAM 'Very Good' both in Design Phase and Post Construction). For the Gare Maritime, the objective is to achieve BREEAM 'Excellent Renovation' for the renovation of the existing structure and BREEAM 'Excellent New Built' for the new volume. The certification process is in progress.

Given the size and diversity of the new Tour & Taxis urban district, Extensa has a unique position, and therefore also has a responsibility to actively participate in a future-oriented approach to mobility. Working together with clients and various external partners, alternative modes of transport are promoted and offered, such as car-pooling & car-sharing, the reduction of car traffic balanced by an improved range of public transport, the encouragement of walking and cycling. Extensa is therefore also a partner of various governments in the construction of infrastructure and public facilities.

8.3 Human resources

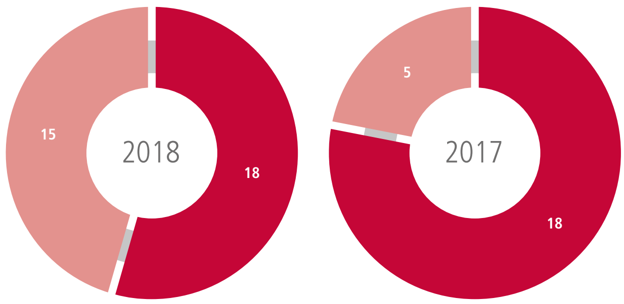
Extensa is based on the initiative and talent of all employees, and operates according to a progressive gender and diversity policy. The corporate culture is aimed at stimulating the creativity and resourcefulness of its employees. The quality of the service to external and internal customers is a constant point of attention. In this context, Extensa continues to develop a professional framework, on the basis of which the benefits of new working methods, which are focused on innovation and creativity, can continue to be combined with operational excellence.

Extensa had 33 employees as of December 31, 2018 (compared to 23 employees as of December 31, 2017)[1]. With regard to the specific performance indicators on diversity, nature of employment and training, reference is made to the table below. The gender balance was restored with the recruitment of 10 female employees in 2018. Extensa also calls on various temporary employees for specific projects or needs.

[1] Excluding consultants working on specific ad hoc projects

Men and women (GRI 405-1)

Number of staff members[1] 2018: 33 (in 2017: 23)

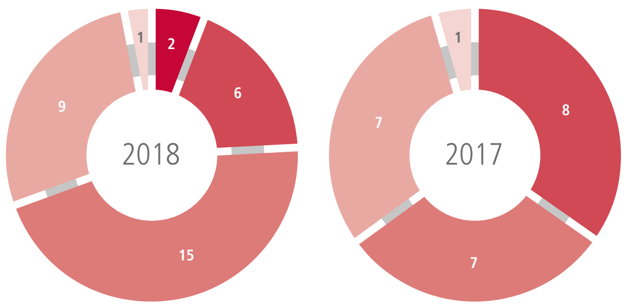


Men Women

[1] Including executive committee

Age (GRI 405-1)

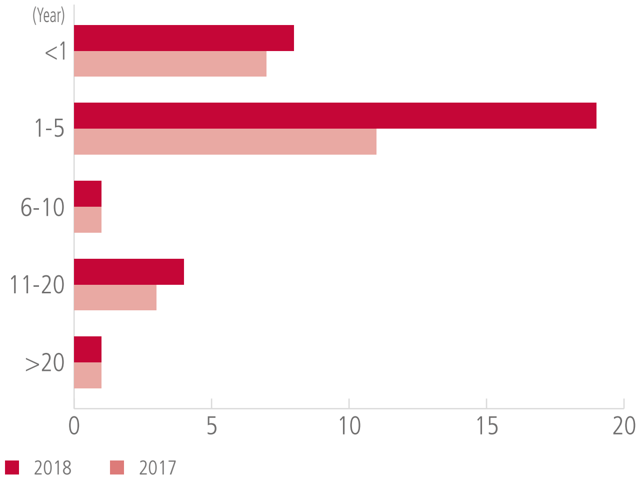
Number of staff members 2018: 33 (in 2017: 23)



< 25 year
25-35 year
36-45 year
46-55 year
> 55 year

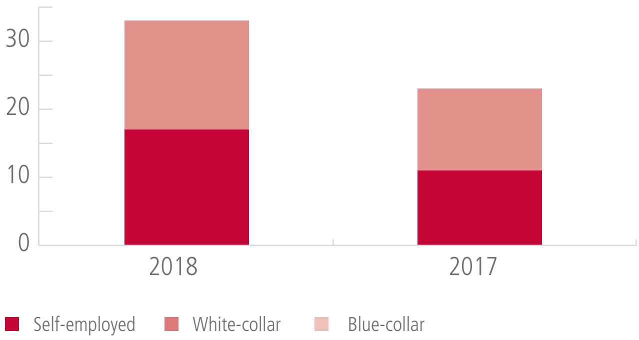
Seniority (GRI 405-1)

Number of staff members 2018: 33 (in 2017: 23)



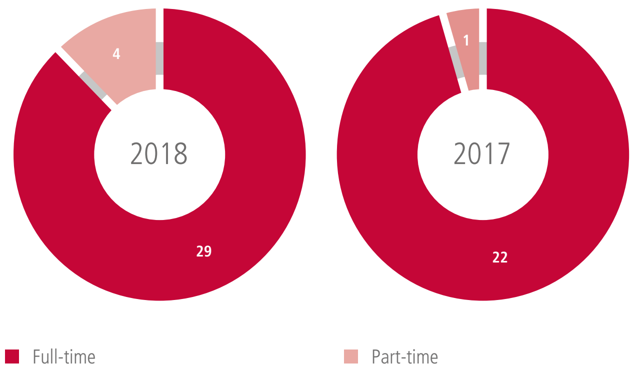
Type (GRI 102-8)

Number of staff members 2018: 33 (in 2017: 23)



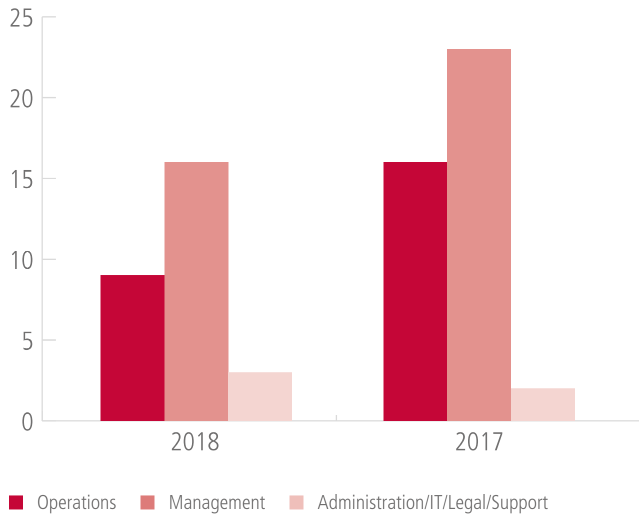
Full-time and part-time (GRI 102-8)

Number of staff members 2018: 33 (in 2017: 23)



Training (GRI 404-1)

Number of hours 2018: 28 (2017: 41)



Extensa organises an annual study and team building trip for all employees, as well as various social occasions during the year. Training and participation in seminars are encouraged.

8.4 Social issues

Extensa supports various social and cultural initiatives on the basis of a policy that establishes guidelines with regard to the objectives and values that must be respected. Real estate under management is also made available free of charge, or under very favourable conditions to charitable organisations (Cruyff Court in Sint-Jans-Molenbeek, Human Rights Watch, Special Olympics Belgium, L'Ecole du Cirque, TYN, Bright Future, Parckfarm, etc.). Another form of social engagement is the involvement of employees in the functioning of certain organisations (be.Face, BFFS, etc.).

8.5 Human rights

Extensa subscribes to the Universal Declaration of Human Rights and demands the same commitment from its staff. Extensa's ambition is to verify whether its contractors also observe those rights. This is taken into account in its policy goals for the coming years.

8.6 Anti-corruption and bribery

Ethical entrepreneurship is one of the basic values of Extensa. It is in line with the AvH Integrity Code to the extent that it relates to its activities and purpose. The four-eyes principle is consistently applied for all payments.

9. Leasinvest Real Estate

9.1 Activity

Leasinvest Real Estate (LRE) is a public regulated real estate company that is listed on the stock exchange. LRE invests in high-quality and well-located shopping centres, shops and offices in the Grand Duchy of Luxembourg (54%), Belgium (36%) and Austria (10%). In addition to managing its existing real estate portfolio, Leasinvest Real Estate also monitors (re-)development projects.

9.2 Environment

Leasinvest Real Estate is aware that its ecological footprint can be reduced by continuously striving to make the buildings in portfolio more energy-efficient and therefore more economical, with the sustainability aspect taking precedence over major renovations.

BREEAM is an international sustainability benchmark and is the standard for the optimal realisation (new construction) or renovation (buildings in use) and exploitation of sustainable buildings with a minimal environmental impact, based on scientifically substantiated sustainability metrics and indices encompassing a whole range of environmental issues, such as energy and water use assessment, the impact on health and well-being, pollution, transport, materials, waste, ecology and management processes. Buildings are assessed and certified by the British BRE Institute (Building Research Establishment) on a scale of 'Pass', 'Good', 'Very Good', 'Excellent' and 'Outstanding' on the basis of audit reports prepared by independent, accredited assessors.

In Belgium, LRE obtained the following BREEAM scores for the office buildings listed below:

- The Crescent Anderlecht: BREEAM In-Use score 'Excellent' (2015)
- Motstraat Mechelen: BREEAM In-Use, score 'Good' (2013)
- Treesquare: the objective is BREEAM 'Excellent' (2018).
- Montoyer 63: the objective is to achieve the BREEAM 'Excellent' (2018), to be confirmed after the tenant's furnishing works have been completed in 2019 and the building has actually been put into use. A BREEAM interim 'design stage' with the rating 'Excellent' was already received in 2017.

For a more detailed overview of additional environmentally-conscious investments (including investments in solar panels and charging stations), see the 'Corporate Social Responsibility' chapter of the annual report.

In addition, the environmental awareness within the company translates, among other things, into the digital-only retention of documents (unless originals have to be kept as absolute records) and the promotion of conference calls instead of planning meetings that require relocation.

9.3 Human resources

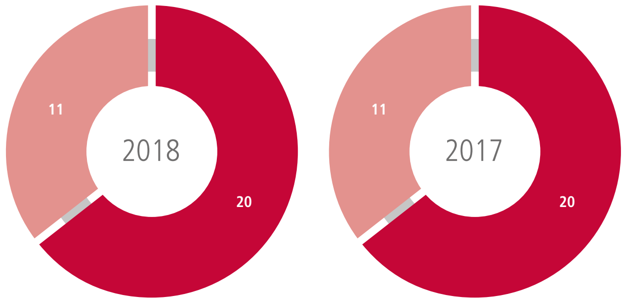
Leasinvest Real Estate attaches great importance to a diversified workforce and well-being at work. Values such as respect, transparency and integrity, entrepreneurship and collegiality are central to its personnel policy.

The total payroll of the LRE group (including that of LREM, the statutory manager, which actually falls outside the consolidation scope of LRE) was 31 people on December 31, 2018 (compared to 31 people on December 31, 2017).

With regard to the specific performance indicators on diversity, nature of employment and training, reference is made to the table below. There are no significant changes compared to the situation as at December 31, 2017.

Men and women (GRI 405-1)

Number of staff members[1] 2018: 31 (in 2017: 31)

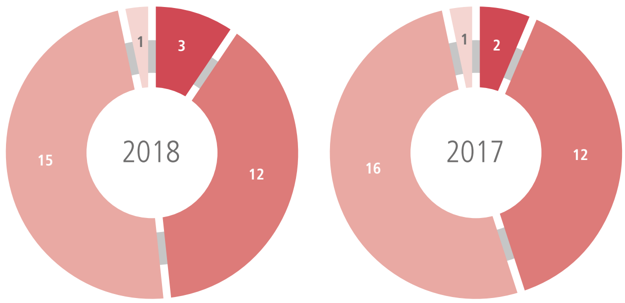


Men Women

[1] Including executive committee

Age (GRI 405-1)

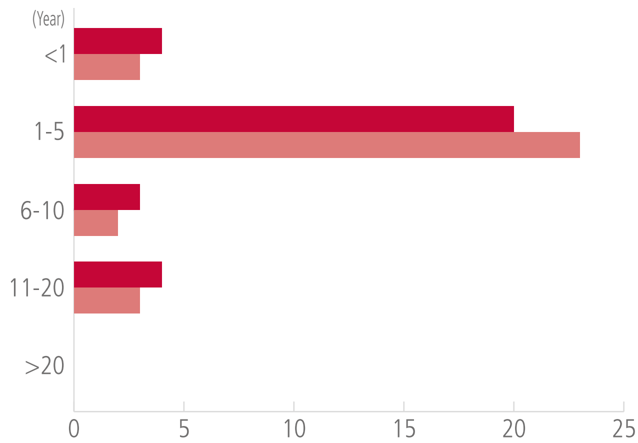
Number of staff members 2018: 31 (in 2017: 31)



< 25 year
25-35 year
36-45 year
46-55 year
> 55 year

Seniority (GRI 405-1)

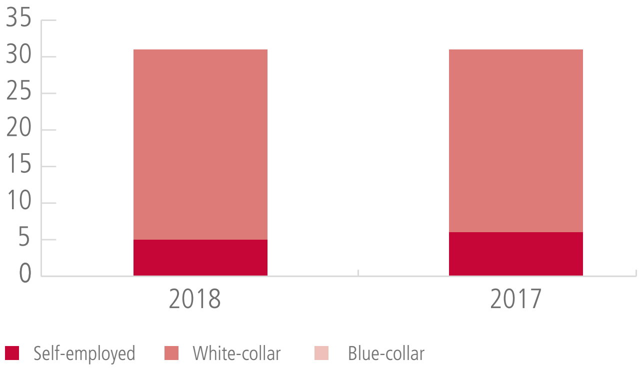
Number of staff members 2018: 31 (in 2017: 31)



2018 2017

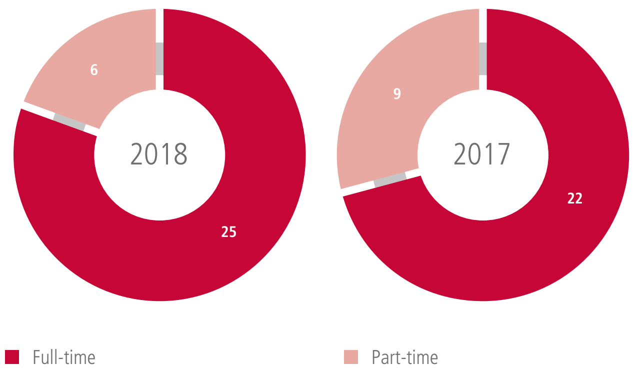
Type (GRI 102-8)

Number of staff members 2018: 31 (in 2017: 31)



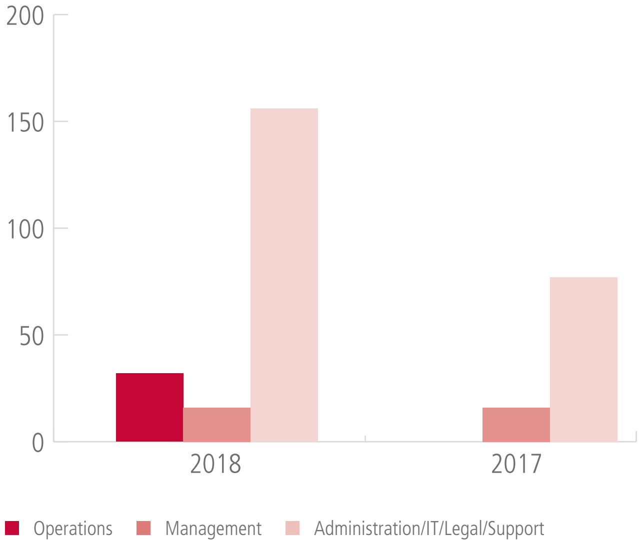
Full-time and part-time (GRI 102-8)

Number of staff members 2018: 31 (in 2017: 31)



Training (GRI 404-1)

Number of hours 2018: 204 (2017: 93)



As training is considered to be very important, members of staff regularly participate in seminars and courses of all kinds. These are often related to real estate, but they can also concern tax, accounting or HR-related topics.

Meetings are held on a quarterly basis with all the staff, including staff working abroad for LRE. These meetings often take place at a location outside the office, so that the people also get to know each other better outside their working environment.

An HR survey was also carried out in 2018, with a view to optimising the personnel policy for employees working in Belgium, Luxembourg and Austria. In order to improve internal communication and efficiency, an HR plan will be worked out on this basis in 2019.

In order to meet the increasing mobility problem, LRE offers its staff the opportunity to work at various locations, within the framework of the co-working spaces provided. Flexitime and home-working are also stimulated, wherever possible.

9.4 Social affairs

For a description of the initiatives taken by LRE, reference is made to the section 'Corporate Social Responsibility' of the annual report.

9.5 Human rights

Leasinvest Real Estate subscribes to the Universal Declaration of Human Rights and demands the same commitment from its staff in Belgium and abroad.

9.6 Anti-corruption and bribery

Ethical entrepreneurship is a basic value for LRE. LRE takes the necessary measures to prevent corruption or bribery by employees of the group. Despite the fact that LRE is a small organisation, the four-eyes principle is applied to the maximum. LRE is also required by law to appoint a compliance officer, one of whose responsibilities is to make sure that the applicable laws and regulations are actually observed.

A second audit is carried out by the internal auditor, whom LRE is legally required to appoint as a regulated real estate company. In consultation with the audit committee of LRE and the CFO, a three-year plan is drawn up and followed, so that all critical business processes are submitted on a rotating basis and at the appropriate time to an 'external' internal audit. The 'external' internal auditor reports his findings directly to the audit committee in order to guarantee qualitative and independent reporting. No infringements were reported in 2018.

10. Rent-A-Port

10.1 Activity

The Rent-A-Port Group is a multinational engineering and investment company, specialised worldwide in the development of port infrastructures and industrial zones, with headquarters in the historic centre of Antwerp. Rent-A-Port offers services ranging from consultancy and full project management to (co-)investments in port projects and industrial zones in Oman and Qatar.

The companies of the group that are fully consolidated are included in Rent-A-Port's reporting of non-financial information.

Rent-A-Port invests in companies with sustainable and international growth potential.

- Rent-A-Port Green Energy NV focuses on the development of (green) energy production and storage, and contributes to the transition towards renewable energy.
- The other companies (belonging to the Rent-A-Port group) invest in ports and industrial zones, generate various clients and employment and thus contribute to increasing prosperity and world trade, in which cooperative and sustainable entrepreneurship is central.

10.2 Policy documents

The themes of the environment, human rights and combating corruption and bribery are dealt with in awareness programs and in the individual employment contracts of the employees of the (foreign) participations.

The employee relations within Rent-A-Port are governed by the Labour Regulation policy document (for white-collar employees) and internal company guidelines. Rent-A-Port intends to revise both documents by mid-2019, together with the development of a Business Code of Conduct.

10.3 Environment

The policy objectives of Rent-A-Port with regard to environmental issues are particularly important for the projects in Vietnam and Oman. In view of the activities of the companies included in this reporting (mainly participation companies) and in view of the rather limited number of employees, the impact of Rent-A-Port on the environment is rather limited. The activities have both positive and negative social and environmental effects.

In particular, the commuting, the frequent professional (foreign) trips and the office-related energy costs have a negative impact. High travel costs are specific to the activities of Rent-A-Port. Nevertheless, the company hopes to reduce these costs by introducing a new travel policy, video conferencing, data sharing via cloud application and web based management reporting. As far as possible, Rent-A-Port also strives to make the fleet more environmentally-friendly and to encourage employees to consider more sustainable mobility (bicycle, public transport, etc.).

In Oman, several initiatives at the local level which are aimed at the protection of the ocean and its fauna (Oil Spilling Initiative, initiatives for whale conservation, etc.) are undertaken and supported.

The management makes every effort to ensure that all employees can continue to work in a healthy and safe environment. In the medium-term, Rent-A-Port intends to become more involved in social and sustainability projects, and to formally chart its ecological footprint.

10.4 Human resources

Rent-A-Port attaches great importance to a diverse workforce and well-being at work.

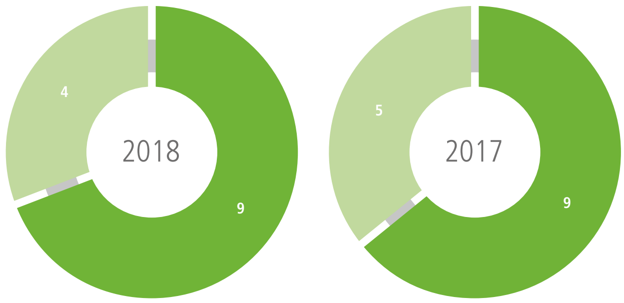
Rent-A-Port had 13 employees as of December 31, 2018 (compared to 14 employees as of December 31, 2017). All employees perform exclusively intellectual services, and are employed full-time. With regard to the specific performance indicators on diversity, nature of employment and training, reference is made to the table below. There are no significant changes compared to the situation as at December 31, 2017. Both the frequency and the duration of the absences were again very low in 2018.

Rent-A-Port encourages its employees to develop their full potential and to use their unique talents. In order to do this, a strong emphasis is placed on training, in particular at management and operational level (for example, with regard to renewable energy, business development and marketing). Given the growth nature of the company, the management of Rent-A-Port in 2018 has undergone extensive management training on strategic business development.

In addition, the organisation invests in the general well-being of its employees (including fresh fruit weekly, flexible hours, the possibility of working from home, own offices, etc.).

Men and women (GRI 405-1)

Number of staff members[1] 2018: 13 (in 2017: 14)

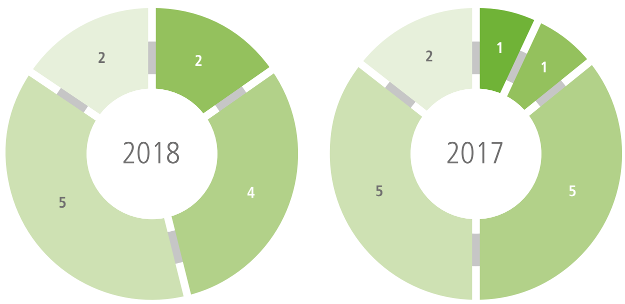


Men Women

[1] Including executive committee

Age (GRI 405-1)

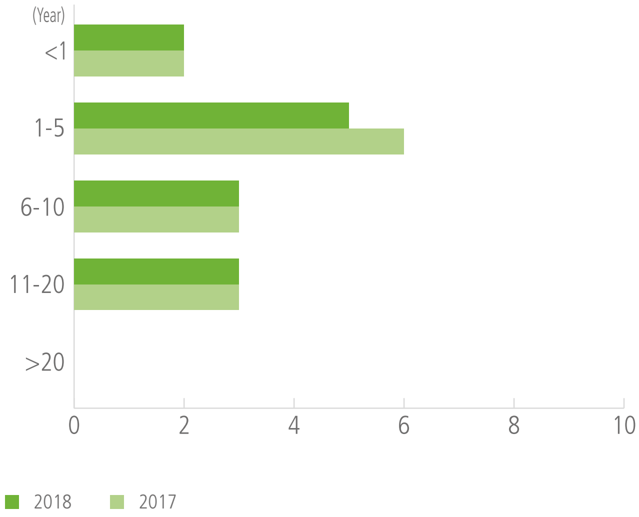
Number of staff members 2018: 13 (in 2017: 14)



< 25 year
25-35 year
36-45 year
46-55 year
> 55 year

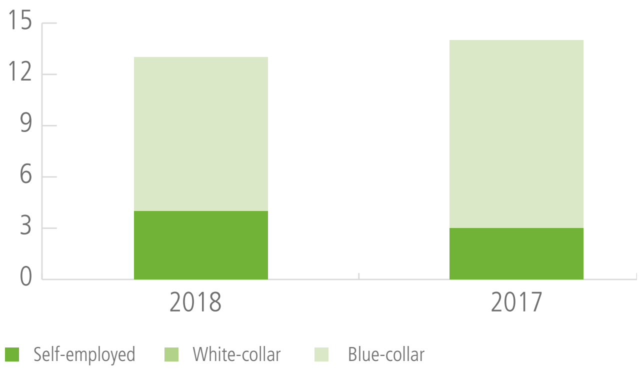
Seniority (GRI 405-1)

Number of staff members 2018: 13 (in 2017: 14)



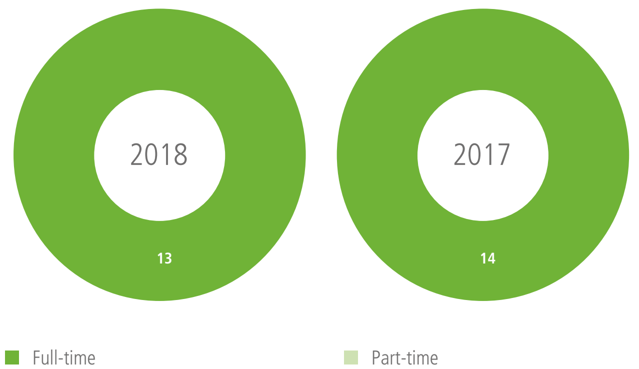
Type (GRI 102-8)

Number of staff members 2018: 13 (in 2017: 14)



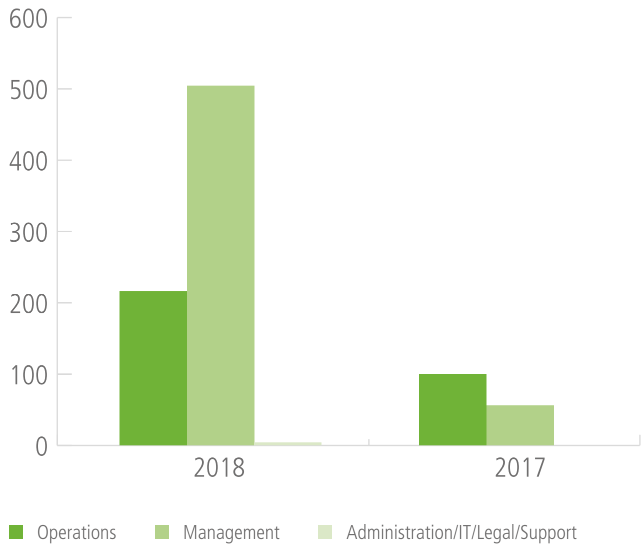
Full-time and part-time (GRI 102-8)

Number of staff members 2018: 13 (in 2017: 14)



Training (GRI 404-1)

Number of hours 2018: 724 (2017: 156)



10.5 Social issues

Wherever possible, Rent-A-Port contributes at the social, cultural and economic level and supports organisations such as Apostolatus vzw, Les Plus Beaux Villages de Wallonie, Belgian-Vietnamese Alliance, Guinée en Europe, Hanoi International Women's Club, etc.

Through the projects in Vietnam and Oman, Rent-A-Port supports initiatives such as orphanages, schools and local communities (Vietnam) and various Awareness Programs, Skills Development Programs for the local population, Duqm Woman's Association, etc. (Oman).

10.6 Human rights

Rent-A-Port subscribes to the Universal Declaration of Human Rights and demands the same commitment from its employees as well as its participations. It also has the ambition to determine whether its suppliers are also in compliance with the above-mentioned rights. The same also applies to foreign participations. At the same time, we want to have at least one employee trained in human rights policies and procedures, so that he/she can act as a Compliance Officer together with the internal lawyer, in order to reduce the risk of violation.

10.7 Anti-corruption and bribery

Rent-A-Port places great importance on ethical business. Insofar as this relates to the activity and purpose of Rent-A-Port, the Rent-A-Port Group adheres to the Integrity Code of Ackermans & van Haaren.

The employment regulations and the more recent employment contracts of the group companies contain specific anti-corruption and anti-bribery clauses. The company wants to further develop and formalise this in the short term.

Corporate social responsibility

With its baseline 'Partners for sustainable growth', Ackermans & van Haaren underlines its ambition to expand the group in a sustainable manner, with respect for people, environment and society.

Sustainability is not just a buzzword for Ackermans & van Haaren. The group has been investing for years in companies that contribute in an innovative manner to solutions for social challenges, such as climate change, energy transition, safeguarding international free trade, ageing and asset protection.

Not only as a shareholder, but also as a company within society and as an employer, directly and indirectly, of more than 20,000 employees, Ackermans & van Haaren is aware of the necessity to continuously improve its social relationships, economic performance and ecological footprint. We are convinced that the **focus on sustainable growth** contributes to motivated employees, innovative products and services, and, ultimately, better financial results.

In our opinion, sustainable behaviour is based on compliance with the legislation and regulations, ethical behaviour and the incorporation of aspects of corporate social responsibility into investment decisions.

This sustainability mentality is not only promoted towards its participations by AvH, but is also strongly encouraged by the participations themselves. The examples given reflect a number of important achievements. More details can be found in the annual reports of the respective companies. In addition, detailed reporting on (i) the environment, (ii) social and personnel matters, (iii) human rights and (iv) combating corruption and bribery is provided in the 'Statement of non-financial information' chapter.

Partners for sustainable growth

AvH introduced its 'Partners for sustainable growth' **baseline** in 2016. This baseline highlights the sustainable development and growth of the group, with respect for people, environment and society.

After all, the world is undergoing an exponential transformation: the current geopolitical instability, climate change, the scarcity of land and natural raw materials, population growth and mega-cities, long life expectancy, technological disruption, etc. AvH and its participations take account of these **challenges** that the world is facing, and turn them into opportunities. This ensures permanent attention and increasing awareness with regard to these issues.

As an investment company, AvH takes into account the challenges that society is facing. **Investments** are considered from a sustainability perspective: do they lead to an improvement for people or the environment, and are they ethically sound? AvH also integrates global trends, such as climate change and the ageing of the population, into its investment policy as far as possible.

When AvH invests in a company, this company is expected to continuously focus on **innovation** and on the development of activities while showing respect for people, environment and society. The strong belief in a long-term partnership also gives the participations the time to develop and implement a long-term strategy in this context. After all, sustainability and a short-term strategy do not mix. Innovation, in terms of both technology and the services and products provided, needs time, and cannot be implemented from one day to the next.

Another topic is **renewable energy**, which has become increasingly important in the strategy of the group in recent years. Many participations have invested in and carried out expansions in the area of renewable energy, energy savings or co-generation. Moreover, most group companies have also incorporated environmentally-friendly initiatives into their existing activities and day to-day-operations. Both AvH and subsidiary DEME invest in renewable offshore wind farms.

CFE - Solidarity project Erasmus

Rentel offshore wind farm

Delen Private Bank - Thomas Detry and Thomas Pieters

Bank J.Van Breda & C° - Doctors without Holidays

DEME - Nodule collector Patania II

Extensa - Tour & Taxis - Obelisk for the Universal Declaration of Human Rights

DEME

As a company, DEME aims to use its expertise and resources to help achieve a sustainable future. DEME provides **solutions for global challenges** such as rising sea levels, increasing population growth, the reduction of CO_2 emissions, scarcity of mineral resources and soil and water pollution. DEME also undertakes action to minimise the impact of its own activities.

DEME was the first company in the world to bring **dredging vessels with 'dual fuel'** engines into service, in order to reduce CO_2 emissions. All new vessels in the fleet are also equipped with other environmentally-friendly applications, such as solar panels or heat recovery. Through a far-reaching QHSE risk management programme, DEME maps out all the environmental aspects of its own operations in order to reduce the impact on the environment.

As a dredging company, DEME is involved in numerous projects worldwide that contribute to the further **economic development** of a country or region. For example, DEME built a new port terminal in Sierra Leone, and the airport on the Sunshine Coast in Australia was expanded further. In order to cope with increasing population growth, land is currently being reclaimed in the Netherlands and Nigeria, among other countries.

DEME is now a world leader in the offshore energy market, and assists customers and governments in realising their ambitions with regard to **renewable energy**. DEME is thereby not only a specialist in the construction of offshore wind farms, but also provides financial resources for financing renewable energy projects. For example, DEME has a concession in the Belgian Rentel and SeaMade wind farms. The company also applies new techniques to further decrease the costs involved in constructing wind farms. The innovative cable laying ship 'Living Stone' was brought into service in 2018. The vessel is equipped with a revolutionary cable-laying system that is able to install submarine cables for wind farms faster and more efficiently. This significantly reduces the costs.

Given the increasing scarcity of space, the **redevelopment of brownfield sites** is becoming increasingly important. DEME's environmental branch is breathing new life into heavily polluted sites, such as, for example, the sites of a steel manufacturer in Italy or Blue Gate in Antwerp.

In collaboration with the International Seabed Authority, DEME is currently studying the possibility of harvesting **mineral raw materials** from the seabed. Following the first successful expedition in 2017, DEME will this year enter into a new research phase with a second expedition, in which the 'Patania II' soil testing robot will explore the seabed at a depth of more than 4,000 metres.

DEME constantly strives to improve its performance in matters of **safety**. HIPO (High Potential) analyses are conducted on a quarterly basis throughout the group and highlight worrying incidents or developments. Furthermore, a Safety Task Force was set up, which systematically visits every vessel of the fleet to define the new safety procedures and to train the crews. To improve the safety awareness of its employees, DEME developed the safety programme CHILD (Colleagues Help Injuries to Leave DEME) and introduced a Safety Charter.

DEME joined forces with Mercy Ships in 2018, a humanitarian organisation that sails to African countries with the largest private hospital ship in the world, in order to provide surgery and medical treatments, as well as training for doctors free-of-charge. It is the largest partnership in the history of **DEME4Life**. In addition, DEME supports various initiatives on other continents in which the company operates, such as in India and Vietnam.

More information about sustainability is available in the annual report and the sustainability report (from mid-2019) of DEME, which can be consulted on www.deme.be.

CFE

The CFE group has been pursuing a sustainable development policy for many years. The willingness to **build a sustainable future** is expressed in the Contracting and the Real Estate Development divisions, in both the measures that were taken with regard to the daily activities and the realisation of real estate and construction projects.

In order to contribute to the **preservation of the environment** on a daily basis, agreements were made by the managers of the different entities. These are applied in the offices and on the construction sites. They include, among other measures, the reduction of energy consumption, the collection and use of rain water, and the limitation, sorting and treatment of waste. The company also aims for a **greener mobility** through the introduction of a homeworking policy, working in satellite offices and video-conferencing. In addition, soft mobility is encouraged even more: a travel pass for public transport, an electrical bicycle and 'cash for car' are made available to the employees of CFE.

The employees and staff members of the CFE group are its greatest asset. **Diversity and equal opportunities**, regardless of nationality or origin, are deeply rooted in the group's human resources policy. Values such as respect for others, cooperation and transparency, motivation, reliability, integrity, customer focus (quality, flexibility), professionalism and safety at work are also strongly propagated by every entity of the group. **Safety** is more than ever a priority value. A Safety Day was once again organised within CFE Contracting and BPI in 2018. During this day, work was laid down for one full day, and all employees were urged, in a very concrete manner, to become aware of the importance of safety and the improvement of behaviour on the building site. In addition, **well-being** in the workplace also received much attention, with, among others, initiatives regarding ergonomics in both the office and on the building site, the reduction of stress, and the prevention of burn-out.

Besides the coaching of new employees, the different entities offer their employees a wide range of **training courses**: leadership and coaching, communication, finance, project management and subcontractors, negotiation techniques with suppliers, legal aspects, administration, computer security, accounting, efficiency improvement, etc.

The sharing of knowledge between the entities has also boosted the use of internal skills. **Digitisation** is playing a major role in the possibilities of communicating information among colleagues. Innovation not only relates to techniques, machines, equipment and materials, but also to global project and site management processes, such as lean management and BIM (Building Information Modelling), which ensure optimum efficiency. All these aspects are included in the various training programmes on digital technologies.

Finally, the importance of the human factor is also the backbone of the **solidarity projects**. Sixty children from disadvantaged neighbourhoods in Brussels spent a whole day on the Erasmus site. Through various workshops, they were able to explore a site under full construction, as well as becoming acquainted with the various professions in the construction sector. A very positive experience for young and old alike!

More information is available in the annual report of CFE, which can be consulted on www.cfe.be.

Green Offshore

Green Offshore is active in the development and exploitation of offshore wind farms in Belgium, and, in this way, provides a significant contribution to the **20/20/20 climate objectives** and energy provision in the future. A recent example is SeaMade, which is responsible for the simultaneous development of the Mermaid and Seastar offshore wind farms.

SeaMade will become the largest wind farm ever to be financed and built in Belgium. The SeaMade project will consist of 58 SGRE (Siemens Gamesa Renewable Energy) wind turbines, with a rotor diameter of 167 metres, on monopile foundations, and two offshore high-voltage stations that will be connected to ELIA's offshore connection platform (Modular Offshore Grid). As a result, 485,000 families will be provided with green electricity on an annual basis, and a CO_2 emission of more than 500,000 tonnes will be avoided. The wind turbines are expected to start producing green electricity from 2020 onwards.

SeaMade will contribute to the transition to a cleaner energy mix and to achieving the binding target to draw 13% of our energy from renewable energy sources by the year 2020. Half the renewable energy production will come from **offshore wind energy**. Almost a quarter of the required offshore energy production will be provided by the SeaMade project.

Delen Private Bank

Delen is anything but your average private bank. The constant element throughout the eighty-year history of the family-based company is humanity and sustainability. Its success is directly linked to the Delen DNA: basic values such as integrity, transparency and continuity take centre stage in all aspects of internal operations and in every form of service provision to the clients. Loyal to this principle of integrity, the company continuously strives for what it calls **Responsible Asset Management**: an inherently human business philosophy and a consistently responsible investment policy.

Founded in 1936 by André Delen, who was a stockbroker, the company was listed on the stock market under the management of the second generation, and developed into a leading and independent asset management company: Delen Private Bank followed a nice growth path. Shaped by its family character and strengthened by values including **continuity, transparency and prudence**, the Delen DNA is unique in the financial world. Trust, which is essential in the sector, must be earned. In every relationship - whether with clients, employees and the wider social environment - integrity is of the utmost importance.

At Delen Private Bank, **responsible investment** is more than just a buzzword. In line with its commitment as an investor, Delen Private Bank endorses the **UN Principles for Responsible Investment**, the framework of the United Nations within which a more sustainable global financial system is being developed. Portfolio management, together with, among others, patrimonial consultation form one of the corner stones of the professional expertise. The asset management follows the corporate philosophy of common sense, protection and balanced growth. The company invests, but does not speculate. This responsible investment policy applies to all in-house funds, and ensures a responsible portfolio implementation in four steps: exclusion, commitment, integration and impact.

- **Exclusion**: Companies that engage in the production of controversial weapons, as well as companies that make themselves guilty of the violation of people, the environment or society-related basic standards, are excluded from the investment universe.
- **Commitment**: In collaboration with an external partner, the bank ensures a continuous dialogue with the management of companies in which the investments are made. In this way, their sustainability policy is improved, and a joint contribution is made towards a positive future.
- **Integration**: Non-financial (ESG) parameters are of increasing importance in the investment process. Specialised data enables ESG risks to be taken into account, both in investment selection and in portfolio monitoring.
- **Impact**: With a focus on inherently sustainable sectors and companies, expertise is built up in the selection of investments that, in addition to financial returns, also result in a non-financial impact on people, environment and society.

Delen Private Bank has a genuine concern for the care for the climate and **society**. The efforts made to reduce its ecological footprint and to support society take place on various fronts:

- Digitisation and the reduction of paper consumption
- Ecologically-responsible renovation work and protection of the Belgian heritage
- Investments in Belgian art and support of social projects

Delen Private Bank has a heart for **Belgian art**, and is happy to share this love with its clients. That is why the bank has been sponsoring the globally renowned BRAFA art and antiques fair for 13 years, as well as the 'Biënnale Interieur' interior fair. Mr. Filips De Ferm (former director of Delen Private Bank) and the Delen family, and in particular the mother-daughter duo of Marie-Alix and Anne-Sophie Delen, are the main inspirers behind these partnerships.

Delen Private Bank also likes to contribute to **local charities**, and sponsors several clubs and athletes every year.

More information about responsible investment is available in the annual report of Delen Private Bank and on the website www.delen.be/en/our-approach/responsible-asset-management.

Bank J.Van Breda & C°

A traditional bank is different from any other company, because it relies upon the **savings of the community** in which it operates. First and foremost, corporate social responsibility therefore means that it does this in a safe manner, without excessive risks. The bank may not put its clients' deposits at risk at any time. In essence, a bank converts clients' deposits into loans. The savings it attracts, mainly in the short term, are subsequently lent by means of various forms of credit, mainly in the longer term. Thanks to this transformation role, a traditional bank stimulates the economy, and this ensures prosperity and well-being.

The accumulated savings deposits are spread in a portfolio of loans to entrepreneurs and the liberal professions (84%) and in a safe liquidity buffer (16%). The bank invests for its own account exclusively in cash with the European Central Bank (ECB) and in a diversified investment portfolio that consists mainly of government bonds. On December 31, 2018, only 2.9% of the liquidity buffer consisted of other securities. These are mainly corporate bonds that were previously screened on the basis of the Ethix black list. The bank has a **conservative investment policy** for its portfolio, and refrains from speculating on derivatives or other complex financial instruments. Bank J.Van Breda & C° only occasionally makes use of interbank deposits.

Despite the financial and economic crisis and the turmoil in the financial markets, Bank J.Van Breda & C° remains a **safe haven**. Through its prudent policy, shareholders' equity was not affected by the crisis at any time. The bank has also never received state aid. The solvency expressed as shareholder's equity to assets (leverage ratio) stands at 8.6%. This is well above the 3% that the regulators want to introduce, and is one of the highest in the Belgian banking sector.

Bank J.Van Breda & C° has never suffered any losses in the past 25 years, and can boast a profitable **long-term vision**. This proves that the bank combines sustainability and profitability throughout the economic cycles. It is a growth company with a continuous long-term progression, without extremes. Profitability was never artificially high, and also never experienced an extreme decline.

The result of the bank is predominantly **client-driven**. It works with the resources of entrepreneurs and the liberal professions for entrepreneurs and the liberal professions. SMEs form the economic fabric of our nation. The liberal professions play a crucial role in the areas of healthcare and service provision. Through their diversity and autonomy, they ensure a broad spread of risk. As a result, the risk that the failure of a large credit could breach the buffers of the bank is excluded.

Bank J.Van Breda & C° enjoys an impeccable reputation, which it aims to perpetuate. Continuous attention to **integrity** and discretion forms the common thread in all operations. The bank also puts caution and balance first for its clients. This is reflected, among other things, in the nuanced investment advice (with an eye for diversification, long-term planning and investments in quality values), a solid response to credit applications (with the emphasis on the quality of the company management, repayment capacity and equity) and high standards with regard to correct behaviour from a legal and tax point of view.

Bank J.Van Breda & C° only operates in Belgium and is **locally embedded**. 8.9 million euros were paid in bank taxes in 2018, as well as 11.5 million euros in taxes, compared to a net profit of 42.2 million euros.

Bank J.Van Breda & C° provides structural support to charities as a **patron**. The bank deals with successful entrepreneurs and the liberal professionals on a daily basis, but is aware that success is never a guarantee. That is why the bank supports 2 initiatives with which clients feel a close connection. These organisations are not so well known to the general public, and don't have an easy time obtaining resources:

- 'Entrepreneurs without Borders' is an organisation that counteracts the advance of the desert through re-forestation, and improves prosperity in the Sahel belt. The bank has been a structural sponsor since 2015.
- Every year, 'Doctors without Holidays' facilitates around 400 doctors and nurses who treat patients in African hospitals during their holidays, and provide training to local health care providers for two or three weeks. The bank has been sponsoring Doctors without Holidays since 2009.

In addition to this structural sponsoring, the bank also supports spontaneous initiatives to which staff members commit themselves (e.g. Mothers for Mothers, Iridium cancer network, children's home 'Dageraad', children's fund 'de Tondeldoos', 'De hagewinde' shelter, Rett Syndrome Association).

More information about corporate social responsibility is available in the annual report of Bank J.Van Breda & C°, which can be consulted on www.bankvanbreda.be/publicaties/financiële-informatie.

Extensa Group

The ambitious reconversion project of the **Tour & Taxis** site in the heart of Brussels is based on the revaluation and **economically sustainable transformation** of the exceptional architectural heritage, supplemented with new urban fabric. Special attention is paid to the quality of the spaces that are accessible by the public, such as the new city park, the roads and squares. The construction of the park is evolutionary, and makes use of the natural impact of specific plantings on the quality of the soil. The studios and allotment gardens of ParckFarm (a local project managed by volunteers on sites that are the property of Extensa) are speeding ahead.

In 2014, Brussels Environment, the public service for environment and energy in the Brussels Capital Region, moved to Tour & Taxis, to a 16,750 m² building, which offers space for 600 work stations. The offices meet the **passive standards** tailored to the institute: efficient insulation, excellent airtightness, 96% lower gas consumption, 700 m² photovoltaic panels that produce 88,000 kWh of green electricity. From July 2017 onwards, the Flemish Government has been bringing together a major part of its services in the Herman Teirlinck building (48,000 m² for more than 2,000 work stations). The building meets both the highest sustainability score of Flanders and the passive standard of the Brussels Region. Its energy management and climate control use advanced **ecological techniques**: heat production with geothermal energy, concrete core cooling, the re-use of rainwater and electricity generation with solar panels.

The **renovation of the historic structure** of the former 'Gare Maritime' freight railway station is approaching its completion. The monumental steel structure could be saved and renovated. Even the wooden shelter dating back to 1910 was cleaned and re-used. The new internal constructions will be in line with the old structure, whereby the whole will meet the latest environmental standards. The climate in the buildings will be controlled on the basis of geothermal energy. The entry of sunlight through the large windows will be regulated via an innovative, gradually self-darkening glass, a world-first on this scale. The inner volumes made from laminated wood not only generate fewer CO_2 emissions during construction, but can also be fully dismantled and re-used later. More than 3,000 m² in gardens and planted areas are also planned within the building.

A project such as Tour & Taxis implies various **building activities**. To limit the environmental impact of the transport, the excavated soil is transported by boat, in cooperation with the Port of Brussels. At Extensa's initiative, the excess rainwater is drained directly from the site to the canal, so as not to overload the Brussels sewerage network in the case of torrential rains.

At a social level, Extensa works together with the City of Brussels and Brussels Capital Region on the definition and implementation of a programme for **collective equipment** for Tour & Taxis. In this context, the integration of facilities for young families, adult education and medical services is being studied.

In June 2018, working together with the City of Brussels, Extensa organised a national **competition** to name the existing and future roads and squares of the site. This was a success, thanks to both the enthusiasm of the participants and the quality of the proposals: there were approximately 900 participants and over 1,400 submissions. The new street names refer to the history of the site, the 'Belgian art of living' and role models for the neighbourhood.

In December 2018, on the occasion of the 70th anniversary of the **Universal Declaration of Human Rights**, the Brussels Region created a monumental obelisk in the Tour & Taxis park.

Cloche d'Or, a project that Extensa is developing together with Promobe in Luxembourg, was assessed by the Deutsche Gesellschaft für Nachhaltiges Bauen (DGNB - German agency for sustainable construction), and was awarded a gold pre-certificate. Cloche d'Or achieved a result of 84% for its qualities in various areas: ecologically, economically, socio-cultural and functional, technical and process-based. The apartments and other buildings of the project guarantee high comfort, better energy performance and high construction quality.

Extensa supports various organisations with **social objectives**, usually by making rooms available free of charge or by granting significant discounts. Examples of this are the Brussels Circus School, Human Rights Watch, Talented Youth Network, and Play4peace.

More information about sustainability is available in the annual report of Extensa, which can be consulted on www.extensa.eu.

Leasinvest Real Estate

Corporate social responsibility is an essential part of the daily management of Leasinvest Real Estate (LRE). LRE is aware that its activities as real estate investor have a significant impact on the living environment, and that they can make a significant contribution to sustainability if they **deal with natural resources in a more conscious manner and reduce energy consumption and the production of waste**.

Since the global **sustainability audit** in 2010, Leasinvest Real Estate has used a clear step-by-step plan in order to operate in a more sustainable manner. LRE has opted for an inclusive and solution-driven approach on the basis of a dynamic cooperation with customers (tenants) and suppliers. For each building, specific interventions are sought that have the greatest impact.

Because, as a listed company, the investments of Leasinvest Real Estate must be justified above all from the point of view of financial return for the shareholder, certain buildings are selected for a **(partial) redevelopment**, within the limits of economic profitability.

In addition to the purchase of energy that is generated by means of renewable energy sources, or that originates from high-quality co-generation plants, together with the reduction and monitoring of the electricity consumption, Leasinvest Real Estate has also been fully committed to producing its own energy through **solar panels** for several years now. As an example, solar panel installations are in operation on the roofs of the Royal Warehouse (Tour & Taxis) and of the Frun® retail park in Asten. Solar panels were also installed at The Crescent Anderlecht, the Stadlau industrial estate in Austria and Treesquare in Brussels in 2018.

Charging points for electric vehicles were installed in the car parks of Motstraat Mechelen and The Crescent Anderlecht in 2018. Sockets for electrical bikes were also provided in the bicycle hotel in Motstraat Mechelen, which also offers shower facilities and lockable drying lockers.

Agidens

Mediahuis

SIPEF - Biogas generator

Kamiano

Anima Care

AvH and DEME - Mercy Ships

In 2018, Synaptiq Building was linked to the Management System Building of The Crescent Anderlecht. This software for **smart buildings** automatically controls the cooling or heating on the basis of smart data (such as weather forecasts and sensors). This ensures improved comfort for the tenants and a significant saving on energy consumption and costs. From 2012 onwards, intelligent electricity meters have been systematically installed in Riverside Business Park and The Crescent, both in Anderlecht. Consumption peaks can be detected in this way, and serve as a basis for corrective measures, resulting in energy savings.

The new Montoyer 63 office building in Brussels was equipped with a **geothermal installation**, which ensures an energy exchange between the soil and the technical installations of the building. This in-house energy production must ensure that the building's energy consumption remains very limited. As a result, this building was able to be certified as passive, among other things.

The **BREEAM certification** remains a significant benchmark:
- The Crescent office building in Anderlecht: the BREEAM In-Use score was improved from 'Very Good' to 'Excellent' (2015).
- The Motstraat office building in Mechelen: execution of BREEAM In-Use (2013), rating 'Good'.
- The Treesquare office building: the objective is BREEAM 'Excellent' (2018).
- The Montoyer 63 office building: the objective is BREEAM 'Excellent' (2018), to be confirmed after the tenant's fitting-out work has been completed in 2019 and when the building has effectively been put into use. A BREEAM interim Design Stage with an 'Excellent' rating was already obtained in 2017.
- The Monnet office building: BREEAM Refurbishment 'Excellent' is expected on the basis of the file submitted in February 2016.

Sponsoring of cultural institutions, such as the Stichting Conservatorium Antwerpen, the open-air sculpture museum Middelheim/Middelheim Promotors vzw and the Royal Museum of Fine Arts Antwerp indicate Leasinvest Real Estate's **involvement in the social and cultural society**. In 2018, LRE also participated in the Warmest Week, with a campaign in the Mot Mechelen, in collaboration with the tenants and the caterer Insieme, for the benefit of the King Baudouin Foundation.

More information about corporate social responsibility is available in the annual report of Leasinvest Real Estate, which can be consulted on www.leasinvest.be.

Anima Care

Anima Care stands for inspired, passionate **care for life**. Its mission is based on responsible business practices in the healthcare sector. Its approach ensures a pleasant and cared-for stay, where the quality of living and healthcare are the central focus. After a resident is registered, Anima Care makes a thorough analysis of their situation, with much attention to psychosocial aspects. This means that from the beginning they can cater to their needs and expectations, as well as those of the family, concerning for example encouraging the person's autonomy.

The employees of Anima Care give their best in the interest of the residents, day after day. They translate the fundamental values of Anima Care into practice. Anima Care therefore pays a lot of attention to the selection and training of its staff. Gender, orientation or origin do not matter here, as long as the employee has the required skills and shares the same values and standards. Anima Care attaches great importance to the **well-being of its employees**. The company enters into dialogue with them, ensures coaching and further training, and invests in high-quality and innovative tools so that employees are able to carry out their jobs to the best of their ability and with as little physical strain as possible.

Anima Care plays an active, socio-economic role in the **local communities** in which its care centres are located. But Anima Care's care centres not only offer a warm and comfortable home for their residents and a pleasant workplace for its employees. The care centres are also a meeting place for family and friends of the residents, and aim at an 'open house' culture in which neighbours, clubs and local shopkeepers are involved in the activities of the care centre.

In most cases, Anima Care is the owner itself, and is sometimes also the developer of the buildings in which it operates its care centres. Anima Care aims to minimise the impact from the development and operation of its care centres on the environment. It implements **environmentally-friendly, energy-efficient and economically responsible solutions** (such as co-generation, photovoltaic cells and water purification systems) in the realisation of its new construction projects. Anima Care has already built four care centres itself. They will put four new care centres into operation in 2019 (in Anderlecht, Forest, Bilzen and Zoutleeuw). These will all be fitted with photovoltaic solar panels. The new buildings are highly insulated and, at the same time, overheating of the buildings is avoided. The living areas are connected to a heat pump, which ensures comfortable warmth in winter and pleasant cooling in summer. Wherever possible, rainwater is used for the sanitary facilities. All buildings that have been constructed by Anima Care itself are equipped with a building management system. This system enables the optimum control of the electricity consumption, heating, cooling, solar shading and other technical installations.

Environmental awareness is promoted in the day-to-day operation. Anima Care offers its employees bicycle allowances and season tickets for public transport. Travelling to meetings is limited and, where possible, replaced by conference calls. When company cars are purchased, cars with a low CO_2 emission are opted for. The waste of food, materials, products or superfluous colour copies is restricted as much as possible. Waste is always sorted and collected by specialised companies. The healthcare records are maintained electronically. Documents are retained electronically wherever possible.

SIPEF

The operation of plantations is always carried out on a long-term and sustainable basis at SIPEF, and this at an ecological, social and economic level. The cooperation of all stakeholders concerned is thereby of prime importance. This therefore takes place in close consultation with customers, social and environmental non-governmental organisations (NGOs), producers, researchers and other interested stakeholders. The purpose is to promote the application of responsible and sustainable standards in the industry.

In the palm oil sector, the '**Roundtable on Sustainable Palm Oil**' (RSPO) is the most relevant example of stakeholders jointly determining a worldwide standard. SIPEF is therefore 100% committed to the RSPO principles and criteria, and strives to even exceed them. SIPEF's tea, rubber and banana activities are certified on the basis of the Rainforest Alliance certification, in accordance with the standards of the Sustainable Agriculture Network.

The **SIPEF Responsible Plantation Policy** was introduced in order to exceed the certification standards. This applies to all the different plantation activities, and is adjusted on an annual basis. It is regarded as the backbone of its current corporate policy.

SIPEF will continue to aim for the full inclusion in **certified physical supply chains** for all its products. In 2018, SIPEF sold 92% of its palm oil, palm kernel oil and palm kernels in certified physical supply chains of RSPO and ISCC (International Sustainability and Carbon Certification) for use in the food sector or for the production of green energy.

The group also processes the fresh fruit bunches from 3,700 small-scale farmers, who manage 14,037 hectares of palm trees in Papua New Guinea and receive support from SIPEF's agricultural advisory team. Under the influence of the local legislation, communities of small-scale producers are also arising in Indonesia. SIPEF has developed significant social commitment with these surrounding communities on the basis of its long-term cooperation perspective. This has led to the creation of a **patronage**, ensuring the building of schools, medical care institutions and projects for the improvement of the local road infrastructure in order to improve the accessibility of these communities.

A practical application of the material aspects of sustainability is the generation of **electricity from the methane gas from palm waste**. In 2018, the processing of 1,506,043 tonnes of fresh fruit bunches in the 9 palm oil factories in Indonesia and Papua New Guinea provided an estimated 1,205,000 m³ 'Palm Oil Mill Effluent' (POME) and 331,000 tonnes of empty fruit bunches (EFB). The added value of both by-products was quite limited in the past, but, in order to reduce greenhouse gas emissions, SIPEF has invested heavily in methane collection facilities (Clean Development Mechanism) in five of these palm oil factories. These facilities have the possibility of burning the methane in a biogas generator, a steam boiler or via an open torch. The Mukomuko palm oil factory, for example, now produces electricity on the basis of biogas, with methane (CH4) as a significant gas fraction from the POME. SIPEF has been selling this type of electricity to Perusahan Listrik Negara (PLN) in the province of Bengkulu, the supplier of government electricity in Indonesia, since 2017. The Mukomuko biogas facility and the steam turbines exported 4,332,203 kWh of electricity to PLN in 2018.

In addition, investments were also made in the **composting plant** in the palm oil factory of Bukit Maradja. This was put into operation at the end of 2016, and, since then, the plant has been supplying 17,787 tonnes of compost annually, which is used as a soil improver in the nearby plantation. The bunker composting plant is now using 100% of the EFB and POME for the production of an organic fertiliser that is rich in nutrients, which, in the short term, will replace the majority of the inorganic fertiliser that is used at the Bukit Maradja plantation.

More information about sustainability is available on the website www.sipef.com/sustainability, in the annual report and the sustainability report of SIPEF.

Sagar Cements

Sagar Cements continues to invest in **energy-efficient measures** to further reduce its dependence on coal and electricity from the national grid. In 2017, Sagar commissioned a 1.25 MW photovoltaic installation and a 6 MW heat recovery system at the Mattampally plant. The latter was expanded to 8.8 MW in 2018. It also started construction work on its own 18 MW thermal power plant, which is expected to become operational in 2019. Sagar also has two hydro-electrical power stations of its own, with a total capacity of 8.3 MW.

Agidens

Agidens stands for Agile, Confidence and Sustainability. The concept of sustainability is interwoven in the fabric of all Agidens business operations, both for its own processes and those of its customers. As a **process and automation partner**, Agidens contributes to the responsibility of making these processes not only more reliable, and safer, but also more sustainable. Automation enables companies to do more with less: fewer raw materials, less energy consumption and less waste.

A team of energy experts helps customers to optimise their energy management on the basis of **energy audits and solutions**. The acquisition of Argus Technologies, a cloud-based SaaS energy monitoring platform, confirms Agidens' ambition to be a premium partner in terms of energy, sustainability and system integration.

The **Agidens Innovation Eco System** is used to support the strategic vision, and enables the company to respond to future trends in a sustainable manner. The system creates a framework for tackling social, ecological and economic challenges.

The company also invests in measures to reduce its own **carbon footprint**. It has, for example, a level 5 certification on the SKAO/CO_2 performance ladder for Belgium and the Netherlands. Concrete action items here are the reduction of the CO_2 emissions of the company's fleet and a reduction of the electricity consumption in the offices. Thanks to these efforts, Agidens aims to reduce its CO_2 emissions (related to turnover) by 10% in 2021, compared to 2016.

Sustainability and **mobility** are inextricably linked. Agidens has launched various initiatives to make its own mobility policy more sustainable. A satellite office was opened in Brasschaat, for example, and all Belgian employees can sign up for a bicycle plan. In addition, an Eco-driving pilot programme is currently running, providing tips for a more sustainable driving style, and the company focusses on an ecological fleet selection. As recognition and support for these initiatives, Agidens received an allowance from the Flemish Pendelfonds (Commuter Fund) in 2018.

More information about sustainability at Agidens is available on www.agidens.be/CSR.

Mediahuis

Mediahuis actively contributes to a fair and sustainable society. By excelling in a responsible manner in its core activity, i.e. '**bringing independent quality journalism**', the company makes a crucial and positive contribution to people and society. In addition to paying attention to reliable news collection, Mediahuis focusses on respect for the environment and equal opportunities for everybody.

With regard to **environmental care**, the efforts of Mediahuis primarily focus on the graphic production process. All Mediahuis newspapers are printed on 100% recycled, FSC certified paper. The Forest Stewardship Council label is only awarded to sustainably managed forests. In addition, the printing companies not only aim at entitlement to the FSC label, but also the PEFC (Programme for the Endorsement of Forest Certification) label. Work is, of course, also continuing on maintaining the ISO 14001 certificate, which ensures a systematic approach to all environmental aspects, while paying attention to the existing legal framework. A special feature is that the editorial offices are also certified: they not only observe the internal procedures, but also convey the ecological message to the reader. In addition to the efforts regarding the production process for its newspapers, Mediahuis also actively supports the citizens' 'Climate mandate' initiative, which gives Belgian politicians the mandate to pursue an ambitious climate policy with the aim of achieving the objective of CO_2 neutrality by 2050.

Based on the conviction that everyone in society has a right to equal opportunities, Mediahuis structurally supports 'De Genereuzen' and 'Kom op tegen Kanker'. **De Genereuzen** is a movement that carries out concrete inclusion work, and is committed to enabling people with and without a disability to live and work 'together'. Through De Genereuzen, Mediahuis is committed to contributing in a concrete manner to a society in which everyone has a feeling of belonging and where inclusion is the standard. Mediahuis supports **Kom op tegen Kanker**, for example, by participating with dozens of employees in the 1,000 km bicycle race each year.

In addition, the Mediahuis news brands also independently put their weight behind various **social initiatives**. Examples include Pink Ribbon and the Special Olympics, but also the annual Standaard Solidarity Award.

More information about corporate social responsibility at Mediahuis is available on the website www.mediahuis.be/bedrijfsinfo/maatschappelijk-verantwoord-ondernemen.

OncoDNA

OncoDNA's ambition is to help **cancer patients**. Around 2.4 million new cases of cancer are diagnosed each year in the European Union. There are currently almost 21 million cancer patients in Europe, and cancer is one of the leading causes of morbidity and death in the world.

OncoDNA supports the decision-making with regard to the treatment of patients suffering from advanced (metastatic) cancer. **Personalised treatment** is important, as each type of cancer is different for each patient. OncoDNA helps the oncologist to choose the best medical treatment and to better monitor the evolution of the cancer, and, in particular, whether or not the disease is responding to the treatment.

OncoDNA is involved in several **major scientific projects**, such as Aurora, a research programme regarding metastatic breast cancer. Aurora is managed by

BIG, the Breast International Group, with headquarters in Brussels. For this study, OncoDNA will carry out tests on more than 1,000 metastatic breast cancer patients from more than 80 hospitals across Europe.

More information about the projects of OncoDNA is available on www.oncodna.com.

Turbo's Hoet Groep

The transport sector is tirelessly continuing its progress in the field of efficiency and sustainability. Each of the manufacturers for whom the TH Groep is the official distributor is striving for **lower emissions** per kilometre driven. At DAF, the average fuel consumption has been reduced by about 14% over the last ten years, and, with it, the CO_2 emissions of long-distance trucks. At the same time, the strict Euro 6 emission requirements are being met, with 95% lower emissions of nitrogen oxides and soot particles than roughly twenty years ago. In order to ensure lower emissions and lower fuel consumption, TH Groep offers driving courses, so that the driver can drive his vehicle in the best possible manner. As one of the largest dealers for heavy trucks in Europe, TH Groep in this way ensures a lasting change of mentality across European borders. TH Groep resolutely extends this change in mentality to its branches, through constant investments in modernisation. For example, the branch in Anderlecht was recently fitted with **solar panels**, and the group now produces a total of 1 MW, the equivalent of about 600 households.

For TH Groep, sustainability also means dealing respectfully with **people and society**. Every employee at every level of the group is given the opportunity to attend training courses in order to remain up-to-date on the latest developments within his/her field. But the group goes beyond this, by also investing in **local associations** in order to provide support to society in general. In this way, sports clubs and cultural associations are given the opportunity to develop further.

More information about corporate social responsibility is available in the annual report of Turbo's Hoet Groep.

AvH patronage

Art, research and entrepreneurship have gone hand in hand in Antwerp since the time of Rubens, Stevin and Plantin. That is not so surprising, because they have a lot in common. Companies and entrepreneurs, like galleries, museums, artists and scientists, bring significant added value to society.

This is why, for many decades now, Ackermans & van Haaren has been supporting projects of a scientific and socio-cultural nature, which ideally have a link with the Antwerp region. If it is meaningful and possible, AvH thereby aims to build a long-term relationship with the partners. After all, sustainability and cooperation are strongly intertwined in the DNA of the group!

In 2018, AvH was able to provide the **Middelheimmuseum** with indispensable support in the acquisition of the work 'Diamond Shaped Room with Yellow Light, 1986', by the American artist Bruce Nauman. Nauman has had an indelible impact on the way in which art is made and experienced today. The museum therefore regards the acquisition as essential for its positioning and ambition: a finger on the pulse of international artistic excellence, well-framed to offer an inspiring meeting place for a broad public. This focus and approach is reflected in this collaboration, and is an excellent match for the AvH DNA: focus on a carefully selected, strategic participation with a long-term vision of growth.

Mercy Ships is an international charity organisation that brings hope and healing to the poorest of the poor who have no access to healthcare. To achieve this, Mercy Ships uses hospital ships off the west coast of Africa. Together with DEME, AvH committed itself in 2018, together with the many volunteers of Mercy Ships, to give sick people a new future to stop them from being excluded from their community.

Sant'Egidio uses the support of AvH for the operation of 'Laudato Si', a socio-ecological project that encourages the activation of the homeless and (disadvantaged) poor of Kamiano, with, in addition, a focus on sustainability and community building in Antwerp's Left Bank district.

Ackermans & van Haaren spent a total amount of approximately 400,000 euros in supporting various institutions, organisations and projects in 2018.

Cultural

www.kmska.be

www.middelheimmuseum.be

www.europalia.eu

www.leconcertolympique.eu

www.africamuseum.be

www.amuz.be

Bruce Nauman - Middelheimmuseum

Social

www.hrw.org

www.luciaweb.be

www.stopdarmkanker.be

www.santegidio.be

www.sos-kinderdorpen.be

www.mercyships.be

www.monnikenheide.be

www.teachforbelgium.org

Science

www.deduveinstitute.be

www.itinerainstitute.org

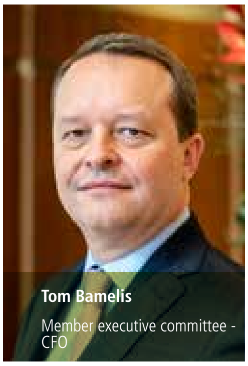
www.antwerpmanagementschool.be

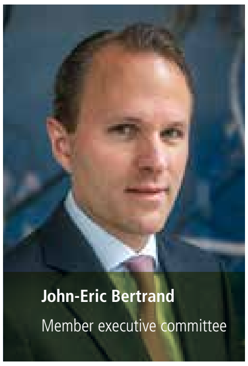
www.itg.be

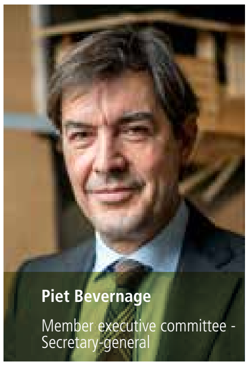
Daily management and supervision

Executive committee


Jan Suykens
Chairman executive committee


Tom Bamelis
Member executive committee - CFO


John-Eric Bertrand
Member executive committee


Piet Bevernage
Member executive committee - Secretary-general


André-Xavier Cooreman
Member executive committee

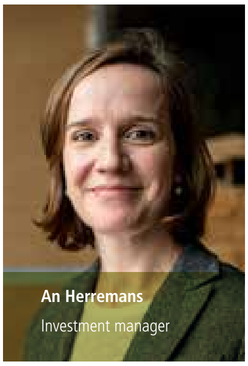

Piet Dejonghe
Member executive committee

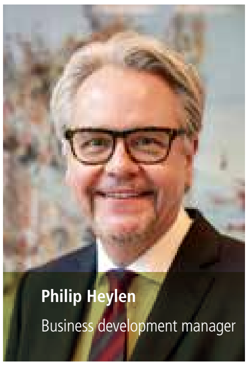

Koen Janssen
Member executive committee

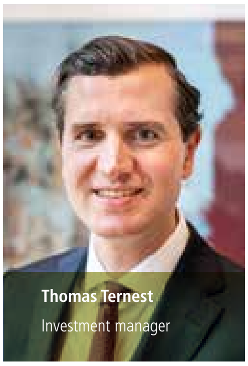
Follow-up participa-tions


Matthias De Raeymaeker
Investment manager


Tom Frank
Investment manager


An Herremans
Investment manager

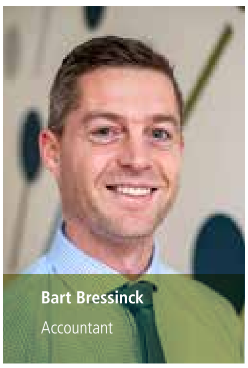

Philip Heylen
Business development manager


Thomas Ternest
Investment manager


Jens Van Nieuwenborgh
Investment manager

Group services

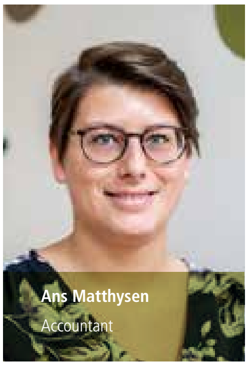
Finance


Bart Bressinck
Accountant


Hilde Delabie
Group controller


Jean-Claude Janssens
Treasurer

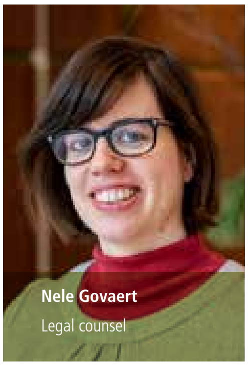

Gilles Huyghebaert
Group controller


Ans Matthysen
Accountant


Katia Waegemans
Communication manager

Group services

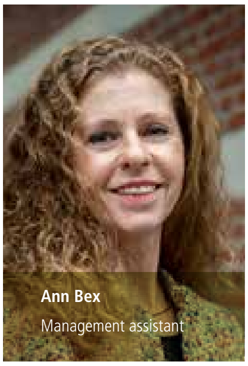
Legal and administrative affairs

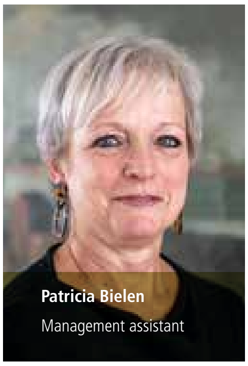

Nele Govaert
Legal counsel

Group services

Administration


Isabelle Bernaerts
Reception


Ann Bex
Management assistant


Patricia Bielen
Management assistant


Chantal Dille
Management assistant


Sarah Franssens
Management assistant

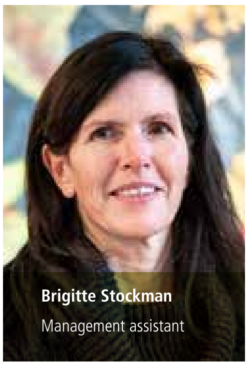

Michaëla Goelen
Office manager

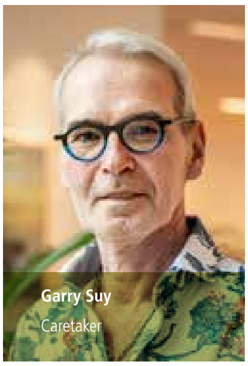

Sonja Goossens
Personnel administration


Lydie Makiadi
Management assistant


Robin Muller
Reception


Filip Portael
IT consultant


Brigitte Stockman
Management assistant


Garry Suy
Caretaker


Petra Van de Velde
Management assistant

Auditor

Ernst & Young Bedrijfsrevisoren BCVBA, represented by Patrick Rottiers & Wim Van Gasse

Activity report 2018

Ackermans & van Haaren

Ackermans & van Haaren

Marine Engineering & Contracting

- DEME 60%
- CFE 60%
- Rent-A-Port 72%
- Green Offshore 80%

Private Banking

- Delen Private Bank 79%
- Bank J.Van Breda & C° 79%

Real Estate & Senior Care

- Extensa 100%
- Leasinvest Real Estate 30%
- Anima Care 93%
- HPA 72%

Energy & Resources

- SIPEF 32%
- Sagar Cements 18%

AvH & Growth Capital

- Agidens[1] 86%
- AXE Investments 48%
- Euro Media Group 23%
- Manuchar 30%
- Mediahuis 13%
- OncoDNA[2] 15%
- Telemond 50%
- Turbo's Hoet Groep 50%

(1) Including participation via AXE Investments
(2) Not consolidated - fully diluted

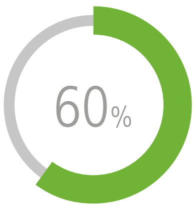
Situation on 31/12/2018

Marine Engineering & Contracting

DEME and CFE both achieved a significant growth in revenue. Combined with the capital gain achieved by Rent-A-Port in Vietnam and the first contribution from the participation in the Rentel offshore wind farm (via Green Offshore), this also translates into an increase of 27.5 million euros in the contribution of 'Marine Engineering & Contracting', to 118.1 million euros.

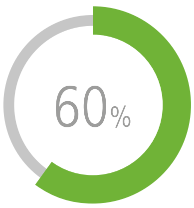
Contribution to the AvH consolidated net result

(€ million)	2018	2017	2016
DEME	**92.8**	94.5	93.9
CFE	**17.3**	17.4	7.2
Rent-A-Port	**5.3**	-4.3	6.9
Green Offshore	**2.7**	-0.2	-0.3
Van Laere	-	-16.8	-2.5
Total	**118.1**	90.6	105.2



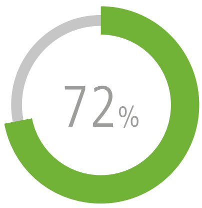
DEME

DEME is one of the largest and most diversified dredging and marine construction companies in the world.



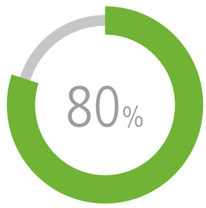
CFE

CFE is a listed Belgian industrial construction group with activities in Belgium, Luxembourg and Poland.



Rent-A-Port

Rent-A-Port develops port projects on the basis of its port-related and logistical know-how and experience.



Green Offshore

Green Offshore holds minority interests in offshore wind farms.

DEME Offshore

From left to right: Luc Vandenbulcke, Hugo Bouvy, Philip Hermans, Eric Tancré, Theo Van De Kerckhove, Els Verbraecken

Shareholding percentage AvH: 60%

DEME

DEME is one of the largest marine construction companies in the world. Starting from its core activities, dredging and civil works on water, the group has developed complementary 'offshore' activities in the field of renewable energy, oil and gas, as well as soil and sludge remediation and the harvesting of aggregates and minerals.

Financial overview 2018

DEME realised an increase of its turnover by 12.3%, to 2,645.8 million euros in 2018 (2017: 2,356.0 million euros). As in 2017, the activities of the DEME subsidiaries GeoSea, Tideway, A2Sea and EverSea, which are being grouped into a new structure - DEME Offshore - since the beginning of 2019, made a substantial contribution to this.

The whole range of activities relating to offshore renewable energy (also including dredging, stone dumping, ...) represent a total of 1,216.6 million euros (over 46% of the total DEME group turnover), compared to 1,138.9 million euros in 2017. But the turnover in traditional dredging work also increased compared to the previous year, by 61.0 million euros to 882.2 million euros (+7.4%). DEME achieved a turnover of 163.4 million euros in its environmental activities, an increase of 11.1 million euros compared to the previous year.

DEME achieved a slight increase of its EBITDA to 458.9 million (2017: 455.5 million euros), which results in an EBITDA margin on turnover of 17.3%. The impact on the profitability due to the late delivery of the 'Living Stone' cable installation vessel and the self-propelled jack-up vessel 'Apollo' in the first half of the year was largely offset in the second half of the year. Due to higher depreciations as a result of various new vessels, the operating result decreased. The net result remained more or less stable at 155.6 million euros (2017: 155.1 million euros).

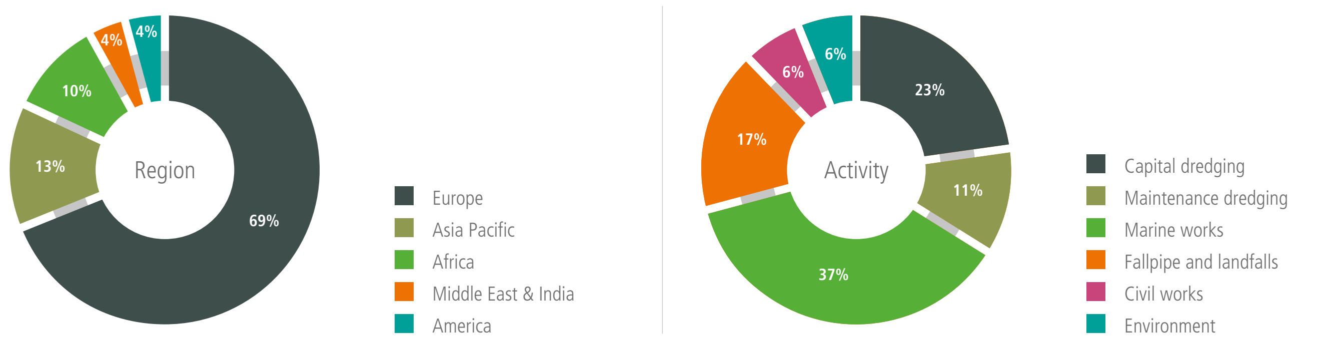
DEME's order backlog increased by 13.9% to 4,010 million euros, compared with 3,520 million euros at the end of 2017.

Fleet investment programme

2018 was characterised by DEME's commitment to constantly improve the productivity and environmental performance of its fleet, in order to apply its experience and innovative solutions to countless dredging, offshore energy, infra marine and environmental projects. In 2018, DEME invested a total of 441.3 million euros in the execution of its ambitious fleet investment programme, primarily for 'Orion', 'Spartacus', 'Living Stone' and 'Apollo'.

DEME is the most environment-friendly company in the industry. Most of the new vessels have been equipped with dual fuel engines, which can be powered with LNG or diesel fuel. The two new hoppers, i.e., 'Minerva' (capacity of 3,500 m³) and 'Scheldt River' (capacity of 8,400 m³), are the first dredgers to be equipped with such dual fuel engines. They were immediately deployed: the 'Minerva' was dispatched to Uruguay and the 'Scheldt River' to Germany. Following on from this success, DEME has a new vessel on order, 'Meuse River', with the same innovative design as the 'Scheldt River'.

Split of turnover by region and activity



Taranto - Italy

The large cutter-suction dredger (CSD) 'Spartacus', which was successfully launched at the Royal IHC shipyard in the Netherlands, highlights the fact that innovation is at DEME's core. With a total installed capacity of 44,180 kW, 'Spartacus' is in a league of its own, and is the most powerful and environment-friendly CSD ever built. The four main engines can run on LNG, marine diesel oil and heavy fuel oil.

The 'Bonny River', a trailing suction hopper dredger with a capacity of 15,000 m^3, will soon be delivered to DEME. This innovative vessel can dredge on very hard seabeds and at depths greater than 100 metres.

Another highly specialised vessel is the 'Blanew', a compact electrically-powered cutter suction dredger that has been specifically designed for dredging work in marinas, canals and lakes. The 'Blanew' entered service in 2018 and is already hard at work in various Belgian ports.

The 'Orion', DEME's large, next-generation offshore installation vessel, was successfully launched in November 2018 during a spectacular ceremony at the COSCO Qidong shipyard in China. The 'Orion' is unrivalled as it combines an exceptionally high transport and load capacity, impressive lifting capacity and green technology. Fitted with a 5,000 tonnes crane, the ship meets the future requirements of customers, and is in line with the trend towards turbines with greater capacity and larger wind farms.

The 'Living Stone' DP3 vessel, one of the most advanced multifunctional vessels in the world, entered service in 2018. The 'Living Stone' is equipped with a unique cable laying installation, with two 5,000 tonnes cable turntables located below the main deck. Moreover, a system has been developed that enables 'Living Stone' to lay a cable while a second cable is simultaneously prepared on deck. This significantly reduces the time needed for preparing the cables, thus increasing time and cost savings for the offshore wind industry.

The new 'Apollo' self-propelled DP2 jack-up vessel dismantled a platform in the Dutch sector of the North Sea. This installation vessel has extremely long lattice legs, which allow the vessel to lift in water depths of up to 65 metres. The 'Apollo' will be deployed in the offshore energy industry, mainly providing services to the gas and oil industry, with an emphasis on the installation and decommissioning of platform facilities.

> "DEME's innovative vessels executed all kinds of challenging projects in every corner of the world in 2018."
>
> Luc Vandenbulcke, CEO

Operational overview 2018

Dredging and land reclamation projects around the world

In 2018, DEME's innovative, new and existing vessels executed all kinds of challenging projects in every corner of the world.

In Asia, DEME continued to work on one of the largest-ever land reclamation projects. By the end of the year, Dredging International Asia Pacific Pte Ltd (DIAP) and its Korean joint venture partner Daelim Industrial had completed more than 80% of Phase 1 of the Tuas Terminal (TTP1). This project was originally awarded in 2015 by the maritime and port authority of Singapore. The construction of the last of a total of 221 caissons, which will form the future quay wall, was even completed four months earlier than scheduled. DIAP is well on its way to completing this project by the end of 2020.

DEME NV

(€ 1,000)	2018	2017	2016
Turnover	**2,645,780**	2,356,014	1,978,250
EBITDA	**458,905**	455,522	447,389
EBIT	**196,012**	230,506	226,956
Net result (group share)	**155,570**	155,055	155,334
Shareholders' equity (group share)	**1,401,403**	1,321,842	1,220,638
Net financial position	**-555,777**	-285,657	-151,215
Balance sheet total	**3,820,722**	3,521,237	3,288,676
Order backlog (€ mio)	**4,010**	3,520	3,800
Capex (€ mio)	**441**	609	179
Personnel	**4,937**	4,440	4,232

In the meantime, Dredging International Australia successfully continued to work on the Sunshine Coast Airport Expansion Project in Australia. This project comprised dredging and land reclamation work in preparation for a new runway, measuring approx. 2,450 metres.

In Africa, DEME carried out coastal protection work along the coastline of Cotonou in Benin. The works continued throughout the whole year, and will run into 2019. These works include beach nourishment with a total volume of 1 million m³, revetment works and groyne construction.

In addition to this, DEME successfully completed its first project in Sierra Leone in March 2018. The consortium in which DEME is a partner worked on the extension of the Freetown Terminal, which is operated by the French group Bolloré Transport & Logistics. The project comprised the construction of a 270 metres quay wall, to allow the terminal to accommodate larger vessels.

Closer to home, DEME actively contributed to a number of projects on some major rivers in Northern Europe. In Belgium, DEME continued to work on the implementation of several long-term contracts for maintenance dredging work on major national waterways and the North Sea. The company's trailing suction hopper dredger 'Pallieter' took care of various maintenance dredging works on the Scheldt and along the access channels to the locks of the port of Antwerp.

After the successful deepening of the Seine between Courval and Duclair in France, the Société de Dragage International (SDI) focused on the last phase of this project. SDI has been working on the deepening of the Seine since 2012 and has carried out the four main phases of this challenging project on behalf of the Grand Port Maritime in Rouen.

Nordsee Nasbagger- und Tiefbau, DEME's German subsidiary, was awarded a two-year contract in 2017 for maintenance dredging work on the river Elbe. This contract has been extended by another year, and will now run until 2020.

DEME will develop and execute the construction and dredging work for the modernisation of the Świnoujście-Szczecin channel in Poland, in joint venture. The channel currently has a depth of 10.5 metres, which will be deepened to 12.5 metres. This will enable the port of Szczecin to accommodate vessels with a greater draught, and thereby maintain its competitive position in the Baltic Sea.

SDI has executed the dredging work, gravel bed installation and backfilling works for the Nouvelle Route du Littoral in La Réunion, for 48 gravity-based foundations for the 5,400 metres viaduct.

DEME is executing the deepening and maintenance of the Canal Martin Garcia in Uruguay and Argentina, in joint venture. The main purpose of the dredging programme is to deepen the canal and maintain a depth of approx. 10.4 metres.

By the end of 2018, DEME had almost fully completed dredging as part of phase 2 of the Seabird project in India. Ultimately, around 10 million m³ of materials will have been dredged, and will be reused if they are deemed suitable.

Three mega projects were launched in the Netherlands: the Rijnlandroute, Nieuwe Sluis Terneuzen and the Blankenburgverbinding. In addition to the marine infrastructure works, which will be executed by DEME Infra Marine Contractors (DIMCO), the projects also include substantial dredging and earthworks.

DEME will supply all the sand (more than 1 million m³) for the Rijnlandroute project. Dry earthmoving works and dredging works will be carried out for Nieuwe Sluis Terneuzen. A staggering amount of 9 million m³ of materials must be dredged. The design and build project is expected to run until 2022.

The financial close for the prestigious A24 Blankenburgverbinding project was achieved in October. Rijkswaterstaat (the Dutch Directorate-General for Public Works and Water Management) awarded the public private partnership contract for the A24 Blankenburgverbinding to the amount of 1 billion euros to the BAAK consortium (DEME Concessions Infrastructure, Ballast Nedam and Macquarie Capital). The dredging and backfilling works represent approximately 1 million m³ and the dry earthmoving works approximately 2 million m³. The contract includes the design, build, financing and maintenance for 20 years.

De Vries & van de Wiel is also carrying out a 145 hectare land reclamation project in the Netherlands in joint venture, with a view to building a new island, to be called 'Strandeiland IJburg', which will form a new residential district in Amsterdam. During H2 2018, de Vries & van de Wiel supplied more than 1 million m³ of sand for the project.

Strong growth in offshore wind

DEME was just as busy offshore, thanks to the growing number of renewable energy projects.

The Rentel offshore wind concession in the Belgian North Sea, with a capacity of 309 MW, was completed earlier than scheduled and is performing in line with expectations. Rentel was a real group project. The 1,200 tonnes substation was installed by the 'Rambiz', Scaldis' floating crane for heavy lifting. The 'Innovation', the group's self-elevating platform, then successfully completed the installation of the monopiles and transition pieces. DEME laid the infield and export cables and installed the wind turbines. These are the largest wind turbines to date in the North Sea, with a peak height of 183 metres.

Baarland

Launch of Scheldt River

This summer, DEME's self-elevating platform 'Innovation' successfully completed the installation of 20 suction bucket jackets at the Borkum Riffgrund 2 offshore wind farm in Germany. The suction bucket jackets weighed 950 tonnes each, with a height of 58 metres. DEME is currently one of the few companies that has the extensive know-how needed to install suction bucket jackets of this size.

In 2018, DEME also worked on the largest wind farm in the world, Ørsted's Hornsea Project One. A first and important milestone was reached at the end of the year with the completion of the installation of the export cable. This is the longest offshore AC cable ever that has ever been laid for wind energy, with a total length of 467 km, roughly equivalent to the distance between Amsterdam and Hamburg. As soon as the 174 turbines of Hornsea Project One become fully operational in 2020, they will generate enough clean electricity for just under one million households. The gigantic wind farm was the first project on which the new 'Living Stone' multifunctional vessel was deployed.

Strong performance in oil and gas

In addition to the offshore wind activities, DEME also posted a strong performance in the oil and gas markets, due to new contracts and solid project execution.

TransCanada awarded DEME an important contract for a 700 km submarine gas pipeline connecting the US with Mexico. DEME deposited around 200,000 tonnes of rock to stabilise the 42 inch wide pipeline. A first contract was also concluded in Bangladesh for the floating LNG terminal at Moheshkhali. This will be the country's first terminal for LNG imports. DEME is also the main contractor for rock dumping and the construction of landfalls for the Baltic Gas Interconnector project, which connects the gas networks of Finland and Estonia. Oil and gas projects were also carried out in the Middle East and South Africa.

Remediation of polluted sites

The specialised environmental companies of DEME - DEME Environmental Contractors (DEC), de Vries & van de Wiel and Ecoterres - play a proactive role in the sourcing and development of potential remediation projects, together with their development partners.

As the main contractor for the Blue Gate project (66 hectares) in Antwerp, DEC is tasked with all the remediation and infrastructure works. Work has commenced on a major remediation project in Italy, the ILVA steel works in Taranto. Three channels are being dredged and the dredged material is dewatered using a soil washing installation that was designed in-house. The remediation works as part of the Esso Norge project, a former refinery near Tønsberg in Norway, continued throughout the year.

Global Sea Mineral Resources preparing the next offshore campaign

Global Sea Mineral Resources (GSR), DEME's deep-sea harvesting specialist, presented its innovative pre-prototype 'Patania II' in September 2018. The nodule collector will embark on its first expedition in the GSR and BGR (German) exploration areas in the eastern sector of the Clarion Clipperton zone in the Central Pacific Ocean in 2019.

GSR is collaborating with Ghent University for this. They will jointly assess the environmental impact of 'Patania II' on site by again gathering crucial design data. GSR can then continue to redesign its technology in order to increase its efficiency and minimise its impact. In addition, an international consortium of scientists from the 'EU Joint Programming Initiative for Healthy and Productive Seas and Oceans' will submit an independent and transparent report of additional environmental measurements. All environmental information will be available to the public.

Outlook 2019

In 2019, DEME is expected to realise a revenue of approximately the same size as that of 2018. The impact of new vessels in the fleet for a full year is expected to be compensated by the scheduled major overhaul of the important installation vessel 'Innovation'. In 2019, the operating margin (EBITDA) is again expected to remain within the historical range of 16% to 20% over the entire year.

DEME
Dredging, Environmental & Marine Engineering

From left to right: Piet Dejonghe, Frédéric Claes, Manu Coppens, Fabien De Jonge, Jacques Lefèvre, Raymund Trost, Yves Weyts

Shareholding percentage AvH: 60%

CFE

CFE is a listed Belgian industrial construction group with three distinct lines of business: Dredging works, Environment, Offshore and Infrastructure activities; Contracting, which includes construction, multitechnics and rail activities; and finally Real estate development.

Financial overview 2018

CFE recorded healthy growth in 2018. The group's activity increased during the past year due to the various contracts that were awarded to the three lines of business, resulting in a substantial increase in turnover. CFE (excl. DEME) achieved a turnover that peaked at 994.9 million euros (including 139.8 million euros turnover from the Van Laere group that was acquired at the end of 2017), compared to 710.5 million euros in 2017.

CFE Contracting achieved a turnover of 934.6 million euros in 2018 (2017: 717.6 million euros) and realized a high level of activity, as in 2017, in Belgium, in Luxembourg and in Poland. Although a number of entities of the Contracting division in Belgium recorded a slight drop in their order book compared to 31 December 2017, the order book of CFE Contracting increased to 1,320.3 million euros, especially in Flanders, and to a lesser extent in Luxembourg. CFE Contracting achieved a net profit of 15.2 million euros compared to 15.4 million euros in 2017.

In **Real estate development**, BPI's real estate portfolio amounted to 139 million euros at the end of December 2018 (2017: 133 million euros). The net result of this division in 2017 was positively affected by the capital gain on the sale of the Kons and Oosteroever projects. The main contributors to the 2018 profit of 9.3 million euros (2017: 22.3 million euros) were, in particular: the development projects Ernest The Park (Brussels), Kiem (Luxembourg), Erasmus Gardens (Anderlecht) and 2 completed projects in Poland, where profit can only be recognised at the end of the project.

The turnover from the **non-transferred activities** of CFE continued to fall, to 27 million euros (before eliminations). The only significant construction site that is still in operation is the construction of the new 'Brussels South' water purification station, the second phase of which was commissioned in 2018 within the foreseen period, to the satisfaction of the customer. The full commissioning will not take place until 2020.

In the course of H2 2018, CFE received payments for the equivalent of 7.5 million euros on its outstanding receivables from the Chad government amounting to 60 million euros. The conditions of a refinancing proposal for the receivables in connection

CFE NV (including DEME)

(€ 1,000)	2018	2017	2016
Turnover	**3,640,627**	3,066,525	2,797,085
EBITDA	**487,960**	500,734	465,863
EBIT	**213,075**	267,157	227,570
Net result (group share)	**171,530**	180,442	168,411
Shareholders' equity (group share)	**1,720,878**	1,641,904	1,521,559
Net financial position	**-648,322**	-351,909	-213,051
Balance sheet total	**4,948,951**	4,646,893	4,328,219
Order book (€ mio)	**5,386**	4,851	4,757
Personnel	**8,598**	8,689	7,752

with the Grand Hotel were officially approved by the Chad government. They are now awaiting validation by the board of directors of the Afrexim bank.

Operational overview 2018

Contracting

As in 2017, CFE Contracting posted an outstanding performance in Belgium, Luxembourg and Poland. The further integration of Van Laere and its subsidiaries into the CFE group progressed in a positive manner, as expected.

2018 was a busy year for MBG due to the execution of various large projects, such as the construction, in joint venture, of the complex ZNA Cadix site to the north of Antwerp, the delivery of the AZ Sint-Maarten site (Mechelen) and the timely delivery of the Antwerp Management School at the start of the new academic year. The renovation of the outer shell and inner volumes of the Gare Maritime freight railway station on the Tour & Taxis site is making good progress. The results at Van Laere are recovering, thanks to a more rigorous selection of dossiers to follow up on, the optimisation of the preparation phase at the start of a project and improved contract management. As a result of these measures, turnover increased, results improved and the company has a healthy order book for 2019. The new management structure also had a positive impact at Arthur Vandendorpe, which specialises in restoration and renovation.

In Brussels, BPC confirmed its reputation as a leader in the construction of buildings, thanks to a strong increase in its activity compared with 2017 and a good position in major projects. Early 2019, it was decided to merge Amart and BPC in order to respond more adequately to future challenges. This integration will be further developed in the first half-year, enabling this new organisation to become an even bigger player on the Brussels market. The decrease in BPC Wallonie's activity in 2017 was more than adequately compensated in 2018. After being awarded the 'Shape 2020' DBFM contract, which includes the construction of 600 residences for NATO staff near Mons, the future looks bright.

Activity was also buoyant for CLE in the Grand Duchy of Luxembourg, due in part to the delivery of several major construction projects, such as the Vauban school campus for the Ecole Lycée Français in Luxembourg city, the bridge along the A13 near Dudelange and the Glesener mixed project for BPI Luxembourg. CLE will continue to focus on two new activities in 2019, namely road infrastructure and wood construction, together with LTS.

The Polish economy and building industry posted strong growth in 2018, a contributing factor to the strong increase in the turn-over and margins of CFE Polska. 2019 looks more than promising, thanks to a well-filled order book, including, among others, the start of the construction of a second 'Mayaland' theme park for Studio 100. On the other hand, the unfavourable market and socio-economic environment continued to affect the operations of the Tunisian subsidiary CTE, weighing on the results for 2018 to the amount of 6 million euros.

In 2018, Laminated Timber Solutions (LTS) continued to actively focus on the further development of its portfolio, in particular on the industry and project markets. In addition to this, the three entities Korlam/Lamcol/Buildinx were grouped under one brand name. A 'Wood Works' working group was also set up within Contracting and Real Estate, in order to better promote the CLT product (cross-laminated timber) in the classic building market.

Within the VMA cluster, an important step was taken by converging all the electricity and automation activities with the HVAC activities. By incorporating the Druart entity in this cluster, VMA can now offer all its customers an integrated solution. Another priority was the local presence in various regions, which explains the acquisition of an Antwerp company. The outlook for 2019 is favourable, thanks to this

> "CFE can continue to grow as a reliable partner, offering integrated solutions to its diversified customer portfolio."
>
> Piet Dejonghe, CEO

Vauban - Luxembourg

CFE (excluding DEME): Breakdown by division

(€ million)	Turnover		Net result		Order book	
	2018	2017	**2018**	2017	**2018**	2017
Construction	**692.5**	499.8			**1,069.1**	978.8[2]
Multitechnics	**170.6**	155.3			**168.4**	152.6
Rail Infra	**71.5**	62.5			**82.8**	98.3
Contracting	**934.6**	717.6	**15.2**	15.4	**1,320.3**	1,229.7
Real estate development	**94.7**	10.9	**9.3**	22.3	**139**[3]	133[3]
Holding, non-transferred activities and eliminations[1]	**-34.4**	-18.1	**-6.6**	-13.7		
Total	**994.9**	710.5	**17.9**	23.9		

(1) Including contribution Rent-A-Port (45%) and Green Offshore (50%) to CFE.
(2) Including order book A.A. Van Laere (€ 241.8 mio).
(3) Real estate projects is the sum of the equity and net financial debt of the real estate division.


Clinique du MontLégia - Liège


Tivoli - Brussels


Nike - Ham

new, integrated structure. In the 'Automotive' division, it is crucial to respond quickly to global market trends in the rapidly-evolving automotive industry, and where necessary follow customers on the international level. be.Maintenance posted strong growth in the market for technical maintenance and installations, both in terms of turnover and customer portfolio. Thanks to the close cooperation with the various entities within Contracting, be.Maintenance will be able to further strengthen its position.

The MOBIX cluster positioned itself as a global, multidisciplinary contractor for the installation of tracks, signage and catenaries. The group has six branches throughout Belgium that offer services to public utility companies, including the installation of fibreglass networks, the construction of overhead power lines, the maintenance of public lighting and the installation of fire detection and monitoring systems. The 'Track' activity posted very satisfying results. The framework contracts at ORES and the award (in consortium) of the 'Plan Lumière 4.0' PPP contract for the modernisation of all lighting along the motorways in the Walloon Region, mean the order book is well-filled for several years.

Real estate development

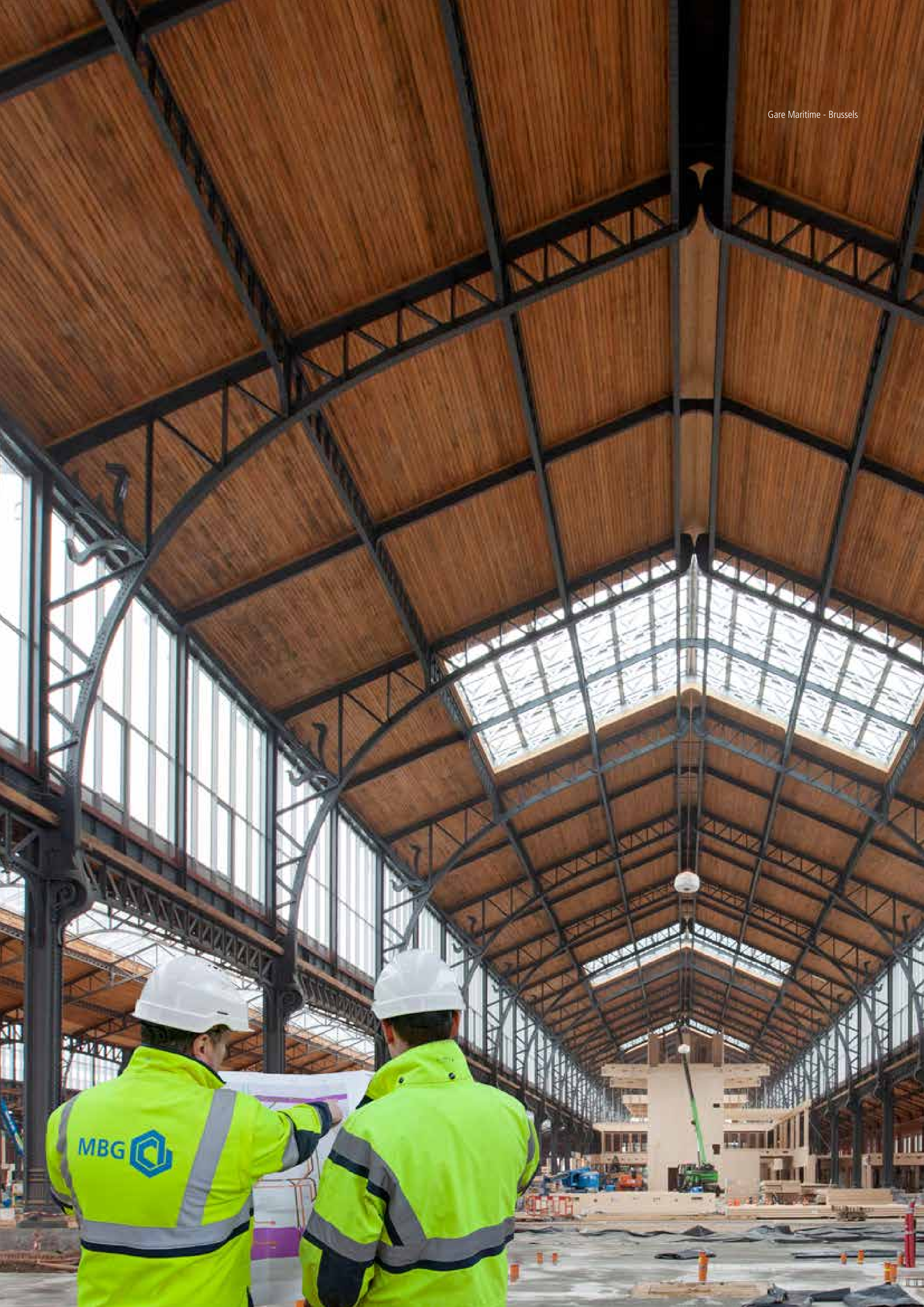
In the past two years, the real estate developer BPI underwent a radical organisational change in order to respond more quickly to a much more competitive market, in which trends and expectations evolve at a very rapid pace. Following the successful commercialisation of several residential projects, i.e., Ernest The Park in Elsene, Erasmus Gardens in Anderlecht and Voltaire in Schaarbeek, other projects such as Park West in Brussels, Zen Factory in Lot-Beersel and Grand Poste in Liège were launched.

In the Grand Duchy of Luxembourg, BPI Luxembourg continued to work on various projects such as Kiem (Kirchberg-Plateau) and Fussban in Differdange, with completion scheduled for 2019. BPI also obtained planning permission for its Livingstone project along Route d'Esch in Luxembourg city.

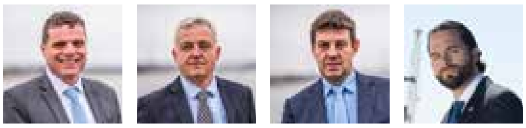
Finally, BPI Polska completed two large projects in 2018: Immo Wola in Warsaw and the first phase of Bulwary Kasiazece in Wroclaw. In addition to this, new land positions were acquired in Gdansk, where BPI will build a complex with 239 apartments (Sadowa project), and in Warsaw (Wola district), where it will build a mixed, 10,000 m² above-ground residential and commercial complex (Ostroroga complex). Planning permission has since been obtained for the latter project, and the commercialisation and construction have started.

Outlook 2019

The turnover of the Contracting division should remain stable in 2019, whereas the operating income should increase slightly. The operating result of the Real estate development division should remain at a level close to that of 2019.



Gare Maritime - Brussels



From left to right:
Frank Wouters, Lieven Durt,
Valentijn Maussen, Reggy Vermeulen

Shareholding percentage AvH: 72%

Rent-A-Port

Together with partners, Rent-A-Port develops greenfield projects for the construction of ports and associated industrial zones. In this context, Rent-A-Port also manages the associated utilities (electricity, water, waste collection and waste water treatment).

The operational activities of Rent-A-Port were mainly focused on **Vietnam**, as was the case in previous years. Thanks to the increased availability of land since the second half of the year, more land handovers were realised this year compared to 2017. The infrastructure in the first industrial zone, the Dinh Vu Industrial Zone, has already been largely developed. More than 60 industrial customers are already using the utility services on a recurring basis. In addition, Rent-A-Port has acquired important positions for the development of additional neighbouring industrial zones, and is well positioned to be entrusted with the management of more than 3,000 hectares of industrial land. These are all located near the new port of Lach Huyen, the only deep-sea port (-14 metres) in North Vietnam. The completion of a dike in Nam Dinh Vu ('Deep C-II concession') has led to an accelerated delivery of new industrial sites since mid-2018.

At the end of 2018, a 50% stake in the Deep C Green Energy company, which is responsible for electricity distribution on the Dinh Vu Industrial Zone, was sold to TEPCO, resulting in a substantial capital gain.

The infrastructure in **Oman** is still insufficiently developed to serve a critical mass of customers. The infrastructure work at the port of Duqm (North and South) is progressing well, however, and the port is expected to be completed by 2020. The port should also become profitable from that point onwards, and there should be sufficient industrial customers to further expand the utility facilities.

Rent-A-Port NV

(€ 1,000)	**2018**	2017	2016
Turnover	**3,180**	4,459	4,309
EBITDA	**-2,338**	-4,234	-2,334
EBIT	**-2,403**	-4,659	-2,373
Net result (group share)	**7,371**	-5,991	4,423
Shareholders' equity (group share)	**44,394**	36,508	45,788
Net financial position	**-15,316**	-12,334	-7,620
Balance sheet total	**66,287**	55,023	61,664

Rent-A-Port

The port project in the **Netherlands** (Zuiderzeehaven) was also completed in 2018. The three private partners (including Rent-A-Port) have sold their share in this project to the local public partner.

Rent-A-Port expects to expand further in the coming years, thanks to the mature and profitable projects in Vietnam and to the further expansion of projects in Oman that are not profitable at the moment.

At the beginning of 2019, AvH and CFE each purchased an additional 5% of the capital of Rent-A-Port from the co-founders, as a result of which, together, they now own 100% of the capital of this company. As a result, AvH's beneficial participation percentage in Rent-A-Port will increase to 80.2%.

www.rentaport.be

From left to right:
Nathalie Oosterlinck, Geert Dewaele,
Christophe De Winter, Mathias Verkest

Shareholding percentage AvH: 80%

Green Offshore

Green Offshore is active in the development and exploitation of offshore wind farms.

Green Offshore - Rentel

Green Offshore owns (directly and indirectly) participations in the Belgian offshore wind farms Rentel (12.5%) and SeaMade (8.75%).

The **Rentel** offshore wind concession lies approximately 40 km from Ostend and consists of 42 wind turbines of 7.35 MW. With a total installed capacity of 309 MW, it will supply renewable energy to approximately 300,000 households. With a peak height of 180.5 metres, the Siemens wind turbines are the tallest wind turbines to be installed in the Belgian North Sea to date.

The construction activities for this offshore wind farm were successfully completed in 2018. As expected, the first renewable electricity of this wind farm was injected in the Belgian electricity network, in mid-2018. By the end of 2018, Rentel was fully operational as a Belgian power station at sea (309 MW).

Thanks to an appropriate legislative framework that was approved by the federal government at the end of 2017, the development of the Mermaid and Seastar offshore wind farms could be accelerated. In the course of 2018, Mermaid and Seastar were merged under the name **SeaMade** NV, and in December 2018 SeaMade reached its financial close.

SeaMade will build 58 wind turbines with a total capacity of 487 MW, thus becoming the largest offshore wind farm in Belgium. Two offshore substations will connect it to the Elia Modular Offshore Grid. Siemens Gamesa will supply and maintain the 8.4-MW turbines. They have a peak height of 190 metres and a rotor span of 167 metres, which is greater than the wingspan of two Airbus 380s. The offshore operations are scheduled to start in the summer of 2019, and both wind farms should be operational before the end of 2020. They will be operated and maintained from the Otary logistics centre in the port of Ostend.

Rentel and SeaMade generate a total capacity of just under 800 MW, producing approximately 2.9 TWh a year. This is a substantial share of the total annual expected offshore production of circa 8 TWh, which accounts for 10% of the total electricity consumption in Belgium, as well as 50% of the binding objective of 13% energy from renewable sources by 2020.

Together, Rentel and SeaMade will provide renewable energy to 700,000 households, resulting in an annual reduction of 1,200,000 tonnes of CO_2 emissions.

AvH has a (beneficial) participation of 10.03% in Rentel and of 7.02% in SeaMade through Green Offshore, which is a 50/50 investment vehicle of AvH and CFE.

Green Offshore NV

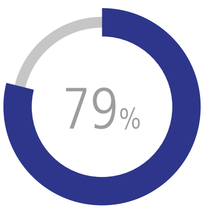
(€ 1,000)	**2018**	2017	2016
Turnover	**3**	0	0
EBITDA	**-4**	-13	-182
EBIT	**-4**	-13	-184
Net result (group share)	**3,352**	127	-342
Shareholders' equity (group share)	**19,890**	16,627	5,001
Net financial position	**-33,374**	-18,430	-27,103
Balance sheet total	**55,762**	35,607	32,694

Private Banking

Despite the turmoil on the financial markets in the fourth quarter of 2018, both Delen Private Bank and Bank J.Van Breda & Cº achieved excellent commercial performances. Both banks contributed a total of 121.3 million euros to the 2018 group result in the 'Private Banking' segment (2017: 113.9 million euros).

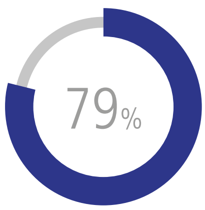
Contribution to the AvH consolidated net result

(€ million)	2018	2017	2016
FinAx/Finaxis	**-0.4**	-0.9	-1.0
Delen Private Bank	**88.5**	83.3	69.2
Bank J.Van Breda & C°	**33.2**	30.8	29.7
BDM-Asco	-	0.7	0.6
Total	**121.3**	113.9	98.5



Delen Private Bank

Delen Private Bank focuses on discretionary asset management for a large client base of private individuals.

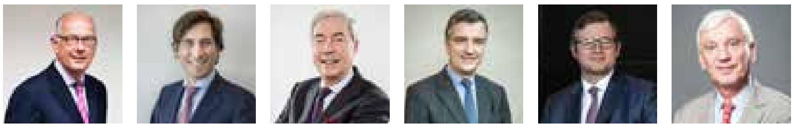


Bank J.Van Breda & C°

Bank J.Van Breda & C° is a specialised advisory bank that focuses exclusively on entrepreneurs and liberal professions.

The combined assets entrusted by the clients of Delen Private Bank and Bank J.Van Breda & Cº amounted to 45.4 billion euros per December 31, 2018 compared to 47.8 billion euros per December 31, 2017. This 5% decline was fully attributable to the negative development of the financial markets in Q4 2018.

At the request of the National Bank of Belgium, the shareholding structure of Delen Private Bank and Bank J.Van Breda & Cº was simplified, without changing the conditions of the partnership between Ackermans & van Haaren on the one hand and the Delen family on the other hand. AvH has, through its 100% subsidiary FinAx, a direct 78.75% stake in both banks, instead of through the joint holding structure Finaxis, as it was previously. Promofi (Delen family) participates directly for 21.25% in Delen Private Bank and Bank J.Van Breda & Cº.



From left to right: Paul De Winter, Alexandre Delen, Jacques Delen, René Havaux, Eric Lechien, Arnaud van Doosselaere

Shareholding percentage AvH: 79%

Delen Private Bank

Delen Private Bank focuses on the management and planning of assets of mainly private clients. The group has developed into an established name in Belgium (Delen Private Bank), the Netherlands (Oyens & Van Eeghen) and in the United Kingdom (JM Finn).

Financial overview 2018

Leading position in discretionary management

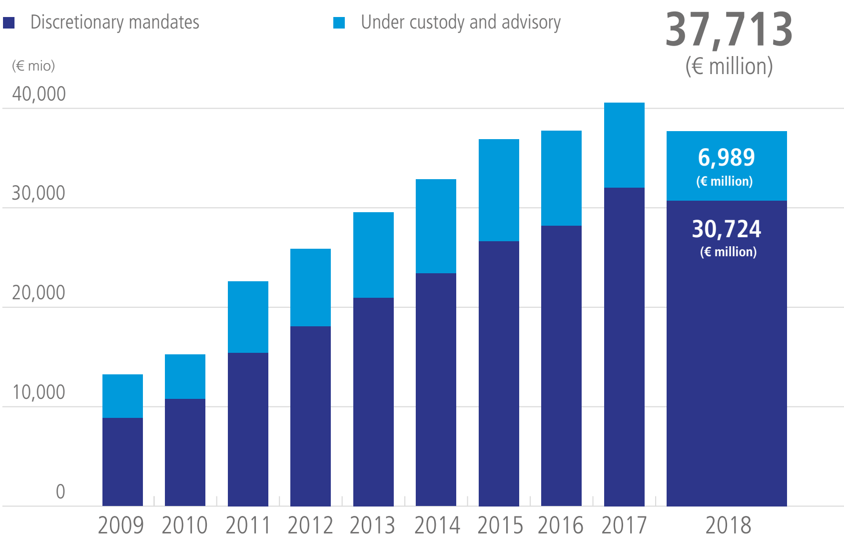
The assets under management of Delen Private Bank group reached a consolidated level of 37,713 million euros at the end of 2018 (2017: 40,545 million euros).

At Delen Private Bank, assets under management amounted to 27,673 million euros at the end of 2018 (2017: 29,410 million euros). Despite an organic net growth of the assets under management of both existing and new private clients, assets under management still decreased as a result of the decrease in prices on the stock markets, in particular during the fourth quarter of 2018. Even during this unfavourable stock market climate, the inflow of capital into Delen Private Bank remained however considerable in 2018. This inflow even reached a record level in the first half of the year. This almost exclusively involved discretionary asset management. All Belgian branches contributed to this constant net inflow of assets, with, admittedly, an increasing share from the regional offices. This testifies to the confidence that the clients place in Delen Private Bank, and also confirms the leading position of the bank in terms of discretionary asset management in Belgium.

In the British asset management company JM Finn (Delen Private Bank 90.7%), assets under management reached 9,563 million euros (8,555 million pound sterling) at the end of 2018 (2017: 10,475 million euros, 9,294 million pound sterling). Here too, the cause of the decline mainly lied in the negative value development of the assets (expressed in pound sterling). The currency evolution of the pound sterling against the euro (-0.8%) also contributed to this decline.

On December 31, 2018, the assets under management for private individuals and foundations amounted to 476 million euros at Oyens & Van Eeghen (2017: 660 million euros). This decrease is the result of the negative value development of the assets under management and the phasing out of the provision of services to large institutional clients. Oyens & Van Eeghen did realise an organic net increase of assets under management for existing and new private clients, however.

Delen Private Bank: Consolidated assets under management



Increase of the net result

As the decline in assets under management only occurred in the fourth quarter, the consolidated gross operating income of Delen Private Bank increased by 4.7% to 384.3 million euros in 2018. Operating expenses increased by 8.2% (11.9% excluding JM Finn and Oyens & Van Eeghen).

The growth of Delen Private Bank entailed costs, and, in particular, the costs for IT and commercial staff have increased. The pace of recruitments and cost increases slowed down during the last months of the year, however. At JM Finn, the increase in costs in local currency can be explained by the higher staff costs and an increase in expenses for marketing and IT. The cost-income ratio increased slightly compared to 2017 and amounted to 55.27% (44.70% at Delen Private Bank, 85.43% at JM Finn), which is a good figure compared to the competition. The group employed 709 staff (FTE) at the end of 2018, of which 391 at Delen Private Bank, 300 at JM

Delen Private Bank - Antwerp

Delen Private Bank - Ghent

Delen Private Bank - Namur

Finn and 18 at Oyens & Van Eeghen.

> “Even during this unfavourable stock market climate, the inflow of capital into Delen Private Bank remained considerable in 2018.“
>
> Paul De Winter, CEO

Net profit increased to 112.4 million euros in 2018 (compared to 105.8 million euros in 2017). JM Finn’s contribution to the net result of the group was 7.3 million euros (after clients’ depreciation charges and 9% minority interests of 1.7 million euros; in 2017: 7.1 million euros). The contribution from Oyens & Van Eeghen was slightly negative due to the restructuring costs and the phasing out of the service provision to institutional investors.

The consolidated shareholders’ equity of Delen Private Bank amounted to 742.9 million euros on December 31, 2018, compared to 678.8 million euros at the end of 2017. This amount already takes into account the sale option of the JM Finn management of selling the remaining shares to Delen Private Bank after a period of time. The core shareholder equity of the group (taking into account the intangible fixed assets amounting to 234.3 million euros, of which 48.9 million euros relates to JM Finn clients and 7.0 million euros to Oyens & Van Eeghen clients) amounted to 450.5 million euros at the end of the year (compared to 386.4 million euros at the end of 2017). Delen Private Bank is more than adequately capitalised, and fully meets the Basel III requirements in terms of shareholder equity. The Core Tier1 capital ratio of 30.9% is well above the sector average, and takes the long-term obligation to buy out JM Finn’s minority shareholders into account. Delen Private Bank has a solid and easily understandable balance sheet. The cash holdings remain conservatively invested with the National Bank of Belgium, in high-quality government paper, short-term at quality banks or in short-term, high-quality obligations of blue-chip companies. The Basel III regulations only have a minor impact on Delen Private Bank,

Delen Private Bank[(1)]

(€ 1,000)	2018	2017	2016
Gross revenues	384,262	366,912	313,071
Net result (group share)	112,390	105,836	87,877
Shareholders' equity (group share)	742,927	678,792	621,204
Assets under management	37,712,549	40,544,926	37,769,779
Cost-income ratio	55.3%	53.7%	57.8%
Return on equity	15.8%	16.3%	14.6%
Core Tier1 capital ratio[(2)]	30.9%	29.3%	30.9%
Personnel (FTE)	709	676	657

(1) Delen Investments was dissolved at the end of September 2018, and, since then, its historical perimeter has coincided with that of Delen Private Bank. The financial data relating to 2018 is the consolidated data for Delen Private Bank, while that for 2017 and previous years is for Delen Investments Comm. VA.
(2) Core Tier1 = solvency ratio

as the capital of the group consists solely of Core Tier 1capital, the portfolio is invested conservatively and the ratios of the group already exceed the current and future requirements. The return on the (average) shareholders' equity amounted to 15.8%, a very satisfactory figure.

René Havaux will succeed to Paul De Winter as chairman of the executive committee of Delen Private Bank from March 31, 2019. Together with Jacques Delen and Paul De Winter, René Havaux is also at the base of the successful strategy of discretionary asset management and patrimonial advice for mainly private clients.

Operational overview 2018 by activity

Delen Private Bank (BE, LU, CH)

Delen Private Bank adhered to its traditional investment principles in 2018: to manage the wealth of its clients in a well-considered and alert manner, and to diversify and spread the risks within the limits of their risk profile. This turned out to be a particularly difficult task in 2018. The stock exchanges were nervous and volatile, and seemed to be paying more attention to geopolitical developments than to the fundamental economic picture.

In 2018, Delen Private Bank continued its strategy of optimising the quality and efficiency of asset management by continuing to strive for an ever-increasing share of management mandates. At the end of 2018, 82% (22,711 million euros) of the entrusted assets were managed directly under a discretionary management mandate or through their own patrimonial beveks. Expressed in number of accounts, the share of managed accounts amounts to 93%. This now represents more than 26,500 management mandates. Delen Private Bank made investments for its clients in highly diversified share portfolios, with a focus on Europe. Bonds remained short-term (less than one year) in order to be secure against the risk of rising interest rates. On the currency front, the diversification outside the euro zone resulted in a positive contribution. The bond component of the portfolios remained mainly invested in short-term investments in strong countries and companies, with more dynamic investments in perpetual bonds. The correction on the stock markets was spread across all assets (shares, bonds, commodities, etc.). In this context, even a prudent, diversified investment strategy did not provide sufficient protection. The client portfolios recorded a loss, albeit less pronounced than many reference indices.

Delen Private Bank continues to gain market share in the Belgian private banking niche, also thanks to the strong increase in new private capital. The increased local embedding of the bank is bearing fruit. More than three quarters of the net inflow of capital originates from the branches outside the headquarters in Antwerp. This encourages Delen Private Bank to continue to invest in staff and infrastructure. New branches were opened in Leuven and Knokke in 2018. The expansion and renovation work in the headquarters in Antwerp is progressing as expected. Delen Private Bank will open a new branch in Waterloo in 2019.

Bank J.Van Breda & C° once again made a significant contribution to the result of Delen Private Bank via its branches. On December 31, 2018, Delen Private Bank managed 5,553 million euros on behalf of clients introduced by the Bank J.Van Breda & C° network. In addition, Delen Private Bank handles the securities administration of Bank J.Van Breda & C° (1,086 million euros). In this way, Bank J.Van Breda & C° represents approximately 24% of the total assets under management at Delen Private Bank.

JM Finn (UK)

The London stock market performed well for a large part of the year, but also succumbed to the downward trend towards the end of 2018. The weakening of the pound sterling as a result of the Brexit chaos led in part to foreign shares portfolios remaining slightly more stable.

The acquisition of 73.5% of the London asset management bank JM Finn in 2011 was an important step for Delen Private Bank. Delen Private Bank acquired 17.2% of the minority shares in 2016, 2017 and 2018, with the aim of increasing the direct shareholding to 90.7%. At the end of 2018, JM Finn managed 9,563 million euros (8,555 million pound sterling) of entrusted funds, 80% of which in discretionary management. The level of the assets under management and the expansion of the discretionary management segment confirmed that JM Finn is a healthy company with growth potential. The position of JM Finn in the British onshore asset management market, combined with the dedication and experience of Delen Private Bank, will enable JM Finn to continue to expand and to evolve into a prominent player in the British market.

At the operational level, 2018 was another busy year for JM Finn thanks to the strong interaction with its clients, either at the branch or during events, major initiatives to comply with the stricter MiFID II compliance environment, the increase of the efficiency of the organisation and the further tightening of the collaboration with Delen Private Bank. The focus was on increasing the business activity, among other aspects by the further roll-out of the new asset planning activity and the increased use of CRM software. The executive committee of JM Finn ensures that the strategic initiatives and priorities are gradually and successfully implemented, in order to combine the expansion strategy with the required improvement of profit over time.

Delen Private Bank - Ghent

Delen Private Bank - Brussels

Delen Private Bank - Knokke

Delen Private Bank - Leuven

Oyens & Van Eeghen (NL)

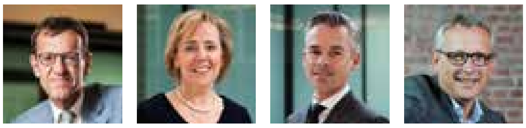
In 2015, Delen Private Bank acquired all the shares of Oyens & Van Eeghen, one of the oldest autonomous financial institutions in the Netherlands, being founded in 1797. Delen Private Bank thereby strengthened its presence in Benelux. At the end of 2018, Oyens & Van Eeghen managed 476 million euros of entrusted funds for private clients, 87% of which in discretionary management. In recent years, Oyens & Van Eeghen has increasingly and successfully concentrated on the specialised asset management segment. Oyens & Van Eeghen provides a high-quality platform for developing the Delen model in the Dutch onshore asset management market.

Oyens & Van Eeghen was also affected by the volatile market conditions. The strategy of global diversification and active asset allocation in the portfolios provided some protection. The maturities of the bond component of the portfolios were short, as is the case at Delen Private Bank. Thanks to consultations with the management team of Delen Private Bank and the transfer of consolidated responsibility for bond investments to employees of Oyens & Van Eeghen, the investment strategies in the Netherlands and Belgium continued to harmonise further.

At the operational level, several significant developments took place for Oyens & Van Eeghen in 2018. The new management, which took over in the course of 2017, is aligning the organisation towards discretionary asset management for private clients. The service provision to institutional clients was scaled down, and new commercial employees were recruited for the further development of service provision to private clients in Amsterdam and Limburg. The expertise, in particular in the area of beveks, and the IT systems developed by Delen Private Bank in Belgium are very significant contributors to the improvement of the service provision and the increase in efficiency in the Netherlands. As a result, Oyens & Van Eeghen is able to serve a larger private client base from its branches in Amsterdam and Den Bosch. Oyens & Van Eeghen will open new offices in Valkenburg and Heerenveen in 2019.

Outlook 2019

Delen Private Bank will continue its prudent investment philosophy and is convinced that this approach will continue to make the difference in the long term. 2018 was a turbulent and difficult year. Delen Private Bank focuses on the well-considered management of its clients' portfolios with the necessary diversification and risk spreading, while at the same time adopting an alert attitude with regard to the sensible use of long-term opportunities. Delen Private Bank, JM Finn and Oyens & Van Eeghen are also making continued efforts to attract new capital, with a focus on those regions where the awareness of the company name is on the rise.



From left to right: Dirk Wouters, Véronique Léonard, Vic Pourbaix, Marc Wijnants

Shareholding percentage AvH: 79%

Bank J.Van Breda & C°

Bank J.Van Breda & C° is a specialised advisory bank that focusses exclusively on entrepreneurs and liberal professions. Via Bank de Kremer, the bank makes asset management accessible to everyone. Van Breda Car Finance provides car financing and financial car leasing via car distributors.

Financial overview 2018

Bank J.Van Breda & C° closed 2018 with a record result. The consolidated net profit increased by 8%, to 42.2 million euros (39.1 million euros in 2017). This result is directly related to the strong commercial performance, in both the target group banking for entrepreneurs and liberal professions and at Van Breda Car Finance. With Bank de Kremer, a new initiative was launched on the market that focuses on asset management for private individuals and that responds to a clear need for overview and insight in current and future assets.

The commercial volumes (total invested by clients + credit provision) increased by 4% to 19.1 billion euros in 2018.

Due to the low interest and the narrow interest margin, however, the strong expansion in volume was insufficient to compensate for the increase in costs. This caused the result before taxes to decrease by 7%. Thanks to the lower corporate income tax, the result after taxes increased by almost 8%.

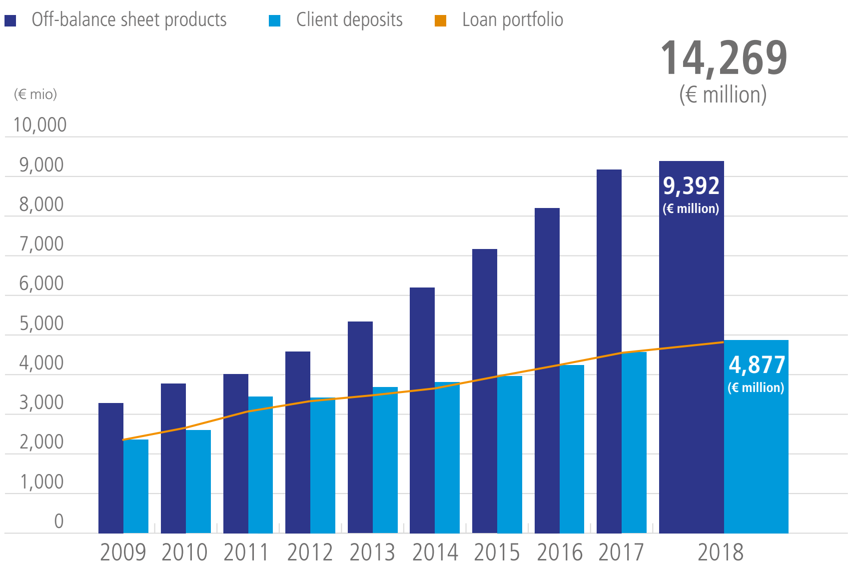
The bank's shareholders' equity increased to 550 million euros, whereby a return on equity (ROE) of almost 8% was realised.

Increase of commercial volumes

Assets invested by clients increased by 527 million euros (+4%) to 14.3 billion euros, of which 9.4 billion euros consisted of off-balance sheet products and 4.9 billion euros of client deposits. This confirms the confidence of the clients in the bank. The total credit portfolio increased by 6%, to just below 4.8 billion euros.

The consolidated bank product increased by 2% to 144 million euros. Realised capital gains, income from dividends and results from hedging instruments amounted to less than 1% of the total bank product, which is therefore almost entirely business-driven.

Bank J.Van Breda & C°: Invested by clients



The interest income stagnated, despite the increase in deposits (+7%) and loans (+6%). This is a consequence of the low interest rates, the pressure on interest rate margins and the bank's strategy to prioritise safety over yield in its investment portfolio.

Thanks to the increase in off-balance sheet client products, the received income from fees increased by 10%.

Impairment losses on loans amounted to 0.05% of the average credit portfolio, or 2.4 million euros. This cautious policy has in no way put a brake on credit production, however. The credit portfolio showed a consolidated increase of 6%.

The investment path of recent years has been pursued unabated. The fully integrated proprietary IT platform positions the bank perfectly to fully respond to the opportunities offered by the digitisation. Bank J.Van Breda & Co also consistently continues to invest in new branches and in commercial strength.

Costs increased by 5% to 88 million euros, mainly as a result of future-oriented investments in commercial power, IT and the launch of Bank de Kremer. Although the cost-income ratio increases from 59% to 61%, Bank J.Van Breda & C° still ranks among the better performing Belgian banks.

Strong liquidity and solvency

Based on its prudent approach, Bank J.Van Breda & C° always ensures a generous liquidity position. The Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR) amounted to 146% and 124% respectively, well above the required lower limit of 100%. The CET1 ratio was 13.6%. The credit portfolio is fully financed through client deposits, so the bank is not dependent on external financing on the international markets.

Shareholders' equity (group share) increased from 539 million euros to 550 million euros. The increase in shareholders' equity allows the pace of commercial expansion to continue, without compromising on a healthy leverage, which is the main protection for deposit holders. The solvency expressed as shareholders' equity on assets (leverage or leverage ratio) amounted to 8.6%, a multiple of the required 3% under Basel III.

Operational overview 2018 by activity

Bank J.Van Breda & C°

The line of steady commercial expansion continued in 2018. Despite a negative stock market climate, the total entrusted assets from entrepreneurs and liberal professions increased by 0.5 billion euros, to 13.8 billion euros.

Despite a context of low interest rates, client deposits increased by 0.3 billion euros (+7%) to a total volume of 4.5 billion euros. The growth is almost entirely from current accounts.

In a difficult stock market climate, the off-balance sheet products still increased by 0.2 billion euros (+2%), to 9.3 billion euros. Of this, 5.6 billion euros has been entrusted to Delen Private Bank in the form of asset management.

Supported by the improved economic situation, and despite strong competition, the volume of loans to entrepreneurs and liberal professions increased by 0.2 billion euros (+6%), to 4.3 billion euros.

> “Bank J.Van Breda & C° realised strong financial results in a challenging economic context in 2018.“
>
> Dirk Wouters, CEO

Bank J.Van Breda & C° - Antwerp

Bank J.Van Breda & C° NV

(€ 1,000)	2018	2017	2016
Bank product	**143,759**	141,380	133,964
Net result (group share)	**42,165**	39,081	37,736
Shareholders' equity (group share)	**549,800**	538,718	518,257
Balance sheet total	**5,820,019**	5,424,639	4,992,240
Invested by clients	**14,268,673**	13,742,754	12,448,468
Loan portfolio	**4,797,177**	4,528,679	4,223,318
Net loan loss provision	**0.05%**	0.04%	0.01%
Cost-income ratio	**61.0%**	59.1%	59.4%
Return on equity	**7.7%**	7.4%	7.4%
Core Tier1 capital ratio	**13.6%**	14.2%	14.8%
Solvency ratio (RAR)	**15.0%**	14.9%	15.8%
Personnel	**464**	471	471

Bank de Kremer

In June 2018, Bank de Kremer launched an app to make asset management services accessible to everyone. This division of Bank J.Van Breda & C° supports its clients in the build-up, management and protection of their assets. The know-how and experience of Bank J.Van Breda & C° and the due and proper care provided by Delen Private Bank form the solid foundation of Bank de Kremer.

Bank de Kremer aims to respond to the clear need of the Belgian citizen for an overview of, and insight into his financial situation, both at present and at retirement age. For this reason, Bank de Kremer launched a free, anonymous app, without any obligations, which enables both clients and non-clients to chart their assets. This insight allows for smart financial choices and makes it possible to determine an asset optimisation strategy together with Bank de Kremer.

The launch of Bank de Kremer was accompanied by a major communication campaign in two phases (the first one at the launch in June, the second one in the autumn of 2018) on TV, radio and in the printed media, which was supported by major online advertising and a social media component.

Van Breda Car Finance

As a division of Bank J.Van Breda & C°, Van Breda Car Finance operates throughout Belgium in the car financing and financial car leasing sector. The whole organisation is focused on fast credit solutions for private cars via its own website.

While the car market is stagnating (+0.56% in the number of new passenger car registrations), Van Breda Car Finance achieved a strong business performance in 2018. The new production volume increased by 6%. The portfolio increased by 12%, to 413 million euros.

Outlook 2019

Bank J.Van Breda & C° realised strong financial results in a challenging economic context in 2018, in which the stock market considerably deteriorated in the fourth quarter. The interest rate climate will also remain unfavourable in 2019.

Bank J.Van Breda & C° remains well-prepared for the future in each of its 3 activity domains.

- High client satisfaction ensures loyal clients and enthusiastic ambassadors who attract new clients.
- The commercial strength and positioning will ensure the continued increase in the entrusted assets. The impact of this increase on the operational result will also depend on the evolution of the interest margins and the competitive environment.
- The competition in the car financing and leasing market is likely to continue, the consolidation movement within the car distribution sector will continue and the evolution of car sales is uncertain. Van Breda Car Finance has a good reputation, however, as well as a solid bond with its partners that will help to maintain its market position.
- Bank J.Van Breda & C° continues to invest in its future and is strengthening both its commercial power and its efficiency. New initiatives in the field of digitisation, including Bank de Kremer's app for asset management, will continue to play a crucial role in this. With a modern and integrated IT platform, the bank has a strong starting position.
- The bank remains cost-conscious and strives for high efficiency.
- Depreciations on the credit portfolio have been limited in recent years. The conservative policy should also continue to contribute to a limitation of credit losses in the future.

The goodwill, together with the reputation, positioning, continued investment and healthy financial structure of the bank form a solid basis for high-performance, long-term financial expansion.

Bank de Kremer app

Bank J.Van Breda & C° - Antwerp

Bank J.Van Breda & C° - Antwerp

Bank J.Van Breda & C°

Happy employees, happy clients

In a saturated market, word-of-mouth advertising is crucial today. For this reason, the bank attaches great importance to the Net Promotor Score (NPS) of its clients. In reply to the question “To what extent would you recommend Bank J.Van Breda & C° to other entrepreneurs or liberal professions?”, 57% gave a score of 9 or 10 out of 10 (‘promotors’), 36% gave 7 or 8 (‘passives’) and 7% gave a score of 6 or below (‘detractors’). 37% gave 10 out of 10! The strict calculation method of the NPS results in an excellent score of 50 (promotors minus detractors). This is one of the best figures in the Belgian banking sector.

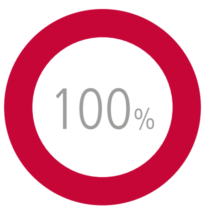
In addition to high client satisfaction, Bank J.Van Breda & C° also enjoys high employee satisfaction. From the 2017 ´Great Place to Work´ survey, it appeared that 94% of its employees consider the bank to be a very good organisation to work for. Several initiatives were further developed or launched, in co-creation with, and with the high involvement of the employees, in order to further strengthen the cooperation, cohesion and well-being of everyone. The bank will participate in this survey again at the end of 2019.

Real Estate & Senior Care

The sale by the French retirement home group HPA of the real estate of 14 retirement homes that are operated by Residalya contributes 21.3 million euros to the annual profit of AvH, and explains why the contribution from 'Real Estate & Senior Care' even surpasses the strong result of 2017.

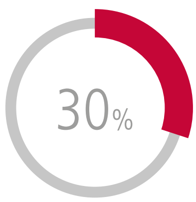
Contribution to the AvH consolidated net result

(€ million)	**2018**	2017	2016
Extensa Group	**27.2**	29.9	30.4
Leasinvest Real Estate	**11.9**	14.9	10.1
Anima Care	**4.7**	4.4	3.6
HPA	**21.5**	5.1	2.1
Total	**65.3**	54.3	46.2



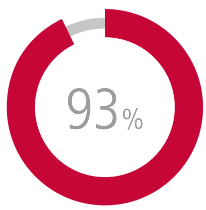
Extensa Group

Extensa is a real estate developer focused on residential and mixed projects in Belgium and the Grand Duchy of Luxembourg.



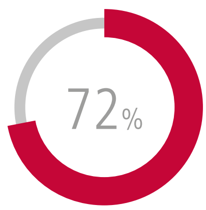
Leasinvest Real Estate

LRE is a listed real estate company active in retail and offices in the Grand Duchy of Luxembourg, Belgium and Austria.



Anima Care

Anima Care focuses on the up-market segment of accommodation and care for the elderly in Belgium.



HPA

HPA is active in the sector of accommodation for the elderly in France and covers the activities of Residalya (operation) and Patrimoine & Santé (real estate).


Anima Care

From left to right: Kris Verhellen, Peter De Durpel, Filip Dumalin, Laurent Jacquemart, Ward Van Gorp

Shareholding percentage AvH: 100%

Extensa Group

Extensa is a real estate developer that is primarily focused on mixed-purpose projects in Belgium and the Grand Duchy of Luxembourg.

Financial overview 2018

The net result of the Extensa Group was maintained at a high level throughout 2018: 27.2 million euros in 2018, compared to 29.9 million euros in 2017.

Tour & Taxis generated a gross contribution of 1.6 million euros, mainly from asset management (Public Warehouse, Hôtel de la Poste, car parks, events and services), as the construction work for new projects only started in the course of 2018. The underground car park that is under construction, offering space for 900 cars, and the renovated upper floors of Hôtel de la Poste will contribute to the results as of 2019.

The Cloche d'Or project (Extensa 50%) in Luxembourg contributed 34.4 million euros to the net profit, generated by the sale of apartments and two office projects.

The balance sheet total increased slightly from 412.0 million euros at the end of 2017 to 441.8 million euros at the end of 2018, mainly as a result of additional investments in Tour & Taxis. Total shareholders' equity increased from 163.6 million euros to 190.9 million euros.

> "The current office and residential projects should further support the results of 2019."
>
> Kris Verhellen, CEO

Operational overview 2018

Urban development projects

Tour & Taxis

The building permit was received for the Gare Maritime at the Tour & Taxis site in Brussels in November 2018. In the meantime, the renovation of the former railway station is proceeding according to plan. The construction of the 10 wooden modules has started, and the planning and marketing of this 50,000 m² project are continued. Approximately 50% of the office area is pre-let. The mixed-purpose area on the ground floor (catering businesses, theme shops, culture and entertainment) will be opened in 2020.

Building permits have been provided for an underground car park (900 cars) and various residential buildings (including a residential care facility with approximately 200 beds and 250 apartments), located next to the Gare Maritime. Work on the car park has started.

Both the construction work and the sale of the Riva project, with 139 apartments overlooking the canal and the Entrepôt Royal, are progressing well. Only 10 units were left for sale at the end of 2018, and the construction work is almost halfway. Beliris has started the preparatory demolition work for the construction of the new Picard bridge, which is to be inaugurated in 2020. In December 2018, the Brussels government decided to carry out a study into a new tram line connecting the Belgica metro station with the North Station, alongside Tour & Taxis and across this new Picard bridge.

While the ballroom and foyer on the ground floor of the Hôtel de la Poste remained in use, the upper floors have been restored to their former glory. There is a private

Tour & Taxis - Gare Maritime and Hôtel de la Poste - Brussels

Cloche d'Or - Deloitte office building - Luxembourg

cinema, meeting and conference rooms, a bar and a restaurant. The conference centre will be put into use from the second quarter of 2019 onwards.

Extensa has applied for a building permit to convert the former customs building on the site, the Hôtel des Douanes, into a hotel with 100 rooms. The start of the work is scheduled for 2020, and the opening of the hotel for 2022.

Cloche d'Or

97% of the 'ilôt A' residential project on the Cloche d'Or site in Luxembourg, consisting of 909 apartments, has now been sold. The construction is underway, and the margins will be included in proportion to the progress of the work. The commissioning of the last apartments is scheduled for 2020. In the meantime, the presale of a new residential project, 'ilôt D', with 162 units in phase 1, has also been successfully launched.

The office building, which was leased to Alter Domus (10,000 m²), was sold to international investors in October 2018. The new headquarters of Deloitte Luxembourg was completed and sold in January 2019 to the investors Ethias and Integrale.

Several other office projects are under development. The 'Bijou' building (6,021 m²) is under construction, while the negotiations with prospective tenants are still ongoing. A 4,261 m² office building has been pre-let to the International Workspace Group, which will operate it under the brand name 'Spaces'. The Italian bank Intesa Sanpaolo has committed itself to the acquisition of its new headquarters in Luxembourg (10,829 m²), which must be completed in 2021.

Extensa Group NV

(€ 1,000)	2018	2017	2016
Contribution Tour & Taxis	1,585	16,789	27,104
Contribution Cloche d'Or	34,392	27,218	11,712
Net result (group share)	27,238	29,920	30,383
Shareholders' equity (group share)	190,859	163,606	242,446
Net financial position	-114,345	-100,352	-260,134
Balance sheet total	441,795	411,968	653,818

Tour & Taxis - Brussels

Tour & Taxis - Riva & Picard bridge (artist impression)

Tour & Taxis - Gare Maritime (artist impression)

Other developments

Various development projects are currently going through the administrative procedures for feasible building permits. The 'Groeningen' project in Kontich (650 houses and apartments) was approved by the authorities, but its execution now depends on the outcome of legal steps instigated by third parties. Several smaller land positions have been sold.

In Trnava, Slovakia, Top Development (Extensa 50%) sold its energy network in 2018, and is now considering the sale of the retail park (7,730 m²). Several smaller plots of the land bank were sold in the course of the year.

One of the two remaining land positions in Romania was sold in December 2018.

The building permit for the land position in the Topkapi area of Istanbul (Zeytinburnu) has been provided.

Real estate investments

The heritage buildings on the Tour & Taxis site take on a strategic position in the light of the further development of the site. In addition to the remaining land positions to be developed, the global position consists of buildings in operation (Public Warehouse, car park, etc.) and the projects under development. As a result of sales of assets, the book value of the other Extensa positions (except for Cloche d'Or and Tour & Taxis) has decreased by 10 million euros, to 38 million euros.

Outlook 2019

The current office and residential projects should further support the results of 2019.

From left to right:
Michel Van Geyte, Tim Rens


Shareholding percentage AvH: 30%

Leasinvest Real Estate

Leasinvest Real Estate (LRE) is a listed regulated real estate company (REIT) that focuses on retail and offices in three countries (the Grand Duchy of Luxembourg, Belgium and Austria).

In 2018, Leasinvest Real Estate strengthened itself with a capital increase of 84 million euros in order to finance further growth. The fair value of the real estate portfolio exceeded the 1 billion euros mark for the first time, thanks to major acquisitions in the Grand Duchy of Luxembourg and in Belgium, which will contribute to higher rental income in 2019.

The economic situation in the Grand Duchy of Luxembourg, Belgium and Austria remained at the same level in 2018. By diversifying into Luxembourg (since 2006) and Austria (end of 2016), LRE is developing outside Belgium, into countries with an AAA rating, a healthy economy with low unemployment and a high per capita GNP, which indicate growth.

LRE is one of the prime foreign property investors in the Grand Duchy of Luxembourg. Within this market, a strong uptake was again recorded in the office market in 2018. The outlook for 2019 is also positive, which is also apparent from the new rental agreements and rental extensions that LRE has been able to conclude in 2018. The economy in Luxembourg is still in a very healthy state, and continues to maintain its lead over the rest of the euro zone. The vacancy rate decreased again, to 3.8%. In the retail market, newly completed projects provide both new dynamics and challenges.

In Belgium, an uptake of 367,000 m², or 8% less than last year, was registered in the office market in Brussels. More important, however, is the fact that the office market is primarily characterised by the success of co-working concepts, which now represent 20% of the total uptake. In addition, the Brussels office market was able to benefit from a significant increase in rental prices for new, sustainable buildings in the Leopold district - now averaging 315 euros/m²/year - where LRE now owns 3 buildings. The vacancy rate even decreased to 7.98% in the course of the fourth quarter, the lowest level in 17 years.

The retail market in Austria is going through a transformation phase, marked by a successful modernisation of larger retail parks/clusters. With a growing population in and around Vienna, retail rentals are experiencing a steady increase.

Leasinvest Real Estate's strategy, which was refined in 2017 to focus on 3 countries (Grand Duchy of Luxembourg, Belgium and Austria) and 2 asset classes (retail and offices), was rolled out further in 2018. Thanks to the successful capital increase of October 4, 2018, amounting to 84 million euros, the investment capacity was significantly strengthened. Following this, 3 major acquisitions have already been realised.

> "The fair value of the real estate portfolio exceeded the 1 billion euros mark for the first time."
>
> Michel Van Geyte, CEO

Financial overview 2018

At the end of 2018, the fair value of the consolidated real estate portfolio, including project developments, for the first time exceeded the 1 billion euros mark (compared to 903.0 million euros at the end of 2017). Including the participation of 10% in REIT Retail Estates NV, the fair value reached 1.1 billion euros at the end of 2018.

The rental yield amounted to 6.45% at the end of 2018, compared to 6.44% at the end of 2017. Rental income slightly decreased to 56.2 million euros (2017: 56.9 million euros) due to the sale of the Swiss portfolio and 5 logistics properties in Belgium in the course of 2017, which were not fully compensated by the rental income from the properties acquired in Luxembourg and Austria in 2017. Moreover, most building acquisitions only took place in the second half of the year in 2018, so that they only contributed to the 2018 results to a limited extent. More important is that the like-for-like (constant portfolio) rental income increased by 1.7 million euros.

The capital increase of October 4, 2018, amounting to 84 million euros, had a positive impact on the shareholder's equity and on the debt ratio. At year-end 2018, shareholders' equity (group share) stood at 476 million euros (2017: 382 million euros). The revalued net assets amounted to 80.3 euros per share based on the fair

Leasinvest Real Estate Comm. VA

(€ 1,000)	2018	2017	2016
Net result (group share)	**38,194**	47,545	29,436
Shareholders' equity (group share)	**475,811**	382,206	356,407
Real estate portfolio (fair value)	**1,037,083**	902,994	859,931
Rental yield (%)	**6.45**	6.44	6.78
Occupancy rate (%)	**94.26**	94.80	96.77
Per share (in €):			
Net asset value	**80.30**	77.40	72.20
Closing price	**87.40**	96.00	105.50
Gross dividend	**5.10**	5.00	4.90

value of the real estate (77.4 euros at the end of 2017). The financial debt increased to 595 million euros (end of 2017: 540 million euros). The debt ratio (calculated according to the Royal Decree of 13.07.14) decreased to 53.5% (57.1% at the end of 2017). The balance sheet total amounted to 1,156 million euros at the end of the financial year (2017: 999 million euros).

The EPRA profit (previously net current result) amounted to 31.3 million euros (or 6.03 euros per share) at the end of 2018, compared to 27.5 million euros (or 5.57 euros per share) at the end of 2017. Leasinvest Real Estate closed 2018 with a net result (group share) of 38.2 million euros compared to 47.5 million euros at the end of 2017. This decrease can mainly be explained by the lower revaluation result of real estate, which contained several one-off positive effects in 2017.

The price of the LRE share fluctuated in 2018 between 82.6 euros and 99.7 euros, and the closing price at the end of the year was 87.4 euros. The gross dividend per share for the 2018 financial year will amount to 5.10 euros, or a gross dividend yield (based on the closing price) of 5.8% (2017 financial year: 5.2%).

Operational overview 2018

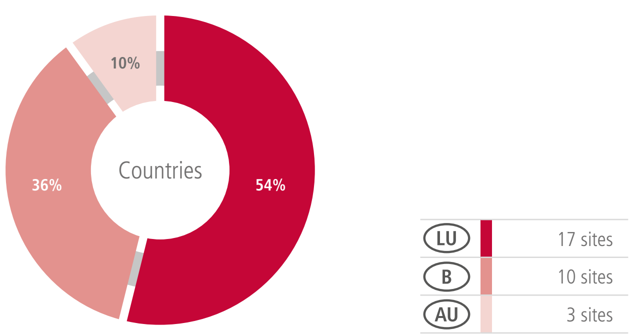
In the spring of 2018, the **Treesquare** redevelopment was completed, a sustainable building in the Brussels' Leopold district. This building was able to attract some well-known tenants, and currently has an occupancy rate of 82%. Further negotiations are ongoing, so it is expected that this building will soon be fully let.

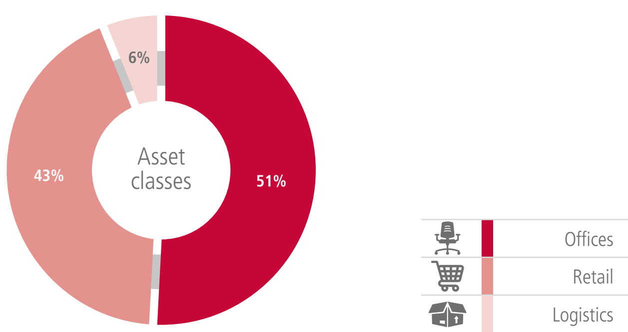
The **Montoyer 63** office building was provisionally accepted by the European Parliament of the end of September 2018. The provisional acceptance initiated the start of the 21-year usufruct period. This building was custom-built, in accordance with the European Parliament's specifications, to realise a training centre within walking distance of the Parliament. The European Parliament is currently still carrying out interior works, and the building is scheduled to become operational in the spring of 2019.

In the course of 2018, several new agreements could be concluded for the business centre The Crescent in the building **Motstraat** in Mechelen. The Crescent is a co-working & business centre concept that was developed by Leasinvest Real Estate in Anderlecht several years ago. The emphasis is on community, professional support and quality of service. The 'De Mot' co-working space is inspired by this, and enjoys much acclaim from the tenants in the building and from other users. As a result, the total occupation rate amounted to 92% at the end of 2018.

On October 15, 2018, 100% of the shares in the NEIF Montoyer SPRL company were acquired from the Next Estate Income Fund ('NEIF'), which is managed by BNP Paribas REIM Luxembourg, for an amount of 11.4 million euros. This company is the holder of a leasehold on the **Montoyer 14** office building, located on the corner of the Montoyer and the Nijverheidsstraat in Brussels, with a remaining term of 94 years. This is the third building that Leasinvest Real Estate owns in the Brussels' Leopold district. This building will also be completely rebuilt as a sustainable AAA building.

LRE: Real estate portfolio (% based on fair value)





De Mot - Mechelen

EBBC Business Park - Luxembourg

Knauf Shopping Center Schmiede - Luxembourg

Treesquare - Brussels

On December 19, 2018, through its 100% subsidiary Leasinvest Immo Lux, Leasinvest Real Estate acquired 2 additional office buildings in the **EBBC Business Park**, in the immediate vicinity of Luxembourg airport, for an amount of 64.1 million euros. Leasinvest Real Estate already owned 1 building there, and another 2 buildings indirectly through its participation in the 'Lux Airport' real estate certificates.

Finally, Leasinvest Real Estate acquired the iconic **Hangar 26/27** building on Eilandje in Antwerp, with a direct view of the river Scheldt and MAS ('Museum aan de Stroom'), for an amount of 22.6 million euros on December 28, 2018. This building has a surface of 9,370 m² and is currently undergoing gradual renovation. More than half of this has already been completed, and will be continued by Leasinvest Real Estate. The building has a development potential of a further 9,000 m², which qualifies for retail and office use.

Several rentals (new, expansions and extensions) were concluded in Luxembourg, Belgium and Austria in the course of 2018.

Outlook 2019

Leasinvest Real Estate expects that, subject to exceptional circumstances, rental income will be higher in 2019 than in 2018, while the financial costs are expected to remain at a level comparable to 2018.

From left to right: Johan Crijns, Ingrid Van de Maele, Jeroen Versnick

Shareholding percentage AvH: 93%

Anima Care

Anima Care specialises in the care and health sector in Belgium, focusing on the up-market segment of residential care for the elderly. Anima Care invests in both the operational activities and the real estate.

As at December 31, 2018, Anima Care is operating 2,097 beds: 1,785 retirement home beds, 107 convalescent home beds, and 205 service flats, spread over 21 care centres (9 in Flanders, 8 in Brussels, 4 in Wallonia).

Financial overview 2018

Anima Care realised a turnover of 84.3 million euros in 2018. The increase by 9.1 million euros (+12%) compared to 2017 was a result of both the improvement in the turnover of the existing residences and of an expansion of the perimeter. The impact of the temporary capacity reduction in Aalst and Berlare as a result of the expansion and renovation works was offset by better results at the other sites. The EBITDAR increased to 18.3 million euros (2017: 16.1 million euros) in 2018, and the net profit to 5.1 million euros (2017: 4.8 million euros).

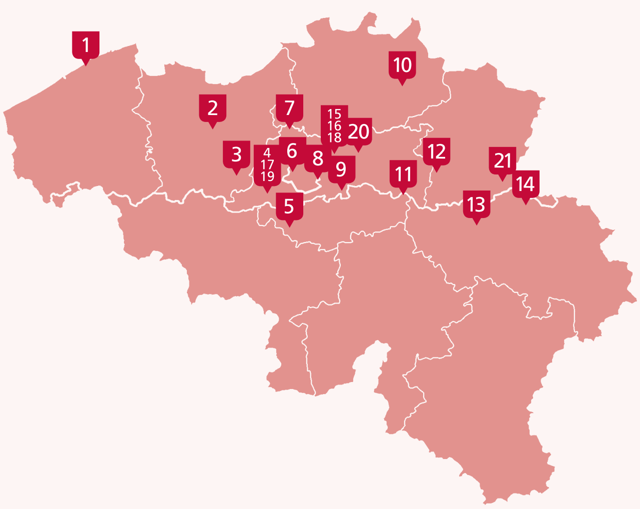
The group's equity increased from 54.3 million euros at year-end 2017 to 59.5 million euros at year-end 2018.

Anima Care invested 20.8 million euros in its new construction projects in 2018. The investments in the construction projects led to an increase of the net financial debt from 85.2 million euros on December 31, 2017 to 99.1 million euros on December 31, 2018, and to an increase of the balance sheet total to 204.3 million euros at the end of 2018.

Operational overview 2018

2018 was a year of intensive investments in the development of high-quality real estate.

- At the beginning of 2018, Anima Care acquired the residential care centre Ark van Noé in Grote-Spouwen (Bilzen), with 57 retirement home beds in operation.
- The new extension building in Aalst, with 30 convalescence beds, was put into use in October 2018.
- Extensive renovation work was carried out in the residential care centre Kruyenberg in Berlare. The renovations will be completed during the first half of 2019.



1. Duneroze - Wenduine
2. Kruyenberg - Berlare
3. De Toekomst - Aalst
4. Home Scheut - Anderlecht
5. Au Privilège - Haut-Ittre
6. Le Birmingham - Sint-Jans-Molenbeek
7. Zonnesteen - Zemst
8. Parc des Princes - Oudergem
9. Résidence St. James - La Hulpe
10. Aquamarijn - Kasterlee
11. Zevenbronnen - Walshoutem
12. Philemon & Baucis - Zoutleeuw
13. Château d'Awans - Awans
14. Les Comtes de Méan - Blegny
15. Eden - Sint-Lambrechts-Woluwe
16. Arcade - Sint-Lambrechts-Woluwe
17. La Roseraie - Anderlecht
18. Neerveld - Sint-Lambrechts-Woluwe
19. Edelweiss - Anderlecht
20. Atrium - Kraainem
21. Ark van Noé - Bilzen

Anima Care NV

(€ 1,000)	2018	2017	2016
Turnover	84,290	75,182	56,438
EBITDAR	18,256	16,104	13,982
EBITDA	16,211	14,281	13,094
EBIT	9,719	6,232	8,392
Net result (group share)	5,060	4,799	3,939
Shareholders' equity (group share)	59,518	54,295	46,645
Net financial position	-99,127	-85,247	-72,705
Balance sheet total	204,258	172,929	151,902
Personnel	1,416	1,365	1,119

Aquamarijn - Kasterlee

Anima Care

- In October 2018, Anima Care obtained the long-awaited building permit for the development of a care centre with a capacity of 197 retirement home beds and for the construction of 80 service flats on the Tour & Taxis site in Brussels. The construction work is scheduled to start mid-2019, after the realisation of an underground car park.
- In the autumn of 2018, Anima Care signed an agreement with AG Real Estate and AXA for the construction of a new care centre on the Parc de l'Alliance site in Braine-l'Alleud. The new care centre will accommodate about 150 senior citizens.

Four new construction projects will be taken into use in the course of 2019.

- The new care centre on the 'Erasmus Gardens' site in Anderlecht will have a capacity of 159 retirement home beds, supplemented by 34 service flats. The building will be completed mid-2019.
- A care centre with 43 retirement home beds, 30 convalescence beds and 20 service flats will be built in Zoutleeuw, and will be taken into use in the summer of 2019.
- The new retirement home under construction in Forest will have 121 retirement home beds. This new building is being realised together with Care Property Invest, and will open its doors at the end of 2019.
- Along with the operation of Ark van Noé, Anima Care also took over the construction of a new residential care centre with a capacity of 106 beds in the centre of Grote-Spouwen (Bilzen). The residents and staff of Ark van Noé will move to the new building in the summer of 2019.

The real estate of the Kruyenberg residential care centre was sold to Baltisse at the end of October. Anima Care has immediately rented this building again for a period of 25 years. This transaction, which only has a limited impact on the 2018 results as the achieved capital gain of 7.5 million euros will be spread over 25 years, has provided Anima Care with the confirmation of significant latent capital gains on its property portfolio. In any case, the transaction allows for the financing of the ongoing projects of Anima Care without having to resort to further capital injections from the shareholders.

Outlook 2019

Without taking any additional acquisitions into account and after the completion of the new construction projects in Anderlecht, Forest, Zoutleeuw and Bilzen, Anima Care will be operating 2,315 beds at the end of 2019, consisting of 1,919 retirement home beds, 137 convalescence beds and 259 service flats, spread over 20 sites.

In addition to the new construction projects, Anima Care's main focus for 2019 will be on the expansion and improvement of its current care centres and on the preparation of development projects on the Tour & Taxis site in Brussels and Parc de l'Alliance in Braine-l'Alleud.

Anima Care will continue to expand through acquisitions, through the development of new care centres and through the extension and expansion of its capacity and range of services in the existing care centres. Increase in scale and excellent service provision are essential to further improve profitability in the future. Anima Care resolutely opts for quality, and continuously concentrates on the optimisation of its operational activities. Anima Care combines top-quality service provision with investment in high-quality real estate, and, as a company that is based 100% in Belgium, is a unique care provider in the Belgian market.

www.animacare.be

Anima Care




From left to right: Hervé Hardy, Christophe Fabre, Frédéric Hoepffner, Marie-José Le Roy Raynal

Shareholding percentage AvH: 72%

HPA

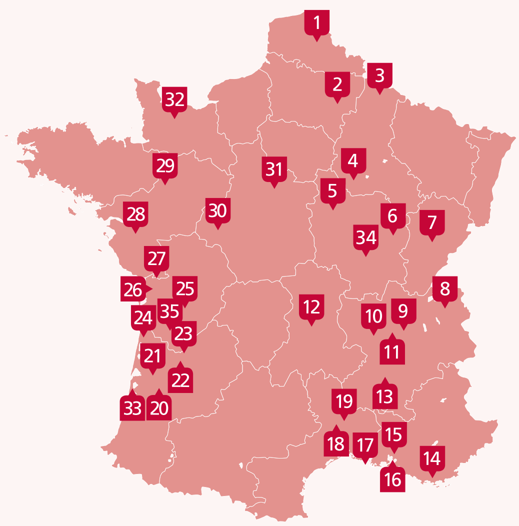
Through its Residalya (operation) and Patrimoine & Santé Expansion (real estate) subsidiaries, HPA manages a network of 35 retirement homes in France, with a capacity of 2,647 beds, and a day-care centre with 50 places.

For more than 10 years now, Residalya has developed a high-quality service based on a good relationship between staff, residents and the authorities, which defines its residential senior care policy. Up until 2018, the major part of the real estate operated by Residalya was owned by Patrimoine & Santé. Early July 2018, however, HPA sold the real estate of 14 of its residential care centres to the French real estate group Icade Santé. HPA's subsidiary Residalya remains the tenant and operator of these senior care residences. The transaction values the assets involved at 189 million euros, and provides AvH with a capital gain (group share) of 21.3 million euros. The remaining real estate companies were transferred to a newly incorporated company with the name of Patrimoine & Santé Expansion, a subsidiary of HPA.

Financial overview 2018

Compared to 2017, the occupancy rate declined to 95.2% in 2018, due to a larger number of deaths caused by the winter flu in early 2018, and also as a result of the increased average age at which residents enter a residential care centre. This is often accompanied by a higher need for care, as a result of which the average length of stay of residents has decreased continually over recent years. The entire market was affected by the lower occupancy rate, which also made the competitive climate more difficult throughout the year.

HPA achieved a turnover of 120.3 million euros in 2018, an increase of 5% compared to 2017. This evolution is the result of the expansion of the perimeter by one new residence (Château Vacquey), as well as the continuous commercial efforts. The EBITDAR increased to 57.9 million euros (including the capital gain realised on the sale of real estate). The net result amounted to 30.0 million euros (2017: 7.1 million euros).



1. Les Terrasses de la Scarpe
2. Les Portes de Champagne
3. Résidence Ducale
4. Les Jardins de Creney
5. Résidence d'Automne
6. Résidence Valmy
7. Résidence Granvelle
8. Villa Charlotte
9. Résidence Marguerite
10. Résidence Le Rivage
11. Résidence Ambroise Paré
12. Les Rives d'Allier
13. Le Clos Rousset
14. Le Grand Jardin
15. Les Séolanes
16. Les Maisons de Marie
17. La Carrairade
18. Les Portes de Nîmes
19. Les Cinq Sens
20. Le Clos Caychac
21. Résidence Aloha
22. Le Mont des Landes
23. La Chenaie
24. Le Jardin des Loges
25. Les Jardins de Saintonge
26. Le Littoral
27. Les Portes du Jardin
28. La Lande Saint-Martin
29. CIGMA de Laval
30. Le Clos Saint-Vincent
31. Résidence Valois
32. La Demeure du Bois Ardent
33. Le Pyla sur Mer
34. Villa Thalia
35. Château Vacquey

HPA NV

(€ 1,000)	2018	2017	2016
Turnover	120,284	114,114	105,578
EBITDAR	57,911	25,437	23,346
EBITDA	49,117	21,471	20,169
EBIT	36,050	9,047	3,703
Net result (group share)	29,960	7,051	2,936
Shareholders' equity (group share)	80,029	80,076	61,062
Net financial position	-77,353	-193,314	-182,297
Balance sheet total	240,085	352,658	337,224
Personnel	1,607	1,608	1,547


Résidence Valois


Le Grand Jardin

The net financial debt, which consists primarily of real estate debts, decreased by 116 million euros to 77.4 million euros at the end of 2018, mainly as a result of the sale of real estate, partly offset by the acquisition and extension works that were realised during the financial year. At the level of shareholders' equity, a capital reduction of 30 million euros was implemented in Q4 2018.

Operational overview 2018

The network was extended with the acquisition of one new residence in 2018, Château Vacquey, a residential care centre located in the Gironde region. HPA only became the owner of the building, which is rented by an external non-profit organisation. Residalya supports the latter with the operation of the 50 beds. This operation can be seen as the first diversification into the non-profit segment within the elderly care segment.

At the same time, the extensions to the existing real estate and the new construction work are proceeding according to schedule. In Besançon, the current operation has been expanded by 15 retirement home beds and 25 apartments for independent living. The works were completed with a partial refurbishment of the existing building. The new construction project, Le Taillan-Médoc, which aims to merge two existing residences with a capacity of 80 beds and 24 apartments for independent living, was initiated. Renovation work has also started at Villa Thalia. In addition, work is in progress on the expansion of Pyla sur Mer and the relocation of Villa Charlotte - Ain to Oyonnax, and the move of the Le Rivage and Ambroise Paré residences to a different location in Lyon.

Outlook 2019

From an operational point of view, the 2019 financial year will be focused on optimising the occupancy rate and the average daily rate for the existing operations, while remaining competitive at the same time. In addition, the focus is on the qualitative completion of the expansion, renovation and new construction projects that have been initiated or that are in the pipeline.

www.residalya.fr

Residalya

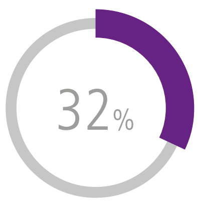
Energy & Resources

SIPEF and Sagar Cements both achieved a substantial increase in their production in 2018. These are not sufficient to absorb the reduction in the prices of palm oil (SIPEF) and cement in India (Sagar) in 2018, however, which explains the decrease in profit contribution from 'Energy & Resources'.

Contribution to the AvH consolidated net result

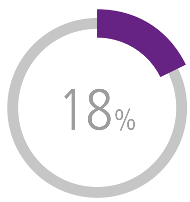
(€ million)	2018	2017	2016
SIPEF	**7.8**	15.9[1]	10.0
Sagar Cements	**-0.1**	0.4	0.4
Oriental Quarries & Mines	-	-0.2	-3.1
Nationale Maatschappij der Pijpleidingen	-	2.1	1.9
Total	**7.7**	18.2	9.2

[1] Excluding € 19.8 mio non-recurrent remeasurement gain as a result of the acquisition of PT Agro Muko



SIPEF

SIPEF is an agro-industrial group, specialized in tropical agriculture, with a focus on sustainable palm oil and rubber in Indonesia and Papua New Guinea.



Sagar Cements

Sagar Cements, with headquarters in Hyderabad (India), is a listed cement manufacturer with a total production capacity of 5.75 million tonnes of cement and 2.0 million tonnes of clinker per year.

SIPEF

From left to right: François Van Hoydonck, Charles De Wulf, Thomas Hildenbrand, Robbert Kessels, Johan Nelis

Shareholding percentage AvH: 32%

SIPEF

The listed agro-industrial group SIPEF produces sustainable and traceable palm oil that is certified according to the RSPO regulations. SIPEF's other products (rubber, bananas and tea) are certified by The Rainforest Alliance.

Through purchases of shares on the stock market, AvH increased its shareholding from 30.25% at the beginning of 2018 to 31.59% at the end of the year.

SIPEF's core activities are historically situated on the island of Sumatra in Indonesia, where a total of 58,035 hectares spread across different locations have been planted with oil palms and 6,275 hectares with rubber trees, supported by 6 palm oil extraction units and 3 rubber factories. Cibuni, a high-quality tea plantation of 1,763 planted hectares and an associated factory for the production of black tea, is located on the island of Java, in the hills near Bandung. The Indonesian operations are by far the most important for the group, representing 60.8% of the gross operating profit.

A second, albeit smaller, oil palm plantation activity has been developed in Papua New Guinea since the 1970s. The oil palm plantations have been steadily expanded to 13,687 hectares of oil palms and 3 extraction mills. By processing the harvests from roughly the same area of oil palms belonging to neighbouring farmers, the palm oil activities in Papua New Guinea generate 34.1% of the gross operating profit.

SIPEF focuses entirely on Southeast Asia. Of the historical African interests, only the production of bananas and tropical flowers in Ivory Coast, which is destined for the European export market, remains, on a total area of 780 planted hectares. These represent 3.9% of the gross operating profit in 2018.

SIPEF: Production

(Tonnes)[1]	2018	2017
	351,757	330,958
	7,982	8,179
	2,422	2,402
	27,788	29,772

[1] Own + outgrowers

Financial overview 2018

The year 2018 was characterised by significantly higher palm oil production, with an increase of 6.3% compared to the production volumes of 2017. The 350,000 tonnes mark was exceeded for the first time. Own production amounted to 290,441 tonnes, an increase by 6.7%. The production in the fourth quarter remained well below expectations, however, due to excessive rainfall in Sumatra. As a result, SIPEF did not realise the 9% increase in production that was announced earlier.

Due to high stocks of vegetable oils in the markets and the uncertainty caused by geopolitical tensions, the palm oil price decreased to a low of 460 USD per tonne in the second half of the year.

Due to the higher volumes sold at substantially lower prices, the turnover of palm oil decreased by 13.7%. The other products (rubber, bananas and tea) also saw a decline in turnover. The depreciation of the local currencies, on the other hand, enabled SIPEF to keep the production costs under control. The net result, before the capital gain on the sale of BDM-Asco, amounted to 22.7 million USD compared to 64.5 million USD in 2017. Including this capital gain of 7.4 million USD, the net result amounts to 30.1 million USD.

Operational overview 2018

SIPEF recorded good palm oil production during the first three quarters of the year, with a volume increase of 8.6% on its own plantations. In the fourth quarter, abundant rainfall in Sumatra was the main reason for harvests that were below expectations, which led to a volume increase of 6.7% on the own plantations for the full year. This increase was due to the good performance of the mature 'old' plantations in North Sumatra and of the PT Agro Muko plantations in Bengkulu, which are currently being replanted, where volumes increased by 5.9% and 5.4% respectively. A steady increase of 4.9% was also recorded for the yields of the young oil palm areas in the expansion projects of the PT Umbul Mas Wisesa plantation group in North Sumatra, which have now been fully completed. Following the acquisition of Dendymarker and the processing of the fruits of the Musi Rawas project in the Dendymarker factory, the first oil volumes from South Sumatra were also a welcome addition.

The relatively young plantations in the expansion zones of Hargy Oil Palms in Papua New Guinea reached greater maturity. Despite the unfavourable weather conditions

Young palm trees

Musi Rawas

in the first quarter of the year, these plantings ensured that the annual production of own plantations increased by 4.1%, while the volumes from the older plantations of the surrounding farmers remained constant.

The increase in the import duties on palm oil in India was the first of a series of factors that continued to affect the demand for palm oil in 2018. The trade war between China and the USA and the large harvests of soya beans and rapeseed in the major production areas were the main disrupting factors. The price-supporting factors, such as the 20% mandatory additional blending of palm oil in Indonesia, and the price advantage of biodiesel compared to the crude oil prices were insufficiently taken into account in the market. Together with the impact of the large stocks, this led to an average market price that was 117 USD per tonne, or 16.3%, lower than in 2017.

The higher prices for fertilisers and oil products, and the increases in wages were fully compensated by the higher production volumes and the depreciation of the local currency against the USD. As a result, more or less stable unit production cost prices were recorded over the year.

SIPEF's expansion plans continue to be focused entirely on the development of additional oil palm plantations in South Sumatra, Indonesia. The 4 concessions that had been acquired previously were expanded by 3 new concessions in 2018, all concentrated in the Musi Rawas region. It is expected that the overall expansion project will be brought to a total of 22,805 hectares of young oil palms over a period of five years. Due to the additional compensation of 2,257 hectares at the end of 2018, it has been possible to already secure a total of 15,540 hectares of agricultural land for development, of which 10,653 hectares have been planted or prepared for planting. This is a net increase of 1,428 hectares compared to the end of 2017.

> “The year 2018 was characterised by significantly higher palm oil production, with an increase of 6.3% compared to the production volumes of 2017.“
>
> François Van Hoydonck, CEO

The acquisition of 95% of the PT Dendymarker oil palm plantation in August 2017 also represented a major step forward in perpetuating SIPEF's presence in South Sumatra. Together with Musi Rawas, this will lead to the development of a new business unit exceeding 32,000 planted hectares. Of the 8,986 hectares acquired through Dendymarker, 956 hectares have already been replanted in 2018. The remaining planted zones were subjected to a thorough maintenance action, which will facilitate their harvesting until they will also be replanted in the next four years. The associated extraction mill is running at full capacity and is processing all the fruits of the SIPEF plantations in South Sumatra, for which a doubling of the processing capacity has already been scheduled for 2020.

Thanks to the continuous expansion in South Sumatra, SIPEF has increased the planted area to 80,540 hectares in the past year. The further completion of the potential expansion on the acquired concessions will take SIPEF to 94,265 planted hectares (group share) by 2023. Further opportunities for development are being investigated in order to exceed the 100,000 planted hectares mark in the next five years. In each expansion of operations, the sustainability aspects in the context of the Roundtable on Sustainable Palm Oil (RSPO) certification remain the initial requirement, just like keeping the debt ratio of the SIPEF group under control.

SIPEF NV

(USD 1,000)	2018	2017	2016
Turnover	**275,270**	321,641	266,962
EBITDA	**88,811**(1)	125,909(2)	76,587
EBIT	**50,065**(1)	90,261(2)	47,479
Net result (group share)	**30,089**	139,663(3)	39,874
Shareholders' equity (group share)	**644,509**	634,636	448,063
Net financial position	**-121,443**	-83,697	-45,061
Balance sheet total	**938,368**	907,008	615,332

(1) Including capital gain (USD 7.4 mio) on sale of BDM-Asco
(2) Excluding USD 79.3 mio (group share: USD 75.2 mio) remeasurement gain on acquisition of PT Agro Muko
(3) Excluding USD 75.2 mio remeasurement gain on acquisition of PT Agro Muko

Bunga Tanjung palm oil factory (Indonesia)

Palm fruits

Plantation with mature palms

Outlook 2019

The new production year is currently facing a rather difficult start, with a reduction in volumes of up to 10% in most of the Indonesian operations, and with a very turbulent start to the rainy season in Papua New Guinea. The group is also still recovering from the heavy rainfall during the fourth quarter of 2018, but is expecting volumes to gradually increase in the coming months. There are no structural reasons to assume that the expected production volume of 380,000 tonnes palm oil (+8.0% compared to 2018) would not be reached.

With regard to the evolution of the palm oil prices, it is important to see how quickly the large stocks can be reduced in the months to come, taking into account that only a very limited increase in the supply of palm oil is expected in 2019. Due to the expansion of the mandatory blending of biodiesel in Indonesia, in Malaysia, in Brazil and in the USA, the demand for vegetable oils will exceed the supply, which means that, in principle, only rising prices are to be expected in general in the coming year. However, this evolution can be affected to a large extent by, amongst other things, the fluctuations in crude oil prices and the evolution of the trade war between China and the USA.

Following to persistently lower prices, the projected contribution of rubber to the operating profit will be substandard, whereas a stable positive contribution may be expected from tea and bananas. SIPEF's ultimate recurring result will be determined to a large degree by the achievement of the expected production growth, the market prices over the rest of the year, the maintenance of the current reduced export tax duties in Indonesia, and the evolution of the cost prices, which, despite the mandatory increases in workers' wages, are still favourably affected by the persistently weak exchange rates of the local currencies of Indonesia and Papua New Guinea against the reporting currency USD.

From left to right:
Sreekanth Reddy, Prasad Kolluru


Shareholding percentage AvH: 18%

Sagar Cements

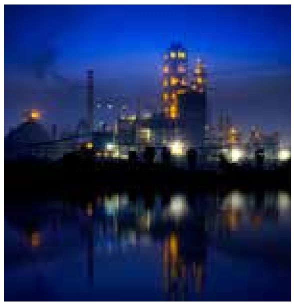
Sagar Cements is a listed manufacturer of cement, with headquarters in Hyderabad (India). The factories in the states of Telangana and Andhra Pradesh, in the south of India, have a total cement capacity of 5.75 million tonnes per year.

With a GDP that increased by more than 7%, India remained one of the fastest growing economies in the world in 2018, despite the challenges posed by the increasing interest rates, high crude oil prices and currency volatility. The expansion in the construction sector accelerated to 9%, in contrast to recent years (2 to 3% per year). This trend will continue, due to: (i) India's growing and increasingly urban population, with an expected 100 million additional people in the urban areas by 2025, and (ii) major government spending on infrastructure development and on 'smart cities' and 'housing' in the next five years. As a percentage of GDP, India's infrastructure stock is currently 58%, compared to a global average of 71%. This underlines the need for continuous investment in infrastructure.

In 2018, the cement industry was still confronted with an overcapacity, which was exacerbated by the increase in production costs and low market prices. The increase in demand in the coming years is expected to be higher than the increase in capacity, and capacity utilisation should thereby improve from 63% to 69% by 2021. Cement consumption in India per inhabitant increased from 18 kg in 1961 to 220 kg in 2018, but remains far below the global average of 580 kg, which indicates a significant potential for growth.

Sagar Cements LTD

(€ 1,000)	**2018**	2017	2016
Turnover	**142,169**	132,132	103,613
EBITDA	**16,138**	19,581	16,377
EBIT	**8,392**	12,512	10,057
Net result (group share)	**-52**	2,482	2,913
Shareholders' equity (group share)	**96,299**	105,346	80,510
Net financial position	**-67,069**	-59,412	-64,206
Balance sheet total	**218,835**	218,002	191,740
Exchange rate INR/€			
P&L	**80.65**	73.96	74.22
Balance sheet	**80.00**	73.53	71.55



Sagar Cements

Sagar Cements has increased its turnover by more than 17% (in INR), from 9.8 billion INR (132 million euros) in 2017 to 11.5 billion INR (142 million euros) in 2018. This increase in turnover is the result of the capacity expansion of the grinding facility in Vizag (from 0.3 million tonnes to 1.5 million tonnes) and of the increase in capacity utilisation. Sagar was only able to partially offset the negative impact of the historically low sales prices, however, by maintaining stable costs/tonne. This was made possible by further measures to improve the energy efficiency, including the commissioning of a 6 MW heat recovery system and the further reduction of the average transportation distances to 285 km after the acquisition of the BMM and Vizag plants. The net result amounted to -0.1 million euros (2017: 2.5 million euros).

In January 2019, Sagar announced its plans to further expand its cement production capacity to 8.25 million tonnes per year through the construction of a 1.5 million tonne grinding station in East India (Orissa) and a 1 million tonnes cement factory in Central India (Madya Pradesh). This expansion will be financed by a combination of debts and a preferential allotment of convertible warrants for an amount of 2.26 billion INR (28 million euros). This is in line with Sagar Cements' strategy of increasing its capacity to 10 million tonnes by 2025, and to further expand its market reach into regions with a strong potential for growth. AvH will participate in the preferential allocation on a 50/50 basis, together with the Reddy family, thereby increasing its interest to 21.85% after the operation. This represents an additional investment of 14 million euros.

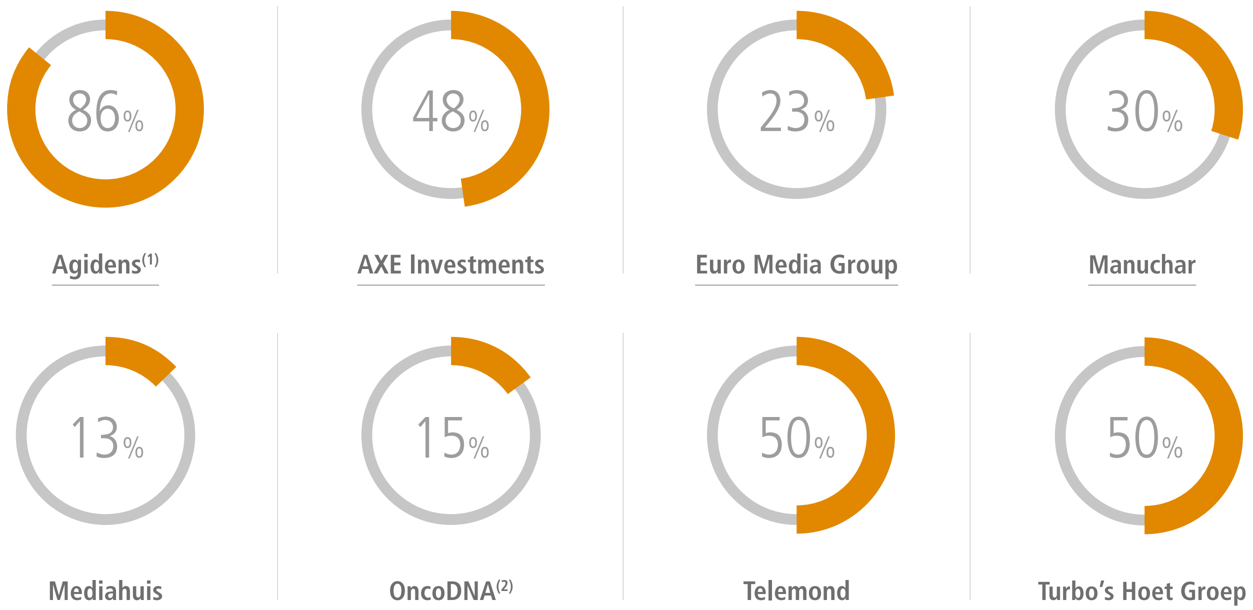
www.sagarcements.in

AvH & Growth Capital

The exit from Distriplus, which was finalised in Q4 2018, had a total negative impact of 30.7 million euros on the AvH group result in 2018 (-12.9 million euros contribution to the result in 'Growth Capital' till Q3 2018, and 17.8 million euros capital loss). The capital gains on, among others, the sale of the participations in Atenor (8.7 million euros) and BDM-Asco (6.1 million euros) have not been able to fully compensate for this. As a result, the positive evolutions at the other participations are reflected to a lesser extent, but they are promising for a globally better result in 2019.

Contribution to the AvH consolidated net result

(€ million)	**2018**	2017	2016
Contribution of participations	**-6.9**	-1.3	2.7
AvH & subholdings	**-13.7**	-10.6	-10.8
Capital gains/losses and impairments	**-2.2**	17.6	-26.8
Total	**-22.8**	5.7	-34.9



(1) Including through AXE Investments - (2) Not consolidated - fully diluted


PRO X

AvH & Growth Capital

AvH continues to pursue a selective investment policy that takes account of long-term trends in terms of sustainable growth potential. Valuations must reflect a realistic long-term business plan. By limiting the number of participations, an in-depth knowledge of the markets in which the participations are operating, can be built within the team. Special attention is thereby paid to the quality of the management team and to talent development, operational improvements, innovation, the development of the turnover and a healthy balance sheet structure. In this way, the business know-how of AvH can help shape the strategy to be adopted and the associated organisation within the participations. In addition, best practices are shared with the other group companies through workshops organised by AvH.

The European M&A market is characterised by a high volume of transactions, albeit with a steep downturn in the second half of the year. Private equity funds in particular continue to invest heavily, thanks to favourable company credits and the volume of the raised capital. Valuations remain high, and this does not appear to be changing in the short term. Institutional investors continue to increase their private equity allocation. The capital attracted by venture capital also continues to increase, in particular for companies that already have a proof of concept. Their preference thereby focuses on ICT, biotech and healthcare. In addition, there were a smaller number of exits, whereby sales were mainly made to other private equity funds.

In these circumstances, AvH studied a great deal of case files. Follow-up investments took place in Distriplus, in OncoDNA, and in the Indian Healthquad fund, which focuses on healthcare. In the context of the acquisition of the minority stake in Sofinim in 2016, AvH also paid the final instalment of 28 million euros. The participations in Atenor and Distriplus were disposed of.

Contribution of the participations

Mediahuis achieved a strong result in an otherwise challenging media market, partly thanks to their successful integration of the Dutch Telegraaf Media Groep (TMG). Turbo's Hoet Groep has been able to maintain the expansion of recent years, and has even improved their results thanks to their sustained commitment in Eastern Europe. The strengthening of the management at Telemond is paying off, and the results continued to evolve in a positive sense, thanks to the significant increase in turnover. Euro Media Group was able to achieve a profit again. OncoDNA further refined its business model and strengthened its capital base at the beginning of 2019.

At Agidens, however, the results were negatively affected by a project in a new product/market combination. The good figures for the core activities trading and distribution at Manuchar were snowed under by the significant impairment loss on the now discontinued production of sodium sulphate in Mexico. Distriplus also faced a persistently difficult market environment in 2018. AvH and CNP came to the conclusion that they were no longer the best shareholders for this company, and sold it to the listed French group Bogart.

Telemond Group

Mediahuis

Turbo's Hoet Groep

Net capital gains/losses and impairment losses

Early March 2018, AvH entered into an agreement with regard to the sale of its 10.53% stake in **Atenor** to the other reference shareholders, consisting of Stéphan Sonneville, 3D, Luxempart and Alva. The transaction was finalised in Q2 2018, at 45 euros per share. This provided AvH with cash proceeds of 26.7 million euros and a capital gain of 8.7 million euros.

In June 2018, AvH and SIPEF finalised the sale of the insurance group **BDM-Asco**, which had already been announced at the end of 2017, to the stock-listed American The Navigators Group, Inc. AvH realised a capital gain of 6.1 million euros on the sale of its stake.

In October 2018, Sofinim sold its 50% participation in **Distriplus**, the owner of the Di and Planet Parfum brands, to Groupe Jacques Bogart. This French group is listed on the Paris stock exchange and specialises in the development, production and sale of perfumes and luxury cosmetics. Distriplus weighed in at 30.7 million euros with regard to the 2018 group results, including the negative result contribution during the first 9 months of the year (-12.9 million euros).

AvH & subholdings

The result contribution of AvH & subholdings is traditionally negative, as the proceeds from the participations are reported in the respective segments.

This contribution therefore mainly consists of general costs (operating costs), financial results and, where applicable, capital gains/losses on the investment portfolio and results from non-consolidated participations.

The increase in the negative contribution in 2018 is mainly due to the new IFRS 9 accounting standard that was introduced in 2018, as a result of which (non-realised) value fluctuations to the investment portfolios must be accounted for through the profit and loss account. AvH's investment portfolio predominantly consists of investment funds, which experienced a negative development of their market value in Q4 2018.

At the end of 2018, AvH acquired a 2.45% stake in the listed company EVS, a market leader in live video technology for television broadcasting, for an amount of 7.4 million euros.

From left to right: Geert Stienen, Marc Bocxstael, Arnoud den Hoedt, Jo Janssens, Steven Peeters, Pieter Tilkens

Shareholding percentage AvH: 86%

Agidens

Agidens provides advice, automation and maintenance services for five focus markets: Life Sciences, Tank Terminals, Food & Beverage, Infrastructure and Chemistry. The group currently has about 600 employees, spread across Belgium, the Netherlands, France and Switzerland.

Agidens achieved an increase in turnover by 16% to 82.6 million euros, and a net result of -5.0 million euros in 2018 (2017: -0.4 million euros). 2018 was a very challenging year due to the major impact of a loss-making project in the Netherlands that will be completed in 2019. The order book remains well-filled, and amounted to approximately 50 million euros at the end of 2018.

The long-term plan '20/20 Vision' was concretized in 2018 by the strong focus on product innovation, recurring operations and the opening up of new markets and customers in Western Europe. This forms a solid base for increasing profitability in 2019. The product innovation strategy was further developed through the introduction of the iWorld, Atalk and Ahop products and through the acquisition of Argus Technologies, which provides a cloud-based SaaS energy monitoring platform.

The **Tank Terminals** business unit strengthened its prominent market position in the ZARAG region (the area incorporating Zeebrugge, Amsterdam, Rotterdam, Antwerp and Ghent) in 2018. A branch was also opened in Houston, one of the 4 global hubs in the tank terminal industry. The marketing of the modular Aline and Axcel Terminal Management System recorded their first successes.

The **Food** segment was able to record increased profitability for the third year in a row, under difficult market conditions. Agidens succeeded in significantly expanding its customer portfolio in both Belgium and the Netherlands. The activities in the **(fine) chemical industry** also recorded a significant profitable growth.

Agidens NV

(€ 1,000, IFRS)	2018	2017	2016
Turnover	**82,550**	71,255	75,026
EBITDA	**-1,828**	1,938	4,557
Net result (group share)	**-5,012**	-413	1,588
Shareholders' equity (group share)	**16,725**	21,480	22,564
Net financial position	**-4,690**	3,969	2,613

Agidens - Ahop dry-hopping installation

Agidens - Headquarters in Antwerp

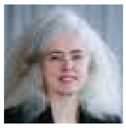
The **Life Sciences** division continued its expansion in Western Europe. The strengthening of the sales department in Switzerland led to an improved customer diversification and additional synergies with the other divisions. Agidens Life Sciences is regarded as the preferred supplier by a number of large pharmaceutical multinationals. In addition, the division succeeded in specialising further in the niche of thermal and clean room validation.

The **Infra Automation** division, on the other hand, experienced a challenging year, whereby the results were completely overshadowed by a large, loss-making project in the Netherlands. This division does have a successful market coverage in Belgium and the Netherlands, however. The increasing demand, including that in the Walloon market, opens up a perspective of a strong and challenging growth.

Agidens expects to complete the loss-making project in the Netherlands correctly and on time in 2019, in accordance with the requirements, and to revert to profitable growth thanks to a clear strategic plan, focus and an increasing demand for automation.

www.agidens.com | Agidens

From left to right:
Christian Leysen, Saskia Lapere, Veerle Peeters


Shareholding percentage AvH: 48%

AXE Investments

The investment company AXE Investments is a joint venture of Anacom (controlled by Christian Leysen) and Ackermans & van Haaren.

As an investment company, AXE Investments has stakes in the IT group Xylos (40.60%) and in Agidens (26.62%, see opposite page). In addition, AXE Investments also owns part of the Ahlers building on the Noorderlaan in Antwerp.

Xylos is a leading company in the Belgian IT landscape, focusing on the digital transformation of its customers. The company offers solutions for change management, the digital workplace, the Intelligent Cloud, mobile apps and cooperation platforms. The INIA (Unified Communications), Neo (digital learning) and IntoApps (Mobile Apps) brands belong to the Xylos group.

Xylos is also a shareholder of the Internet of Things company Bagaar, which acquired Productize, the Internet of Things agency, in 2018. As a result of this acquisition, Bagaar is able to assist and support customers from A to Z in their digital transformation: from strategic, customised advice to the development of new (digital) products and services.

The Xylos group employs 250 people, and has offices in Brussels, Antwerp, Herentals and Ghent. The contribution of Xylos has been incorporated into the AXE Investments accounts through equity accounting.

Together, the results from the participation in Xylos and the rental income from the Ahlers building determined the annual result of AXE Investments.

AXE Investments - Ahlers building in Antwerp

AXE Investments NV[1]

(€ 1,000, IFRS)	2018	2017	2016
Turnover	**634**	697	718
EBITDA	**183**	183	159
Net result (group share)	**226**	1,887	14,898[2]
Shareholders' equity (group share)	**14,909**	15,031	13,144
Net financial position	**4,073**	3,733	2,237

(1) The figures of Agidens are not consolidated at the level of AXE Investments.
(2) Including dividend payment by Agidens. This dividend is eliminated in AvH's consolidated financial statements, as Agidens is fully consolidated.

www.axe-investments.com | axe investments


From left to right:
Patrick van den Berg, François-Charles Bideaux

Shareholding percentage AvH: 23%

Euro Media Group

Euro Media Group (EMG) is a key player in the audiovisual technical facilities market in Europe and is present in 8 countries.

EMG has a large capacity of mobile production facilities and studios, but also provides different specialized services such as remote production solutions, radio frequency solutions, slow motion and other specialized camera services. EMG also provides different digital solutions, including second screen applications, graphics solutions and OTT services. EMG is focussed on sports and live events, further developing its integrated service offer while also maximizing the added value from its non-sports and non-live activities.

In February 2018, EMG announced its new co-CEO management structure, with François-Charles Bideaux, who worked previously at Canal+, HBS and TF1, joining Patrick van den Berg, who served as interim-CEO and CFO during 2017. During 2018, EMG further strengthened its management team at holding level.

2018 was an extremely busy year for EMG, resulting in an EBITDA of 55.4 million euros, slightly above the EBITDA realized in 2017 (55.0 million euros). The operating result (EBIT) improved significantly from 9.2 million euros in 2017 to 16.3 million euros in 2018. The strong contribution of the international sport events in 2018, including the Winter Olympics in South Korea and the Football World Cup in Russia, compensated for a lower level of (co)production volumes in Italy. Next to the big international sport events, EMG also provided technical facilities for a large number of other well-known international events, including the Ryder Cup in France, the Asian Games in Jakarta and the UK Royal Wedding, while in parallel servicing its strong local recurring business and client base. The activities in Belgium (including Videohouse and DB Video), the UK and the Netherlands continue to be the major contributors to the operating result of EMG. After the divestment of the French studio activities in 2017 and thanks to the continued focus on rightsizing the French operations, EMG was almost break-even in France in 2018.

Euro Media Group

In 2018, EMG created a partnership with SimplyLive, to support its strategy around the growing market of simplified production. In the Netherlands, EMG completed the acquisition of Quadia Online Video, to expand its service portfolio into the corporate video market.

EMG realized a positive net result of 0.8 million euros in 2018 (2017: -4.6 million euros), including 7.6 million euros interest charges on convertible obligations. Excluding these non-cash interest charges the group realized a positive net result of 8.4 million euros (2017: 2.8 million euros), a strong increase driven by the increase in operating result (EBIT).

On February 14, 2019 EMG announced the acquisition of Telegenic in the UK. Telegenic operates a fleet of HD and UHD outside broadcast trucks, providing services to UK and international clients, while also being active in the US. The acquisition of Telegenic is part of EMG's strategy to grow its business in the UK, in Europe and beyond and will allow EMG to increase its presence on international sport events, using its growing fleet of broadcast facilities.

Financière EMG

(€ 1,000, IFRS)	**2018**	2017	2016
Turnover	**306,644**	304,220	318,638
EBITDA	**55,431**	54,979	55,098
Net result (group share)	**838**	-4,566	-4,432
Shareholders' equity (group share)(1)	**103,364**	96,460	94,643
Net financial position (without convertible bonds)	**-68,001**	-70,957	-61,494

(1) € 92.9 mio convertible bonds, issued by Financière EMG for the benefit of the shareholders of Financière EMG, are included in the shareholders' equity, but not in the net financial position (2018: € 92.9 mio, 2017: € 85.8 mio, 2016: € 78.7 mio).

www.euromediagroup.com

From left to right: top row: Philippe Huybrechs, Dirk Aerts, Sofie Beernaert, Barry Collard
middle row: Bart De Schutter, Ben De Voecht, Marc Jacobs, Anthony Maas
bottom row: Bart Troubleyn, Stephan Van den Eynde, Stefan Van Loock

Shareholding percentage AvH: 30%

Manuchar

Manuchar is active in trading and distribution of various basic products (including chemicals, steel, plastics and paper), mainly in emerging markets.

Manuchar

For steel, plastics and paper, Manuchar mainly limits itself to buying and selling activities, including maritime transport. In the chemicals segment, the group provides a broader range of services through the combination of its trading and maritime activities with local logistics services up to the customer's production units ('Just in Time'), and distribution in the major cities of the emerging countries. In this segment, the company mainly focuses on chemicals for powder detergents (sodium sulphate and sodium carbonate), Home & Personal Care, Mining, Oil & Gas, as well as fertilisers.

2018 was closed with a negative result due to operational losses and significant impairment losses (28.8 million USD in total) on the sodium sulphate production plant in Mexico, which became operational at the end of 2016. Manuchar is responsible for a significant part of the export to China, and wanted to meet the growing demand on the global market for products of American origin. Production was discontinued in May 2018, however, and the remaining book value was reduced to the estimated realisation value.

The core activities of the group had a strong year, however. In addition to the sale of chemicals, trading in steel, plastics and paper, in particular, has made a contribution to this. Local deliveries, as well as the distribution of chemicals, recorded a strong increase, in terms of both turnover and EBITDA.

www.manuchar.com

Manuchar will continue its strategy and aims to focus even more on the development of trading, logistics and the distribution of dry bulk chemicals and fertilisers, and on the further optimisation of the cost structure by, among other things, acquiring its own local infrastructure at strategic locations. Investments were also made in additional storage capacity in Brazil, South Africa, Ivory Coast and Peru in 2018. New subsidiaries were also opened in Pakistan, Brazil and Peru. In this way, Manuchar continues to be well-positioned to supply its customers from the different continents.

Manuchar NV

(USD 1,000, BGAAP)	2018	2017	2016
Turnover	**1,691,121**	1,399,848	1,224,059
EBITDA	**79,389**	55,480	61,318
Net result (group share)	**-10,609**	176	10,697
Shareholders' equity (group share)	**68,450**	82,510	88,399
Net financial position	**-464,176**	-375,430	-308,254

From left to right: Gert Ysebaert, Kristiaan De Beukelaer, Paul Verwilt

Shareholding percentage AvH: 13%

Mediahuis

Mediahuis is one of the leading media groups in Belgium and the Netherlands. With 14 news titles in its portfolio, the group realises a daily sale of 1.4 million newspapers and a digital reach of 3.2 million unique visitors a day.

The news brands De Standaard, Het Nieuwsblad/De Gentenaar, Gazet van Antwerpen, Het Belang van Limburg and Metro reach more than 3.5 million readers in Belgium on a monthly basis. In the Netherlands, news brands such as NRC Handelsblad, nrc.next, De Telegraaf, Noordhollands Dagblad and De Limburger ensure a monthly reach in excess of 8.2 million Dutch citizens.

Mediahuis announced the termination of the stock exchange listing of Telegraaf Media Groep (TMG) at the beginning of 2018. The company is now 100% owned by Mediahuis. The realisation of the plans for the future, which focus on a better performance in both the consumer and the advertising market, with a clear focus on digital growth, is proceeding as expected. As a result, TMG has already provided a significant contribution to the increase in the result of the group in 2018.

Mediahuis took major steps in the field of digital transformation. In particular, the digital propositions of its news media and classifieds business towards the consumer and the advertiser were developed further. With the investment in Wayne Parker Kent (WPK), one of the fastest-growing digital media companies, Mediahuis is also able to further strengthen its digital positioning. The closing of this transaction, through which Mediahuis acquired 100% of WPK's shares, took place during the first quarter of 2019.

At the same time, Mediahuis was able to improve its position within the classifieds market by merging Zimmo and Hebbes into a single real estate platform on the Belgian market: Zimmo. This joining of forces clearly sets Mediahuis apart as the second largest party in the real estate small ads market.

Mediahuis NV

(€ 1,000, IFRS)	**2018**	2017	2016
Turnover	**819,176**	641,542	430,310
EBITDA	**86,114**	65,105	57,366
Net result (group share)	**28,301**	14,948	18,242
Shareholders' equity (group share)	**311,475**	281,703	53,024
Net financial position	**-161,627**	-163,972	-121,789

Gazet van Antwerpen

De Telegraaf

In the area of audiovisuals, Mediahuis entered into an agreement with Telenet for the sale of its 30% stake in De Vijver Media, the company behind channels VIER, VIJF and ZES, and the Woestijnvis production house. The approval of this transaction by the Belgian competition authority is expected in the second quarter of 2019. With the launch of the new radio station NRJ, another collaboration with De Vijver Media, Mediahuis strengthened its position in the Flemish radio market.

Mediahuis once again improved its position in the Belgian-Dutch market in 2018. The strong result of TMG in particular, combined with the efficient cost management within the entire group, lies at the basis of a turnover increase to 819 million euros (+28%) and the increase of the REBITDA to 91 million euros (+26%). As a result, the impact of rising costs (paper, staff), the decreasing revenue from printed advertising and the decrease of revenue from individual newspaper sales could be eliminated. The net debt position of the group remained more or less stable at -162 million euros, despite significant investments at all levels within the group.

Generally speaking, the broadening of its portfolio, including acquisitions in the Netherlands, has led to an improved financial resilience for Mediahuis, giving the group a stable basis for the future. Mediahuis will continue to focus on the further digital transformation of its current portfolio in 2019.

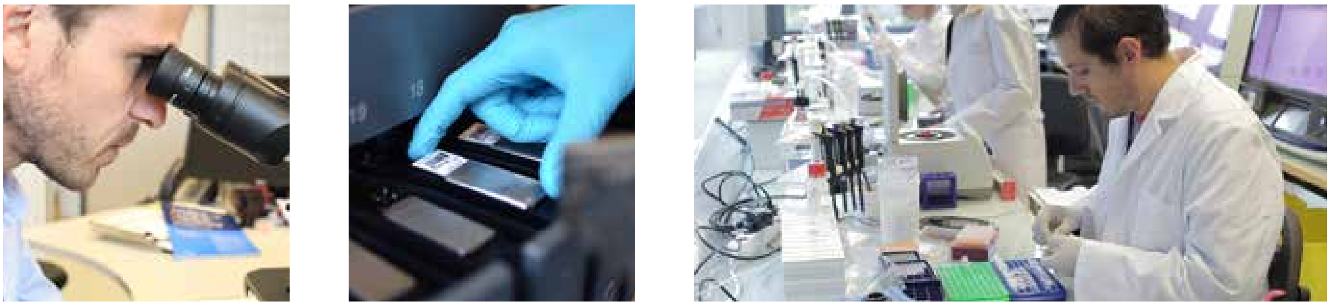
www.mediahuis.be | MEDIAHUIS

From left to right: Jean-Pol Detiffe, Pierre Flamant, Gregori Ghitti, Jean-Francois Laes, Michelle Meijer

Shareholding percentage AvH: 15%

OncoDNA

OncoDNA supports the decision-making with regard to the treatment of patients suffering from advanced (metastatic) cancer. Personalised treatment is important, as each type of cancer is different for each patient.



OncoDNA

OncoDNA helps the oncologist to choose the best medical treatment and to better monitor the evolution of the cancer, and, in particular, whether or not the disease is responding to the treatment.

2018 was characterised by an increasing acceptance of OncoDNA's solutions for precision medicine, and by the initial repayments from private insurers abroad, and a first health insurance fund in Belgium. This early stage of repayment is the result of ongoing clinical studies (the ARCHE project, with the support of the Walloon Region), but is also due to publications and, in particular, to the positive feedback from oncologists. The initial partnerships with key pharmaceutical actors were successfully continued.

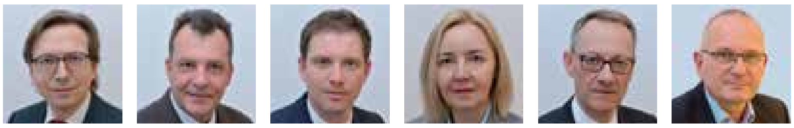
A change was also implemented in OncoDNA's strategy in 2018, which is aimed at accelerating acceptance by no longer exclusively providing diagnostic tests, but also a service for the remote algorithmic interpretation for the choice of treatment, through a SaaS solution by the name of OncoKDM. Laboratories around the world can use KDM (Knowledge Driven Medicine) to send their data to the platform of OncoKDM, with a view to obtaining an interpretation and for the creation of a detailed report for their oncologists. This report is shared on OncoSHARE, the innovative platform for communication, sharing and networking, with more than 14,000 users (oncologists, patients and relatives of the patients).

In 2018, the first year of the rollout, about fifteen major European cancer prevention centres have tested OncoKDM, in particular in the field of algorithms and clinical interpretation, by sending their data on difficult cases to the platform.

The focus in 2019 will be on the accelerated rollout of the OncoKDM platform in order to significantly expand the database of cancer patients. The ambition is to assist 100,000 patients in selecting their treatment, and to collect their clinical follow-up data, by the end of 2021.

www.oncodna.com

OncoDNA
THE CANCER THERANOSTIC COMPANY



From left to right: Christopher Maas, Martin Kirschbaum, Tobias Müller, Alicja Ozimek, Grego Peters, Dieter Schneider

Shareholding percentage AvH: 50%

Telemond Group

Telemond is a leading manufacturer of lattice structures and telescopic cranes for the heavy hoisting industry. The group includes major crane manufacturers and fleet operators among its customers. The Telemond car segment produces loading bins with folding side-boards and three-way tipping boxes for light commercial vehicles such as the Crafter, the T6 and the Sprinter.

Telemond Group

The turnover of Telemond Group increased by 22% in 2018, thanks to a strong market growth and further product diversification. Telemond expects this strong growth to continue in 2019, supported by an order book exceeding 100 million euros.

Thanks to orders received and a record level turnover in the hoisting sector, the Teleskop and Montel subsidiaries have become world leaders in their market segment in the past year. Innovations in the welding processes and the further expansion of the supply will strengthen the market position of these two companies even further.

Telemond, Telehold, Henschel(1)

(€ 1,000, IFRS)	2018	2017	2016
Turnover	**92,327**	75,814	69,006
EBITDA	**9,195**	6,846	6,592
Net result (group share)	**4,075**	2,474	2,176
Shareholders' equity (group share)	**52,994**	52,246	47,405
Net financial position	**-15,415**	-13,752	-13,623

(1) Consortium consolidation

Teleyard, the entity that focuses more on the maritime sector, expanded by 25% in 2018. The company was able to significantly improve its profitability, despite the difficult market conditions in the oil and gas sector. It is expected that a double-digit increase in turnover will again be achieved in 2019, driven by sales in the renewable energy sectors and the large-scale infrastructure.

Henschel Engineering Automotive has now completed and stabilised the start-up phase of the new Crafter product line, which experienced a difficult start up in 2018. The company's turnover increased strongly in 2018, both in the OEM sector and for the products that are marketed under the brand name 'Henschel', thanks to a strong growth in the construction sector and the expansion of the product portfolio.

Telemond is convinced that it is well-placed to achieve a sustainable and profitable growth across all its segments in 2019.

www.telemond.be

From left to right: Piet Wauters, Kristof Derudder, Bart Dobbels, Filip Matthijs, Peter Tytgadt, Serge Van Hulle

Shareholding percentage AvH: 50%

Turbo's Hoet Groep

As one of the major truck distributors in Europe, the focus of Turbo's Hoet Groep (TH) is mainly on sales, maintenance and the provision of financing solutions for trucks, trailers and light commercial vehicles. In addition, the group is also one of the major turbo distributors in the European aftermarket.

Turbo's Hoet Groep

TH Trucks (dealerships, sale and maintenance of trucks, light commercial vehicles and trailers) has 38 branches in 6 countries (Belgium (12), Russia (11), France (9), Bulgaria (4), Luxembourg (1) and Belarus (1)), and is one of the major DAF dealers worldwide. Ford Trucks appointed TH Trucks to be an importer and exclusive dealer for the entire Russian market. In addition, TH Trucks is also a dealer for, among others, Iveco, Dongfeng, Nissan, Fiat Professional, Fuso, Kögel and various other trailer brands.

TH Lease (long-term and short-term rental of trucks, light commercial vehicles and trailers) is the largest independent leasing company for commercial vehicles in Belgium. This service is also offered in the other countries in which the group is operating. The TH Lease park consists of more than 4,500 units.

TH Parts is a key European player for parts for trucks, light commercial vehicles and trailers. Approximately 300 specialists guide customers in the right choice of spare parts. In addition, customers can also have repairs carried out.

TH Turbos is one of the largest distributors worldwide for turbos for the 'aftermarket'. The company's own branches in 8 countries have an extensive stock of turbos for passenger cars, trucks and industrial applications. Technical assistance, repairs and excellent warranty conditions thereby ensure the provision of an impeccable customer service. TH Turbos has its own workshops in Belgium, Bulgaria and Romania.

www.th-group.eu

TH Groep again succeeded in reinforcing its sustainable international growth ambitions in 2018. The group became the importer for Ford Trucks in Russia, opened a new point of service in Erembodegem (Belgium) and obtained a new dealer contract (Iveco) in Luxembourg. TH Trucks Bulgaria was selected by DAF as being the best international dealer of 2018.

The European truck market increased by approximately 3%, to 320,000 vehicles, in 2018. Thanks to its sustained efforts and presence in Eastern Europe (Bulgaria, Russia, Belarus, Romania), Turbo's Hoet Groep achieved a significant increase in its turnover for the third year in a row, to 532.6 million euros (+14%). Despite the unfavourable development of exchange rates in Q4 2018, a net profit of 10.1 million euros was realised (2017: 9.7 million euros).

TH Groep continues to ambitiously work on the development of its network. A new truck dealer point is under construction in Minsk (Belarus/TH Trucks). The TH Groep will thereby further expand its Russian network. Significant costs were incurred in 2018 in preparation for the start up of this new operation (in H2 2018). New construction projects will also soon be launched in Le Havre (France/TH Trucks) and Sofia (Bulgaria/TH Turbo's), TH Groep is open to the targeted expansion of its operations.

Turbo's Hoet Groep NV

(€ 1,000, BGAAP)	2018	2017	2016
Turnover	**532,647**	467,665	393,046
EBITDA	**30,837**	27,837	25,863
Net result (group share)	**10,136**	9,677	9,279
Shareholders' equity (group share)	**107,154**	102,599	97,565
Net financial position	**-117,468**	-106,440	-94,413

Financial statements 2018

Ackermans & van Haaren

Contents

The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards and IFRIC interpretations effective on December 31, 2018, as approved by the European Commission.

Income statement

(€ 1,000)	Note	2018	2017
Revenue		**4,458,181**	**3,950,575**
Rendering of services		207,745	206,973
Lease revenue		10,239	8,974
Real estate revenue		316,576	227,897
Interest income - banking activities		95,126	97,563
Fees and commissions - banking activities		61,224	55,637
Revenue from construction contracts		3,626,080	3,262,584
Other operating revenue		141,192	90,948
Other operating income		**14,290**	**14,484**
Interest on financial fixed assets - receivables		7,858	7,301
Dividends		5,677	6,864
Government grants		0	0
Other operating income		754	318
Operating expenses (-)		**-4,127,873**	**-3,654,866**
Raw materials and consumables used (-)		-2,272,906	-2,005,126
Changes in inventories of finished goods, raw materials & consumables (-)		-16,488	22,932
Interest expenses Bank J,Van Breda & C° (-)		-24,841	-25,869
Employee expenses (-)	24	-842,070	-765,902
Depreciation (-)		-297,044	-269,315
Impairment losses (-)		-40,533	-12,724
Other operating expenses (-)		-658,139	-587,750
Provisions		24,149	-11,113
Profit (loss) on assets/liabilities designated at fair value through profit and loss		**3,704**	**31,960**
Financial assets - Fair value through P/L (FVPL)	20	2,974	0
Investment property	10	730	31,960
Profit (loss) on disposal of assets		**50,421**	**83,841**
Realised gain (loss) on intangible and tangible assets		7,510	10,868
Realised gain (loss) on investment property		0	-2,798
Realised gain (loss) on financial fixed assets		42,168	73,181
Realised gain (loss) on other assets		743	2,591
Profit (loss) from operating activities		**398,723**	**425,993**
Finance income		**59,867**	**55,645**
Interest income		10,414	10,830
Other finance income		49,454	44,815
Finance costs (-)		**-99,305**	**-112,836**
Interest expenses (-)		-36,295	-42,237
Other finance costs (-)		-63,010	-70,599
Derivative financial instruments designated at fair value through profit and loss	20	**114**	**633**
Share of profit (loss) from equity accounted investments	11	**153,853**	**140,859**
Other non-operating income		**716**	**2,385**
Other non-operating expenses (-)		**0**	**0**
Profit (loss) before tax		**513,968**	**512,680**
Income taxes	21	**-72,195**	**-57,022**
Deferred taxes		6,452	16,082
Current taxes		-78,647	-73,104
Profit (loss) after tax from continuing operations		**441,773**	**455,657**
Profit (loss) after tax from discontinued operations		**0**	**0**
Profit (loss) of the period		**441,773**	**455,657**
Minority interests		152,134	153,128
Share of the group		289,639	302,530

Earnings per share (€)			
1. Basic earnings per share			
1.1. from continued and discontinued operations		8.74	9.13
1.2. from continued operations		8.74	9.13
2. Diluted earnings per share			
2.1. from continued and discontinued operations		8.71	9.09
2.2. from continued operations		8.71	9.09

(1) We refer to the segment information on pages 153 to 164 for more comments on the consolidated results. For the first time application of IFRS 9 Financial instruments and IFRS 15 Revenue from contracts with customers, we refer to Disclosure 2 Restated opening balance.

Statement of comprehensive income

(€ 1,000)	2018	2017
Profit (loss) of the period	**441,773**	**455,657**
Minority interests	152,134	153,128
Share of the group	**289,639**	**302,530**
Other comprehensive income	**1,904**	**-30,691**
Items that may be reclassified to profit or loss in subsequent periods		
Changes in revaluation reserve: financial assets available for sale		-15,984
Taxes		1,662
		-14,321
Changes in revaluation reserve: bonds - Fair value through OCI (FVOCI)	44	
Taxes	-13	
	31	
Changes in revaluation reserve: hedging reserves	-7,396	21,561
Taxes	603	-1,962
	-6,793	19,599
Changes in revaluation reserve: translation differences	8,816	-30,190
Items that cannot be reclassified to profit or loss in subsequent periods	-156	
Changes in revaluation reserve: shares - Fair value through OCI (FVOCI)		
Taxes	-156	
Changes in revaluation reserve: actuarial gains (losses) defined benefit pension plans	-604	-2,835
Taxes	610	-2,944
	6	-5,778
Total comprehensive income	**443,677**	**424,966**
Minority interests	149,061	151,834
Share of the group	**294,615**	**273,132**

For the first time application of IFRS 9 Financial instruments and IFRS 15 Revenue from contracts with customers, we refer to Disclosure 2 Restated opening balance.

For a breakdown of the item 'Share of the group and Minority interests' in the results of 2018, we refer to the segment reporting on page 154 of this report.

As a result of the application of the new accounting standard "IFRS 9 Financial Instruments", as explained on page 140 of this report, financial assets are as of 2018 broken down into three categories on the balance sheet. Another consequence of the application of this new rule is that, as of 2018, fluctuations in the "fair value" of financial assets are reported in the consolidated income statement instead of in the unrealized results. The only exception to this rule are the fair value fluctuations in the investment portfolio of Bank J.Van Breda & C° and Delen Private Bank, which in the table above is divided into shares and bonds.

Hedging reserves arise from fluctuations in the fair value of hedging instruments used by group companies to hedge against risks. Several group companies have hedged against a possible rise in interest rates. Across the group, the total unrealized loss on hedging instruments, mainly on interest rates and exchange rates, has increased by 6.8 million euros (including minority interests) in 2018.

Translation differences arise from fluctuations in the exchange rates of group companies that report in foreign currencies. In 2018, the euro decreased in value against most relevant currencies, which on balance is reflected in positive translation differences of 8.8 million euros.

With the introduction of the amended IAS 19 accounting standard in 2013, the actuarial gains and losses on certain pension plans are recognized directly in the other comprehensive income.

Assets

(€ 1,000)	Note	2018	2017
I. Non-current assets		**9,768,821**	**9,255,476**
Intangible assets	7	**176,802**	**179,567**
Goodwill	8	**339,738**	**349,523**
Tangible assets	9	**2,711,097**	**2,572,877**
Land and buildings		348,592	479,686
Plant. machinery and equipment		1,865,980	1,615,815
Furniture and vehicles		29,372	28,822
Other tangible assets		4,518	4,713
Assets under construction and advance payments		462,635	443,558
Operating lease - as lessor (IAS 17)		0	283
Investment property	10	**1,137,531**	**945,488**
Participations accounted for using the equity method	11	**1,184,765**	**1,240,746**
Financial fixed assets	12	**296,467**	**267,186**
Available for sale financial fixed assets			102,335
Financial assets : shares - Fair value through P/L (FVPL)		113,526	
Receivables and warranties		182,941	164,851
Non-current hedging instruments	20	**2,000**	**5,649**
Amounts receivable after one year	12	**185,495**	**177,109**
Trade receivables		0	6,958
Finance lease receivables	16	178,971	160,765
Other receivables		6,524	9,386
Deferred tax assets	21	**108,297**	**109,219**
Banks - receivables from credit institutions and clients after one year	13	**3,626,628**	**3,408,112**
II. Current assets		**4,371,576**	**4,192,378**
Inventories	14	**332,385**	**329,400**
Amounts due from customers under construction contracts	14	**85,755**	**74,292**
Investments		**494,420**	**467,882**
Available for sale financial assets	12		467,879
Financial assets held for trading			3
Financial assets : shares - Fair value through P/L (FVPL)		37,291	
Financial assets : bonds - Fair value through OCI (FVOCI)		456,813	
Financial assets : shares - Fair value through OCI (FVOCI)		316	
Financial assets - at amortised cost		0	
Current hedging instruments	20	**451**	**4,553**
Amounts receivable within one year	12	**1,449,334**	**1,321,413**
Trade debtors		1,138,482	1,066,152
Finance lease receivables	16	64,367	55,139
Other receivables		246,485	200,122
Current tax receivables	21	**29,516**	**19,030**
Banks - receivables from credit institutions and clients within one year	13	**1,424,040**	**1,304,957**
Banks - loans and advances to banks		127,693	88,863
Banks - loans and receivables (excluding leases)		936,664	908,056
Banks - cash balances with central banks		359,683	308,038
Cash and cash equivalents		**513,588**	**637,027**
Time deposits for less than three months		56,661	35,152
Cash		456,927	601,875
Deferred charges and accrued income		**42,088**	**33,824**
III. Assets held for sale	10	**25,067**	**21,159**
Total assets		**14,165,464**	**13,469,013**

For more details regarding the impact of the first time application of IFRS 9 Financial instruments and IFRS 15 Revenue from contracts with customers, we refer to Note 2 Restated opening balance.

The breakdown of the consolidated balance sheet by segment is shown on page 156-157 of this report. This reveals that the full consolidation of Bank J.Van Breda & C° (Private Banking segment) has a significant impact on both the balance sheet total and the balance sheet structure of AvH. Bank J.Van Breda & C° contributes 5,820.0 million euros to the balance sheet total of 14,165.5 million euros, and although this bank is solidly capitalized with a Core Tier 1 ratio of 13.6%, its balance sheet ratios, as explained by the nature of its activity, are different from those of the other companies in the consolidation scope. To improve the readability of the consolidated balance sheet, certain items from the balance sheet of Bank J.Van Breda & C° have been summarized in the consolidated balance sheet.

Equity and liabilities

(€ 1,000)	Note	2018	2017
I. Total equity		**4,357,996**	**4,195,272**
Equity - group share		**3,176,447**	**2,972,208**
Issued capital		**113,907**	**113,907**
Share capital		2,295	2,295
Share premium		111,612	111,612
Consolidated reserves		**3,124,841**	**2,905,611**
Revaluation reserves		**-34,190**	**-17,482**
Financial assets available for sale			23,579
Financial assets : bonds - Fair value through OCI (FVOCI)		1,569	
Financial assets : shares - Fair value through OCI (FVOCI)		228	
Hedging reserves		-13,529	-10,204
Actuarial gains (losses) defined benefit pension plans		-14,996	-15,083
Translation differences		-7,462	-15,774
Treasury shares (-)	22	**-28,111**	**-29,828**
Minority interests	15	**1,181,549**	**1,223,064**
II. Non-current liabilities		**2,435,214**	**2,477,286**
Provisions	17	**80,048**	**86,381**
Pension liabilities	25	**62,904**	**58,134**
Deferred tax liabilities	21	**191,983**	**212,268**
Financial debts	18	**1,340,204**	**1,388,177**
Bank loans		1,120,304	877,470
Bonds		143,356	435,327
Subordinated loans		18,916	5,354
Finance leases		53,927	66,147
Other financial debts		3,700	3,880
Non-current hedging instruments	20	**59,203**	**50,397**
Other amounts payable after one year		**32,543**	**26,761**
Banks - non-current debts to credit institutions. clients & securities	19	**668,329**	**655,168**
Banks - deposits from credit institutions		0	0
Banks - deposits from clients		594,294	607,368
Banks - debt certificates including bonds		0	0
Banks - subordinated liabilities		74,035	47,800
III. Current liabilities		**7,372,201**	**6,796,455**
Provisions	17	**50,760**	**59,166**
Pension liabilities	25	**358**	**289**
Financial debts	18	**672,919**	**499,467**
Bank loans		214,864	163,833
Bonds		275,826	99,959
Subordinated loans		4,580	0
Finance leases		9,924	15,230
Other financial debts		167,724	220,445
Current hedging instruments	20	**12,569**	**8,405**
Amounts due to customers under construction contracts	14	**224,540**	**235,704**
Other amounts payable within one year		**1,734,272**	**1,641,461**
Trade payables		1,487,232	1,352,745
Advances received on construction contracts		1,270	2,505
Amounts payable regarding remuneration and social security		189,210	186,022
Other amounts payable		56,559	100,189
Current tax payables	21	**56,212**	**64,691**
Banks - current debts to credit institutions. clients & securities	19	**4,551,832**	**4,191,182**
Banks - deposits from credit institutions		27,634	27,458
Banks - deposits from clients		4,232,779	3,898,145
Banks - debt certificates including bonds		275,208	253,114
Banks - subordinated liabilities		16,211	12,465
Accrued charges and deferred income		**68,739**	**96,089**
IV. Liabilities held for sale		**54**	**0**
Total equity and liabilities		**14,165,464**	**13,469,013**

Cash flow statement (indirect method)

(€ 1,000)	2018	2017
I. Cash and cash equivalents - opening balance	**637,027**	**754,315**
Profit (loss) from operating activities	398,723	425,993
Reclassification ‘Profit (loss) on disposal of assets’ to cash flow from divestments	-50,421	-83,841
Dividends from participations accounted for using the equity method	67,565	62,392
Other non-operating income (expenses)	716	2,385
Income taxes	-78,111	-47,135
Non-cash adjustments		
Depreciation	297,044	269,315
Impairment losses	40,661	12,881
Share based payment	-362	1,915
Profit (loss) on assets/liabilities designated at fair value through profit and loss	-3,704	-31,960
(Decrease) increase of provisions	-21,268	11,226
(Decrease) increase of deferred taxes	-6,452	-16,082
Other non-cash expenses (income)	-2,091	4,186
Cash flow	**642,299**	**611,275**
Decrease (increase) of working capital	**-213,822**	**-62,693**
Decrease (increase) of inventories and construction contracts	-58,347	-31,726
Decrease (increase) of amounts receivable	-308,384	93,961
Decrease (increase) of receivables from credit institutions and clients (banks)	-336,488	-553,537
Increase (decrease) of liabilities (other than financial debts)	96,120	9,621
Increase (decrease) of debts to credit institutions. clients & securities (banks)	379,047	419,257
Decrease (increase) other	14,230	-268
Cash flow from operating activities	**428,478**	**548,583**
Investments	**-1,103,222**	**-1,165,097**
Acquisition of intangible and tangible assets	-505,916	-491,841
Acquisition of investment property	-182,707	-126,121
Acquisition of financial fixed assets	19,842	-304,012
New amounts receivable	-54,112	-27,820
Acquisition of investments	-380,329	-215,302
Divestments	**538,011**	**724,102**
Disposal of intangible and tangible assets	16,027	20,459
Disposal of investment property	3,500	113,502
Disposal of financial fixed assets	159,945	214,987
Reimbursements of amounts receivable	9,241	13,344
Disposal of investments	349,297	361,809
Cash flow from investing activities	**-565,211**	**-440,994**
Financial operations		
Interest received	10,412	10,820
Interest paid	-40,343	-47,945
Other financial income (costs)	-12,852	-24,519
Decrease (increase) of treasury shares	768	-6,993
(Decrease) increase of financial debts	158,592	-9,743
Distribution of profits	-73,019	-67,638
Dividends paid to minority interests	-76,820	-56,548
Cash flow from financial activities	**-33,262**	**-202,566**
II. Net increase (decrease) in cash and cash equivalents	**-169,995**	**-94,978**
Change in consolidation scope or method	-2,794	-21,890
Capital decrease HPA (minorities)	-8,483	0
Capital increase Leasinvest Real Estate (minorities)	58,767	150
Capital increase expenses Leasinvest Real Estate deducted directly from equity	-1,644	0
Impact of exchange rate changes on cash and cash equivalents	709	-570
III. Cash and cash equivalents - ending balance	**513,588**	**637,027**

The first time application of IFRS 9 Financial instruments and IFRS 15 Revenue from contracts with customers has no impact on the cash flow statement.

A detailed cash flow statement per segment is presented on page 159 of this report.

Statement of changes in consolidated equity

(€ 1,000)			Revaluation reserves									
	Issued capital & share premium	Consolidated reserves	Financial assets available for sale			Hedging reserves	Actuarial gains (losses) defined benefit pension plans	Translation differences	Treasury shares	Equity - group share	Minority interests	Total equity
Opening balance, 1 January 2017	**113,907**	**2,682,090**	**31,145**			**-18,635**	**-11,569**	**10,974**	**-24,830**	**2,783,083**	**1,133,265**	**3,916,348**
Profit		302,530								302,530	153,128	455,657
Unrealised results			-7,566			8,431	-3,514	-26,748		-29,397	-1,294	-30,691
Total of realised and unrealised results	**0**	**302,530**	**-7,566**			**8,431**	**-3,514**	**-26,748**	**0**	**273,132**	**151,834**	**424,966**
Distribution of dividends of the previous financial year		-67,638								-67,638	-56,548	-124,186
Operations with treasury shares									-4,998	-4,998		-4,998
Other (a.o. changes in consol. scope / beneficial interest %)		-11,371								-11,371	-5,487	-16,858
Ending balance, 31 December 2017	**113,907**	**2,905,611**	**23,579**			**-10,204**	**-15,083**	**-15,774**	**-29,828**	**2,972,208**	**1,223,064**	**4,195,272**

(€ 1,000)			Revaluation reserves									
	Issued capital & share premium	Consolidated reserves	Financial assets available for sale	Bonds - Fair value through OCI (FVOCI)	Shares - Fair value through OCI (FVOCI)	Hedging reserves	Actuarial gains (losses) defined benefit pension plans	Translation differences	Treasury shares	Equity - group share	Minority interests	Total equity
Ending balance, 31 December 2017	**113,907**	**2,905,611**	**23,579**			**-10,204**	**-15,083**	**-15,774**	**-29,828**	**2,972,208**	**1,223,064**	**4,195,272**
Impact IFRS 9 - Reclassification & measurement		21,684	-23,579	1,544	351					0	0	0
Impact IFRS 9 - Expected Credit loss		-9,866								-9,866	-5,458	-15,324
Impact IFRS 15 - Revenue from contracts with customers		-9,392								-9,392	-6,158	-15,550
Opening balance, 1 January 2018	**113,907**	**2,908,037**	**0**	**1,544**	**351**	**-10,204**	**-15,083**	**-15,774**	**-29,828**	**2,952,951**	**1,211,448**	**4,164,398**
Profit		289,639								289,639	152,134	441,773
Unrealised results				24	-123	-3,325	87	8,312		4,976	-3,072	1,904
Total of realised and unrealised results	**0**	**289,639**	**0**	**24**	**-123**	**-3,325**	**87**	**8,312**	**0**	**294,615**	**149,061**	**443,677**
Distribution of dividends of the previous financial year		-73,019								-73,019	-76,820	-149,839
Operations with treasury shares									1,716	1,716		1,716
Other (a.o. changes in consol. scope / beneficial interest %)		184								184	-102,141	-101,957
Ending balance, 31 December 2018	**113,907**	**3,124,841**	**0**	**1,569**	**228**	**-13,529**	**-14,996**	**-7,462**	**-28,111**	**3,176,447**	**1,181,549**	**4,357,996**

The note to the unrealised results can be found on page 127 of this report. The impact of the new IFRS accounting standards is explained in Disclosure 2 Restated opening balance on page 140 of this report.

On June 1, 2018, AvH paid a dividend of 2.20 euros per share.

In 2018 AvH didn't buy any treasury shares to hedge stock option obligations to its staff. During that same period, beneficiaries of the stock option plan exercised options on 23,000 AvH shares. As at December 31, 2018, options are granted on a total of 334,000 AvH shares. To hedge that obligation, AvH had exactly a total 334,000 treasury shares in portfolio on that same date.

In addition, 304,867 shares were purchased and 300,709 shares sold in 2018 as part of the agreement that AvH has concluded with Kepler Cheuvreux to support the liquidity of the AvH share. Kepler Cheuvreux acts entirely autonomously in those transactions, but as they are carried out on behalf of AvH, the net purchase of 4,158 AvH shares in this context has an impact on AvH's equity. This net purchase of 4,158 shares in 2018 puts the total number of shares held by AvH as part of this liquidity agreement at 9,415.

The item 'Other' in the column 'Minority interest' is explained by the capital increase at Leasinvest Real Estate (70% participation by minority interests), the capital reduction at HPA (28% paid to minority interests) and the simplification of the structure of the Finaxis group (no more reporting of minority interests in Delen Private Bank). For the latter item we refer to Section 6 of the notes, Segment reporting, p. 153.

The item "Other" in the colomn "Consolidated reserves" includes a.o. the eliminations of results on sales of treasury shares, the impact of the acquisition of minority interests and the impact of the measurement of the purchase obligation resting on certain shares.

General data regarding the capital

Issued capital

The issued capital amounts to 2,295,277.90 euros. The capital is fully paid-up and is represented by 33,496,904 shares without nominal value. Please refer to page 208 for more details regarding AvH's authorised capital.

Note 1: IFRS valuation rules

Statement of compliance

The consolidated annual accounts are prepared in accordance with the International Financial Reporting Standards and IFRIC interpretations effective on 31 December 2018, as approved by the European Commission.

New and amended standards and interpretations applied as from January 1,2018
Following new standards and amendments to existing standards published by the IASB, are applied as from January 1, 2018.

- Amendments to IFRS 2 Share-based Payment - Classification and Measurement of Share-based Payment Transactions, effective as from 1 January 2018
- IFRS 9 Financial Instruments, effective as from January 1, 2018
- IFRS 15 Revenue from Contracts with Customers, effective as from January 1, 2018
- Amendments to IAS 40 Investment Property – Transfers of Investment Property, effective 1 January 2018
- IFRIC 22 Foreign Currency Transactions and Advance Consideration1, effective 1 January 2018
- Annual Improvements Cycle - 2014-2016, effective 1 January 2018

IFRS 9 Financial Instruments
The final version of IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, expected credit losses and hedge accounting.

AvH makes use of the possibility not to restate the comparative figures. As a result, for both the classification and measurement of financial instruments and the determination of expected credit losses the impact is recorded in the opening balance at 1/1/2018, without adjustment of the previous periods (which are in accordance with IFRS 39).

(I) Classification and measurement:
IFRS 9 identifies three categories for the classification of financial assets according to how the assets are measured: amortized cost, fair value through other comprehensive income, and fair value through profit & loss. The IAS 39 categories of held-to-maturity investments, loans and receivables, and available-for-sale financial assets cease to exist.

The new classification of financial assets and liabilities at amortized cost is determined in two steps:
- The 'business model' test determines how a portfolio is managed as a whole.
- The 'Solely Payment of Principal and Interest (SPPI)' test determines the characteristics of the contractual cash flows.

Except at Bank J.Van Breda & C° and Delen Private Bank, the changes in fair value in the portfolio 'Available-for-sale financial assets' are recognized through profit and loss as from January 1, 2018. Consequently, the unrealized capital gains were reclassified (within the equity) to the consolidated reserves in the opening balance to the amount of 21.7 million euro (share of the group). After that, the classification (changes in fair value through profit and loss or through other comprehensive income) of each new acquisition is determined per instrument.

(II) Expected credit losses (expected loss model)
The introduction of IFRS 9 involves a changeover from an 'incurred loss' model to an 'expected loss' model as regards impairments. Under IFRS 9, a provision must be constituted for expected losses at the start of a contract.

Bank J.Van Breda & C° has developed a model to determine 'expected credit loss'. The credit portfolio is subdivided into three stages:
- Stage 1: performing credits, for which an initial 'one-year expected credit loss' is recognized: for all financial assets, an initial provision for expected credit losses is constituted based on the probability that events will occur within 12 months that give rise to default.
- Stage 2: underperforming credits for which a 'lifetime expected credit loss' is recognized: if a significant increase in credit risk is observed, a provision for credit losses is constituted over the expected life of the financial asset.
- Stage 3: for non-performing credits, the impairments continue to be recognized individually.

The credit losses for stages 1 and 2 are determined on the basis of a model developed internally in accordance with the rules of IFRS 9. Given the quality of the loan portfolio of Bank J.Van Breda & C°, the impact on the opening equity is limited to -3.3 million euros (pre-minorities). **Delen Private Bank** reports a minimal impact of -0.1 million euros (pre-minorities). The implementation of IFRS 9 at Bank J.Van Breda & C° and Delen Private Bank is explained in more detail in Note 2 on page 143-144.

In accordance with IFRS 9, an impairment loss of 12 million euros was recognized on the outstanding receivables in **CFE**'s opening balance. The evaluation of CFE's financial assets considers the present value of expected losses if the borrower defaults on its obligations. Expected credit losses are calculated based on a weighted average of expected credit losses arising from multiple scenario's. Implementation of this model on the receivables owned by CFE on the Chadian State leads to a decrease of the opening equity at 1st January 2018 by an amount of 12 million euros.

No material impact has been noticed for the AvH group's **other participations** following the initial application of IFRS 9 – expected credit losses.

(III) Hedge accounting
The new hedge accounting principles will have no significant impact.

IFRS 15 Revenue from Contracts with Customers
IFRS 15 introduces a five-step model to recognize revenue from contracts with customers. Under IFRS 15, revenue from the transfer of goods or services is recognized in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

AvH implemented the new standard on 1/1/2018 and has opted for the modified retrospective method, which means that the opening balance of the equity at January 1, 2018 is adjusted without adjustment of the comparative figures of the previous year. In this approach, IFRS 15 is applied to contracts which were not yet completed on the date of initial application; these contracts are restated as if IFRS 15 was always applicable.

The analysis performed at **DEME** shows that certain contracts (EPCI) contain separately identifiable performance obligations, namely obligations relating to purchase and installation activities. Until the end of 2017, these standard contracts were always treated as one single contract under IAS 11, but according to IFRS 15 the different performance obligations give each separately rise to revenue recognition. The impact of this restatement caused the opening equity to decrease by 15.6 million euros (pre-minorities) at January 1, 2018. The other participations reported no material impact.

For more details, we refer to Disclosure 2 Restated opening balance per 1/1/2018.

New and amended standards and interpretations, effective after 2018
Certain new standards and amendments to existing standards were issued by the IASB but were not yet effective for the year beginning 1 January 2018, and have not been early adopted. AvH intends to apply these standards and interpretations when they become effective.

- IFRS 16 Leases, effective 1 January 2019
- Amendments to IFRS 9 Prepayment features with negative compensation, effective 1 January 2019
- IFRIC 23 Uncertainty over income tax treatments, effective 1 January 2019
- Amendments to IAS 28 Long term interests in associates and joint ventures, effective 1 January 2019 (1)
- Amendments to IAS 19 Plan Amendment, Curtailment or Settlement, effective 1 January 2019 (1)
- Amendments to the guidance of IFRS 3 Business Combinations, effective 1 January 2020 (1)
- Amendments to the definition of material in IAS 1 and IAS 8, effective 1 January 2020 (1)
- Annual improvements to IFRS Standards 2015-2017 cycle, effective 1 January 2019 (1)

IFRS 16 Leases :
This new standard sets out the principles for the recognition, valuation and provision of information relating to leasing contracts (1/1/2019), and replaces IAS 17. As a result, all operating lease and rental obligations (such as real estate leases) must appear on the balance sheet.

An asset (the right to use the leased property) and a financial obligation to pay rent are included under the new standard. The only exceptions to this are short-term and low-quality lease contracts. The group has revised all the group's lease agreements in the past year in the light of the new IFRS 16 standard.

The group will apply the simplified transition approach, taking into account the cumulative effect of the first application of the standard as of January 1, 2019 and, consequently, the comparative figures (financial year 2018) will not be reprocessed.

In accordance with IFRS 16 C8(b) ii, the Group has opted to value the right to use the asset at an amount equal to the lease obligation, adjusted by the amount of prepaid or current lease payments in respect of that lease, which are included in the balance sheet immediately before the date of first application. As the Group has included the right to use the assets for an amount equal to the lease obligations, there will be no material impact on the opening equity.

The Group expects to express an additionnal lease obligation of approximately 127 million euros on the transition date (January 1, 2019).

The difference between the operating lease liabilities stated in note 16 and the estimate of the lease liability in accordance with the first application of IFRS 16 is mainly explained by the discounting effect. The average discount rates are between 1.7% and 3.5%.

Principles of consolidation

The consolidated annual accounts contain the financial details of the parent AvH NV, its subsidiaries and jointly controlled companies, as well as the share of the group in the results of the associated companies.

1. Subsidiaries

Subsidiaries are entities which are controlled by the group. Control exists when AvH (a) has power over the subsidiary; (b) is exposed, or has rights, to variable returns from its involvement with the subsidiary; and (c) has the ability to affect those returns through its power over the subsidiary. The participating interests in subsidiaries are consolidated in full as from the date of acquisition until the end of the control.

The financial statements of the subsidiaries have been prepared for the same reporting period as AvH and uniform IFRS valuation rules have been used. All intra-group transactions and unrealised intragroup profits and losses on transactions between group companies have been eliminated. Unrealised losses have been eliminated unless they concern an impairment.

2. Jointly controlled subsidiaries and associated participating interests

Jointly controlled subsidiaries
Companies which are controlled jointly (defined as those entities in which the group has joint control, among others via the shareholders' percentage or via contractual agreement with one or more of the other shareholders and that are considered to be joint ventures) are included on the basis of the equity method as from the date of acquisition until the end of the joint control.

Associated participating interests
Associated participating interests in which the group has a significant influence, more specifically companies in which AvH has the power to participate (without control) in the financial and operational management decisions, are included in accordance with the equity method, as from the date of acquisition until the end of the significant influence.

The equity method
According to the equity method, the participating interests are initially recorded at cost and the carrying amount is subsequently modified to include the share of the group in the profit or loss of the participating interest, as from the date of purchase. The financial statements of these companies are prepared for the same reporting period as AvH and uniform IFRS valuation rules are applied. Unrealised intragroup profits and losses on transactions are eliminated to the extent of the interest in the company.

Intangible fixed assets

Intangible fixed assets with a finite useful life are stated at cost, less accumulated amortisation and any accumulated impairment losses.

Intangible fixed assets are amortised on a straight-line basis over the useful economic life. The useful economic life is stated per annum and this is also the case for any residual value. The residual value is assumed to be zero.

Intangible fixed assets with indefinite useful life, stated at cost, are not amortised but are subject to an impairment test on an annual basis and whenever indications of a possible impairment occur.
Costs for starting up new activities are included in the profit or loss at the time they occur.

Research expenses are taken into profit or loss in the period in which they arise. Development expenses that meet the severe recognition criteria of IAS 38 are capitalised and amortised over the useful life.
The valuation rules applied when accounting for acquisitions of residential care centres are as follows:

(1) Not yet endorsed by the EU

- Authorizations and operating licenses that have been acquired are initially recognised in the consolidation at their value in use or fair value at the time of acquisition.
- Executable building permits that have been acquired are initially recognised in the consolidation at their value in use or fair value at the time of acquisition. This only takes into account the potential net capacity expansion.
- These authorization and advanced licences and permits are recognised under intangible assets and amortised over a period of 33 years. If a long lease is concluded, the amortisation period is the same as the term of the long lease. Amortisation starts when the building is provisionally completed and operated. Operating licences are not amortised since in principle they are of unlimited duration.
- In accordance with IAS 36, intangible fixed assets with an indefinite useful life are subject to an annual impairment test by comparing their carrying amount with their recoverable amount. The recoverable amount is the higher of the fair value less cost to sell and the value in use.

Goodwill

Goodwill is the positive difference between the cost of the business combination and the share of the group in the fair value of the acquired assets, the acquired liabilities and contingent liabilities of the subsidiary, jointly controlled subsidiary or associated participating interests at the time of the acquisition.
Goodwill is not amortised but is subject to an annual impairment test and whenever indications of a possible impairment have occurred.

Tangible fixed assets

Tangible fixed assets are carried at cost or production cost less accumulated amortisations and any impairments.

Tangible fixed assets are amortised on a straight-line basis over the useful economic life. The useful life is reviewed on a yearly basis and this is also the case for any residual value.

Repair and maintenance expenses for tangible assets are recognized as an expense in the period in which they occur, unless they result in an increase of the future economic benefit of the respective tangible fixed assets, which justifies their capitalisation.

Assets under construction are amortised as from the time they are taken into use.

Government grants are recorded as deferred income and taken into profit as income over the useful life of the asset following a systematic and rational basis.

Impairment of fixed assets

On each closing date, the group verifies whether there are indications that an asset is subject to an impairment. In the event that such indications are present, an estimation is made of the recoverable amount. When the carrying amount of an asset is higher than the recoverable amount, an impairment is recorded in order to bring the carrying amount of the asset back to the recoverable amount.

The recoverable amount of an asset is defined as the higher of the fair value minus costs to sell (assuming a voluntary sale) and the value in use (based upon the net present value of the estimated future cash flows). Any resulting impairments are charged to the profit and loss account.

Previously recorded impairments, except on goodwill, are reversed through the profit and loss account when they are no longer valid.

Leasing and related rights - investment property

1. The group's company is lessee

Finance lease
(group's company carries all substantial risks and rewards of ownership)
At the start of the lease period, the assets and liabilities are recognized at fair value of the leased asset or if lower, the net present value of the minimum lease payments, as determined at the time of the beginning of the lease. The discount rate used for the calculation of the net present value of the minimum lease payments is the interest rate implied in the lease agreement, insofar as this rate can be determined. In the other case, the marginal interest rate of the lessee is to be used.

Operating lease
(substantial risks and rewards remain with the lessor)

The lease payments are recognized at cost on a straight-line basis over the lease period, unless a different systematic basis better represents the time pattern of the rewards for the user.

2. The group's company is acting as lessor

Finance lease
The finance lease contracts are recorded in the balance sheet under the long and short-term receivables at the present value of the future lease payments and the residual value, irrespective of whether the residual value is guaranteed. The accrued interests are recognized in the income statement, calculated at the interest rate implied in the lease.

Acquisition costs related to lease contracts and allocatable to the contract are recorded in the income statement across the term of the contract. Acquisition costs which cannot be allocated to a contract (super commission, certain campaigns) are immediately recorded in the income statement.

Operating lease
The operating leases concern leases which do not qualify as a finance lease. A distinction is made between operating leases which, in accordance with IAS 17, are measured at cost, and operating leases which are considered as investment property and which, in accordance with IAS 40.33 are measured at fair value by which means the changes in fair value are recorded in the profit and loss account.

The difference between both types depends on the calculation method of the option. If the call option takes into account the market value, the contract will be qualified as a property investment. In all other cases, these contracts are considered as operating leases in accordance with IAS 17.

3. Investment property - leased buildings and project developments

These investments cover buildings which are ready to be leased (operative real estate investments) as well as buildings under construction or being developed for future use as operative real estate investments (project development).

Investment property is measured at fair value through profit or loss. On a yearly basis, the fair value of the leased buildings is determined upon valuation reports.

Financial instruments

1. Recognition and derecognition of financial instruments

• Financial assets and liabilities are recognized when the group becomes a party to the contractual provisions of the instrument. Financial assets bought and sold in accordance with standard market conventions are recognized on the transaction date.
• Financial assets are derecognized when the contractual rights to receive cash flows from the assets have expired or have been transferred and the group has transferred all risks and rewards of ownership of those assets.
• Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled, or expires.

2. Classification and measurement of financial assets

When another financial asset is acquired or invested in, the contractual terms determine whether it is an equity instrument or a debt instrument. Equity instruments give entitlement to the remaining interest in the net assets of another entity.

Classification and measurement of debt instruments (applies specifically to banks)
Two aspects need to be assessed for debt instruments:
• The business model test is carried out for every group of financial assets that are managed in the same way with regard to cash flow generation:
- held-to-collect (HTC): by collecting the contractual cash flows over the term to maturity of the assets;
- held-to-collect & sell (HTC&S): by collecting contractual cash flows as well as by regularly selling the financial assets proper;
- other: e.g. trading.

• Assessment of the contractual cash flow characteristics or SPPI test is carried out per product group (financial assets with similar cash flow characteristics) or, where necessary, on an individual basis. It is assessed whether the instrument generates cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding (SPPI: solely payments of principal and interest).

The relevant classification and measurement method follows from those assessments:

i) **measured at amortised cost (AC):** debt instruments that pass the SPPI test and are held under an HTC business model.
At initial recognition, they are measured at fair value plus transaction costs that are directly attributable to their acquisition. Subsequently, the effective interest rate method is applied where the difference between the measurement at initial recognition and the repayment value is recognized pro rata temporis in profit or loss on the basis of the effective interest rate.

ii) **fair value measurement with value changes recognized in other comprehensive income (FVOCI):** debt instruments that pass the SPPI test and are held under an HTC&S business model.
On disposal, the cumulative fair value changes are reclassified to profit or loss.

iii) **fair value measurement with value changes recognized in profit or loss (FVPL):** debt instruments that fail the SPPI test and/or are not held under an HTC or HTC&S model must mandatorily be measured in this way.

Irrespective of these assessments, the bank can make an irrevocable election to designate, at initial recognition, a financial asset as measured at FVTPL (fair value option) if doing so eliminates or significantly reduces a measurement or recognition inconsistency ('accounting mismatch').

For the aforementioned financial assets that are measured at amortised cost and at fair value with value changes recognized in other comprehensive income, a loss allowance for expected credit losses is required (see section 6. Impairment of financial assets).

Classification and measurement of equity instruments
Equity instruments held for trading must mandatorily be measured at fair value with value changes recognized in profit or loss (FVTPL).

For other equity instruments, the group can make an irrevocable election, at initial recognition, to measure those instruments at fair value with value changes recognized in other comprehensive income (FVTOCI). This election can be made instrument by instrument (per share). On disposal, the cumulative fair value changes must not be reclassified to profit or loss. Only dividend income may be recognized in profit or loss.

For equity instruments, no loss allowance is required for expected credit losses.

3. Classification and measurement of financial liabilities

For the classification and measurement of financial liabilities, other than derivatives, there are the following possibilities:
- fair value measurement with value changes recognized in profit or loss (FVTPL):
  - if the financial liability is held for trading;
  - if the Group opts for this method (fair value option), more specific regarding Bank J.Van Breda & C°)
- measurement at amortised cost: at initial recognition, they are measured at fair value, less transaction costs that are directly attributable to their issue.

4. Derivative financial instruments

The operational subsidiaries belonging to the AvH-group are each responsible for their risk management, such as exchange risk, interest risk, credit risk, commodity risk, etc. The risks vary according to the particular business where the subsidiaries are active and therefore they are not managed centrally at group level. The respective executive committees report to their board of directors or audit committee regarding their hedging policy.

Derivative instruments are initially valued at cost. Subsequently, these instruments are recorded in the balance sheet at their fair value; the changes in fair value are reported in the income statement unless these instruments are part of hedging transactions.

Cash flow hedges
The value fluctuations of a derivative financial instrument that complies with the strict conditions for recognition as a cash flow hedge are recorded in other comprehensive income for the effective part. The ineffective part is recorded directly in the profit and loss account. The hedging results are recorded out of other comprehensive income into the profit and loss account at the moment the hedged transaction influences the result.

Fair value hedges
Changes in fair value of a derivative instrument that is formally allocated to hedge the changes of fair value of recorded assets and liabilities, are recognized in the profit and loss account together with the profits and losses caused by the fair value revaluation of the hedged component. The value fluctuations of derivative financial instruments, which do not meet the criteria for fair value hedge or cash flow hedge are recorded directly in the profit and loss account.

The recognition of derivative instruments is in accordance with IAS 39 Hedge accounting.

5. Cash and cash equivalents

Cash and cash equivalents consist of cash and short-term investments and are recorded on the balance sheet at nominal value.

6. Impairment of financial assets

Under IFRS 9, a loss allowance is made at initial recognition for expected credit losses (ECLs) for:

- financial assets measured at amortised cost;
- debt instruments measured at fair value with value changes recognized in other comprehensive income;
- finance lease receivables;
- loan commitments and financial guarantee contracts.
- for the purpose of determining the loss allowance for expected credit losses, the financial assets are classified in three stages:
  - Stage 1: performing assets, for which at initial recognition a one-year expected credit loss allowance is made based on the probability that events will occur within 12 months that give rise to default;
  - Stage 2: underperforming assets for which a lifetime expected credit loss allowance is made if there has been a significant increase in credit risk since initial recognition;
  - Stage 3: for non-performing assets an estimate is made of the recoverable amount. When the carrying amount of an asset is higher than the recoverable amount, an impairment is recorded in order to bring the carrying amount of the asset back to the recoverable amount.

Changes in loss allowances are recognized under the item 'Impairment losses' in profit and loss. The loss allowance for expected credit losses is presented:

- as deducted from the gross carrying amount of financial assets that are measured at amortised cost (incl. lease receivables);
- as a loss allowance in other comprehensive income for debt instruments measured at fair value with value changes recognized in other comprehensive income;
- as a loss allowance under obligations resulting from loan commitments and financial guarantee contracts.

The staging in the event of a significant increase (or decrease) in credit risk is done on an individual contract level ('bottom-up' staging) based on certain criteria such as payment arrears, renegotiations, and rating category. The internal credit rating is used for the individual staging of loans. As this is a criterion based on past history, a distinct 'collective staging' logic is used as well to take into account the macroeconomic outlook.

For the bond portfolio, the 'low credit risk exemption' is applied: as long as bonds retain their investment grade rating category, they remain in stage 1. On the basis of the low credit risk at the reporting date it may be concluded that there has been no significant increase in credit risk. Should a bond migrate to a non-investment grade rating category, the bank will either sell the bond or transfer it to stage 2 and determine an appropriate lifetime ECL.

A valuation model calculates the expected credit losses for contracts in stages 1 and 2 in line with the literature on IFRS9 ECL modelling. They are determined without any deliberate optimistic or conservative bias, and are based on all reasonable and substantiated information available by justifiable cost or effort. This includes information about past history, present circumstances and future projections. They also reflect the expected value that the bank deems possible in the foreseeable future.
These one-year expected credit losses and lifetime expected credit losses are calculated for each individual contract on the basis of the future cash flows and the following model parameters:

- PD stands for 'Probability of Default' in a given period. The PD modelling has been set up using migration matrices based on existing internal credit ratings for loans and supplied by rating agency DBRS for the bond portfolio.
- Loss given default (LGD) stands for expected loss in the event of default. The LGD figure is obtained from the 'exposure at default' and the pledged collateral.
- 'Survival Probability' is the probability that a contract is still liable to credit losses. The Survival Probability is determined on the basis of:
  - the probability that a contract has not disappeared from the balance sheet following an earlier default, and
  - the probability that a contract has not yet disappeared from the balance sheet following full early repayment.
  - 'Effective Interest Rate' (EIR) is the effective interest rate at which the losses are discounted. For fixed-rate contracts this is the contractual effective interest rate; for variable-rate contracts, the most recent fixing is used.

On each closing date, the bank investigates whether there are objective indications that a financial asset is becoming non-performing and therefore transfers to stage 3. For this purpose, the bank bases itself on one of the following objectively observable events:

- major financial difficulties at the borrower;
- breach of contract, including failure to meet due dates for principal and/or interest repayments;
- the granting by the bank of certain terms, for economic or legal reasons, which the group under normal circumstances would not grant to the borrower;
- the likelihood of the borrower going bankrupt or being restructured;
- for bonds, the extinction of an active market due to financial difficulties or other indications threatening the recoverability of the acquisition value;
- objective criteria showing a measurable deterioration of the expected future cash flows from a collective group of financial assets, even though such deterioration cannot be detected on an individual basis, or criteria indicating a deterioration of the creditworthiness or financial capacity of the borrowers of the group, or national or economic circumstances specific to that group of borrowers.

For stage 3 contracts, an estimate is made of the recoverable amount. When the carrying amount of an asset is higher than the recoverable amount, an impairment is recorded in order to bring the carrying amount of the asset back to the recoverable amount.

The net recoverable amount of an asset is defined as the higher of the following values:

- the net sale price (assuming a voluntary sale), and
- the value in use (based on the present value of the expected future cash flows).

In credit and debt monitoring and the allowance for impairment losses, account is taken of the hedged and unhedged portion of the loan. For doubtful debts, the expected recovery is determined on the basis of the hedged portion. For doubtful debts, the impairment loss equals 100% of the unhedged portion. For loans in the highest risk category, the impairment loss equals a percentage of the unhedged risk.

Inventories / construction contracts

Inventories are valued at cost (purchase or production cost) or at net realisable value when this is lower. The production cost comprises all direct and indirect costs incurred in bringing the inventories to their completion at balance sheet date and this corresponds with the estimated sales prices in normal circumstances, minus the handling, marketing and distribution costs (net realizable value). Construction contracts are valued according to the Percentage of Completion method whereby the result is recognized in accordance with progress of the works. Expected losses are immediately recognized as an expense.

Capital and reserves

Costs which are related to a capital transaction are deducted from the capital.
The purchase of treasury shares is deducted from equity at purchase price. Subsequent sale or cancellation at a later date does not affect the result. Profits and losses with regard to treasury shares are recorded directly in equity.

Translation differences

Statutory accounts
Transactions in foreign currency are recorded at the exchange rate on the date of the transaction. Positive and negative unrealised translation differences, resulting from the calculation of monetary assets and liabilities at closing rate on balance sheet date, are recorded as income or cost respectively in the profit and loss account.
Consolidated accounts
Based upon the closing rate method, assets and liabilities of the consolidated subsidiary are converted at closing rate, while the income statement is converted at the average rate of the period, which results in translation differences included in the consolidated other comprehensive income.

Provisions

A provision is recognized if a company belonging to the group has a (legal or indirect) obligation as a result of a past event, and it is probable that the settlement of this obligation will require an outflow and the amount of this obligation can be determined in a reliable manner. In the event that the difference between the nominal and discounted value is significant, a provision is recorded for the amount of the discounted value of the estimated expenses. The resulting increase of the provision in proportion to the time is recorded as an interest charge.

Restructuring
Provisions for restructuring costs are only recognized when the group already has a detailed and approved restructuring plan and the planned restructuring has already started or been announced to the relevant staff members. No provisions are made for costs relating to the normal activities of the group.

Guarantees
A provision is made for warranty obligations relating to delivered products, services and contracts, based upon statistical data from the past.

Contingent assets and liabilities

Contingent assets and liabilities are mentioned in the note "Rights and commitments not reflected in the balance sheet" if their impact is important.

Taxes

Taxes concern both current taxes on the result as deferred taxes. Both types of taxes are recorded in the profit and loss accounts except when they relate to components being part of the equity and therefore allocated to the equity. Deferred taxes are based upon the balance sheet method applied on temporary differences between the carrying amount of the assets and liabilities of the balance sheet and their tax base. The main temporary differences consist of different amortisation percentages of tangible fixed assets, provisions for pensions and carry-forward tax losses.
Deferred tax liabilities are recognized for all taxable temporary differences:

- except when the deferred tax liability arises from the original recognition of goodwill or the initial recording of assets and liabilities in a transaction that is not a business combination and that at the time of the transaction has no impact on the taxable profit;
- except with regard to investments in subsidiaries, joint and associated companies, where the group is able to control the date when the temporary difference will be reversed, and it is not likely that the temporary difference will be reversed in the foreseeable future.

Deferred tax assets are recorded for all deductible temporary differences and on carry-forward tax credits and tax losses that can be recovered, to the extent that it is probable that there will be taxable profits in the near future in order to be able to enjoy the tax benefit. The carrying amount of the deferred tax assets is verified on every balance sheet date and impaired to the extent that it is no longer probable that sufficient taxable profit will be available to credit all or part of the deferred taxes. Deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Employee benefits

Employee benefits consist of short-term employee benefits, postemployment benefits, other long-term employee benefits, redundancy pay and rewards in equity instruments. The post-employment benefits include the pension plans, life insurance policies and insurance policies for medical assistance. Pension plans with fixed contribution or defined benefit plans are provided through separate funds or insurance plans. In addition, employee benefits consisting of equity instruments also exist.

Pension plans

Defined Contribution Plans
Several subsidiaries within the group have taken out group insurance policies for the benefit of their employees. Since those subsidiaries are obliged to make additional payments if the average return on the employers' contributions and on the employees' contributions is not attained, those plans should be treated as "defined benefit" plans in accordance with IAS19.

Defined Benefit Plans
The group has a number of defined benefit pension plans for which contributions are paid into a separately managed fund. The costs of the defined benefit pension plans are actuarially determined using the 'projected unit credit' method.
Remeasurements, composed of actuarial gains and losses, the effect of changes to the asset ceiling and the return on plan assets, are directly recognized in the balance sheet; a corresponding amount is credited or charged to retained earnings through other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.
Past service costs are recognized in profit or loss on the effective date of the change or restriction of the pension plan or the date on which the group accounts for reorganization costs, whichever occurs first.
Net interest is calculated by applying the discount rate to the net defined benefit asset or liability and is recognized in consolidated profit or loss.

Employee benefits in equity instruments
On different levels stock option plans exist within the Ackermans & van Haaren group, giving employees the right to buy AvH shares or the shares of some subsidiary at a predefined price. This price is determined at the time when the options are granted and it is based on the market price or the intrinsic value.

The performance of the beneficiary is measured (at the moment of granting) on the basis of the fair value of the granted options and warrants and recognized in the profit and loss account at the time when the services are rendered during the vesting period.

Revenue recognition (IFRS 15)

Revenue is recognised in accordance with the IFRS standards, taking into account the specific activities of each segment.

Revenue recognition
Revenue is recognised when or as each performance obligation is satisfied, at the amount of the transaction price allocated to that performance obligation. Control of an asset refers to the ability to direct the use of and obtain substantially all the remaining benefits from the asset.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or before payment is due, the Group presents the contract as a contract asset, unless the Group's rights to that amount of consideration are unconditional, in which case the Group recognises a receivable.

When an amount of consideration is received from a customer prior to the Group transferring a good or service to the customer, the Group presents the contract as a contract liability. Revenue is recognised at the fair value of consideration received or receivable.

The main streams of revenue are recognised if it meets the criteria outlined below.

Identifying the separate performance obligations in a contract with a customer
Most of the revenue recognised by the construction companies in the group relates to contracts with customers for the sale of properties and services revenue generated from construction, project management and selling activities. In accounting for these contracts, the Group is required to identify which goods or services are distinct and therefore represent separate performance obligations to which revenue can be assigned.

Management uses judgement to determine whether a promised good or service is distinct by assessing if the customer can benefit from the good or service on its own or together with other resources that are readily available to the customer and by ascertaining whether the Group's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract.

Determination of transaction prices for revenue recognition
The Group is required to determine the transaction price in respect of each of its contracts with customers. Where consideration is variable due to a performance bonus, the Group estimates the amount of variable consideration to be included in the transaction price.

Allocation of transaction price to performance obligations in contracts with customers
The Group uses the stand-alone selling price of the distinct goods and services underlying each performance obligation to apportion the transaction price to identified performance obligations. This occurs for a limited number of EPCI contracts in the Dredging and Environment division where the multiple performance obligations (procurement activities and installation activities) give rise to a separate revenue recognition pattern.

Satisfaction of performance obligations for revenue recognition
The Group assesses each of its customer contracts to determine whether performance obligations are satisfied over time or at a point in time in order to determine when revenue is recognised. For sales of properties under development the Group recognises revenue over time, according to the percentage of completion method, because control transfers over time. Its performance creates an asset that the customer controls as the asset is created, it does not create an asset with alternative use the Group has an enforceable right to payment for performance completed to date.
For the EPCI contracts, revenue on the procurement activities are recognised at a point in time and the installation activities are recognised over time.

Method of measuring progress of completion of performance obligations and recognition of revenue
For performance obligations satisfied over time, contract revenue is recognized according to the percentage of completion of the contract activity at the closing date by using an input method calculated as the proportion of contract costs at the closing date and the estimated total contract costs. An expected loss on a construction contract is immediately recognized.

Other
Contracts for the sale of properties contain certain warranties covering a period of up to ten years after completion of the property. The Group assessed that these conditions represent 'assurance-type' warranties that are legally required to be provided as quality guarantees and will continue to be accounted for under IAS 37, consistent with its current practice.

A variation may lead to an increase or a decrease in contract revenue. A variation is an instruction by the customer for a change in the scope of the work to be performed under the contract. These contract modifications form typically part of the performance obligation that is partially satisfied at the date of the contract modification, hence the effect is recognised as an adjustment to revenue.

Dividend revenue is recognised when the Group's right to receive the payment is established.

Other revenue is recognised when it is received or when the right to receive payment is established.

IFRS 15 revenue did not have an impact on the customer contracts within the Private Banking segment

Discontinued operations

The assets, liabilities and net results of the discontinued operations are reported separately in a single item on the consolidated balance sheet and profit and loss account. The same reporting applies for assets and liabilities held for sale (measured at the lower of its carrying amount and fair value less costs to sell).

Events after balance sheet date

Events may occur after the balance sheet date which provide additional information with regard to the financial situation of the company at balance sheet date (adjusting events). This information allows the adjustment of estimations and a better reflection of the actual situation on the balance sheet date. These events require an adjustment of the balance sheet and the profit and loss account. Other events after balance sheet date are mentioned in the notes if they have a significant impact.

Earnings per share

The group calculates both the basic earnings per share as the diluted earnings per share in accordance with IAS 33. The basic earnings per share are calculated on the basis of the weighted average number of outstanding shares during the period. Diluted earnings per share are calculated according to the average number of shares outstanding during the period plus the diluted effect of the warrants and stock options outstanding during the period.

Segment reporting

AvH is a diversified group which is active in the following core sectors:

1. **Marine Engineering & Contracting** with DEME, one of the largest dredging companies in the world, CFE a construction group with headquarters in Belgium, Rent-A-Port and Green Offshore.

2. **Private Banking** with Delen Private Bank, one of the largest independent private asset managers in Belgium and asset manager JM Finn in the UK and Bank J.Van Breda & C°, a niche-bank for entrepreneurs and liberal professions in Belgium.

3. **Real Estate & Senior Care** with Leasinvest Real Estate, a listed real estate investment trust, Extensa Group, an important land and real estate developer and Anima Care and HPA (Residalya and Patrimoine & Santé Expansion), both active in the health & care sector.

4. **Energy & Resources**, SIPEF, an agro-industrial group in tropical agriculture and Sagar Cements.

5. **AvH & Growth Capital** with Sofinim and GIB and their respective Growth Capital participations.

The segment information in the financial statements of AvH is published in line with IFRS 8.

Note 2: Restated opening balance (1/1/2018) in accordance with IFRS 9 Financial instruments and IFRS 15 Revenue from contracts with customers

IFRS 9 Financial Instruments

The final version of IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, expected credit losses and hedge accounting.

AvH makes use of the possibility not to restate the comparative figures. As a result, for both the classification and measurement of financial instruments and the determination of expected credit losses the impact is recorded in the opening balance at 1/1/2018, without adjustment of the previous periods.

(I) Classification and measurement:

IFRS 9 identifies three categories for the classification of financial assets according to how the assets are measured: amortized cost, fair value through other comprehensive income, and fair value through profit & loss. The IAS 39 categories of held-to-maturity investments, loans and receivables, and available-for-sale financial assets cease to exist.

The new classification of financial assets and liabilities at amortized cost is determined in two steps:

- The 'business model' test determines how a portfolio is managed as a whole.
- The 'Solely Payment of Principal and Interest (SPPI)' test determines the characteristics of the contractual cash flows.

Except at Bank J.Van Breda & C° and Delen Private Bank, the changes in fair value in the portfolio 'Available-for-sale financial assets' are recognized through profit and loss as from January 1, 2018. Consequently, the unrealized capital gains were reclassified (within the equity) to the consolidated reserves in the opening balance to the amount of 21.7 million euro (share of the group). After that, the classification (changes in fair value through profit and loss or through other comprehensive income) of each new acquisition is determined per instrument.

(II) Expected credit losses (expected loss model)

The introduction of IFRS 9 involves a changeover from an 'incurred loss' model to an 'expected loss' model as regards impairments. Under IFRS 9, a provision must be constituted for expected losses at the start of a contract.

Bank J.Van Breda & C° has developed a model to determine 'expected credit loss'. The credit portfolio is subdivided into three stages:

- Stage 1: performing credits, for which an initial 'one-year expected credit loss' is recognized: for all financial assets, an initial provision for expected credit losses is constituted based on the probability that events will occur within 12 months that give rise to default.
- Stage 2: underperforming credits for which a 'lifetime expected credit loss' is recognized: if a significant increase in credit risk is observed, a provision for credit losses is constituted over the expected life of the financial asset.
- Stage 3: for non-performing credits, the impairments continue to be recognized individually.

The credit losses for stages 1 and 2 are determined on the basis of a model developed internally in accordance with the rules of IFRS 9. Given the quality of the loan portfolio of Bank J.Van Breda & C°, the impact on the opening equity is limited to -3.3 million euros (pre-minorities). **Delen Private Bank** reports a minimal impact of -0.1 million euros (pre-minorities).

The implementation of IFRS 9 at Bank J.Van Breda & C° and Delen Private Bank is explained in more detail on page 143-144.

In accordance with IFRS 9, an impairment loss of 12 million euros was recognized on the outstanding receivables in **CFE**'s opening balance. The evaluation of CFE's financial assets considers the present value of expected losses if the borrower defaults on its obligations. Expected credit losses are calculated based on a weighted average of expected credit losses arising from multiple scenario's. Implementation of this model on the receivables owned by CFE on the Chadian State leads to a decrease of the opening equity at 1st January 2018 by an amount of 12 million euros.

No material impact has been noticed for the AvH group's **other participations** following the initial application of IFRS 9 – expected credit losses.

(III) Hedge accounting

The new hedge accounting principles will have no significant impact.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 introduces a five-step model to recognize revenue from contracts with customers. Under IFRS 15, revenue from the transfer of goods or services is recognized in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

AvH implemented the new standard on 1/1/2018 and has opted for the modified retrospective method, which means that the opening balance of the equity at January 1, 2018 is adjusted without adjustment of the comparative figures of the previous year. In this approach, IFRS 15 is applied to contracts which were not yet completed on the date of initial application; these contracts are restated as if IFRS 15 was always applicable.

The analysis performed at **DEME** shows that certain contracts (EPCI) contain separately identifiable performance obligations, namely obligations relating to purchase and installation activities. Until the end of 2017, these standard contracts were always treated as one single contract under IAS 11, but according to IFRS 15 the different performance obligations give each separately rise to revenue recognition. The impact of this restatement caused the opening equity to decrease by 15.6 million euros (pre-minorities) at January 1, 2018. The other participations reported no material impact.

Note 2: restated opening balance: Assets - impact of IFRS 9 & IFRS 15

(€ 1,000)	31-12-2017	IFRS 9 Classification & measurement	IFRS 9 Expected Credit loss 'Private Banking'	IFRS 9 Expected Credit loss 'Other Segments'	IFRS 15 Revenue from contracts with customers	Opening balance (1-1-2018)
I. Non-current assets	**9,255,476**	**0**	**-2,819**	**0**	**0**	**9,252,657**
Intangible assets	**179,567**					**179,567**
Goodwill	**349,523**					**349,523**
Tangible assets	**2,572,877**					**2,572,877**
Land and buildings	479,686					479,686
Plant. machinery and equipment	1,615,815					1,615,815
Furniture and vehicles	28,822					28,822
Other tangible assets	4,713					4,713
Assets under construction and advance payments	443,558					443,558
Operating lease - as lessor (IAS 17)	283					283
Investment property	**945,488**					**945,488**
Participations accounted for using the equity method	**1,240,746**	**0**	**-61**	**0**	**0**	**1,240,685**
Financial fixed assets	**267,186**	**0**	0	0	0	**267,186**
Available for sale financial fixed assets	102,335	-102,335				0
Financial assets - Fair value through P/L (FVPL)		102,335				102,335
Financial assets - Fair value through OCI (FVOCI - recycling)						0
Financial assets - Fair value through OCI (FVOCI - no recycling)						0
Financial assets - at amortised cost						0
Receivables and warranties	164,851					164,851
Non-current hedging instruments	**5,649**					**5,649**
Amounts receivable after one year	**177,109**	**0**	**-544**	**0**	**0**	**176,565**
Trade receivables	6,958					6,958
Finance lease receivables	160,765		-544			160,221
Other receivables	9,386					9,386
Deferred tax assets	**109,219**	**0**	**1,088**	**0**	**0**	**110,307**
Banks - receivables from credit institutions and clients after one year	**3,408,112**	**0**	**-3,302**	**0**	**0**	**3,404,810**
II. Current assets	**4,192,378**	**0**	**-32**	**-12,000**	0	**4,180,346**
Inventories	**329,400**					**329,400**
Amounts due from customers under construction contracts	**74,292**					**74,292**
Investments	**467,882**	**0**	**-32**	**0**	**0**	**467,850**
Available for sale financial assets	467,879	-467,879				0
Financial assets held for trading	3	-3				0
Financial assets - Fair value through P/L (FVPL)		40,170				40,170
Financial assets - Fair value through OCI (FVOCI - recycling)		427,139	-32			427,107
Financial assets - Fair value through OCI (FVOCI - no recycling)		573				573
Financial assets - at amortised cost						0
Current hedging instruments	**4,553**					**4,553**
Amounts receivable within one year	**1,321,413**	**0**	**0**	**-12,000**	**0**	**1,309,413**
Trade debtors	1,066,152			-12,000		1,054,152
Finance lease receivables	55,139					55,139
Other receivables	200,122					200,122
Current tax receivables	**19,030**					**19,030**
Banks - receivables from credit institutions and clients within one year	**1,304,957**					**1,304,957**
Banks - loans and advances to banks	88,863					88,863
Banks - loans and receivables (excl. finance leases)	908,056					908,056
Banks - cash balances with central banks	308,038					308,038
Cash and cash equivalents	**637,027**					**637,027**
Time deposits for less than three months	35,152					35,152
Cash	601,875					601,875
Deferred charges and accrued income	**33,824**					**33,824**
III. Assets held for sale	**21,159**					**21,159**
Total assets	**13,469,013**	**0**	**-2,851**	**-12,000**	**0**	**13,454,162**

Note 2: restated opening balance: Equity and liabilities - impact of IFRS 9 & IFRS 15

(€ 1,000)	31-12-2017	IFRS 9 Classification & measurement	IFRS 9 Expected Credit loss 'Private Banking'	IFRS 9 Expected Credit loss 'Other Segments'	IFRS 15 Revenue from contracts with customers	Opening balance (1-1-2018)
I. Total equity	**4,195,272**	**0**	**-3,324**	**-12,000**	**-15,550**	**4,164,398**
Shareholders' equity - group share	**2,972,208**	**0**	**-2,618**	**-7,248**	**-9,392**	**2,952,951**
Issued capital	**113,907**					**113,907**
Share capital	2,295					2,295
Share premium	111,612					111,612
Consolidated reserves	**2,905,611**	**21,684**	**-2,618**	**-7,248**	**-9,392**	**2,908,037**
Revaluation reserves	**-17,482**	**-21,684**	**0**	**0**	**0**	**-39,166**
Financial assets available for sale	23,579	-23,579				0
Financial assets - Fair value through OCI (FVOCI - recycling)		1,544				1,544
Financial assets - Fair value through OCI (FVOCI - no recycling)		351				351
Hedging reserves	-10,204					-10,204
Actuarial gains (losses) defined benefit pension plans	-15,083					-15,083
Translation differences	-15,774					-15,774
Treasury shares (-)	**-29,828**					**-29,828**
Minority interests	**1,223,064**	**0**	**-706**	**-4,752**	**-6,158**	**1,211,448**
II. Non-current liabilities	**2,477,286**	**0**	**473**	**0**	**-3,077**	**2,474,682**
Provisions	**86,381**	**0**	**473**	**0**	**0**	**86,854**
Pension liabilities	**58,134**					**58,134**
Deferred tax liabilities	**212,268**	**0**	**0**	**0**	**-3,077**	**209,191**
Financial debts	**1,388,177**					**1,388,177**
Bank loans	877,470					877,470
Bonds	435,327					435,327
Subordinated loans	5,354					5,354
Finance leases	66,147					66,147
Other financial debts	3,880					3,880
Non-current hedging instruments	**50,397**					**50,397**
Other amounts payable after one year	**26,761**					**26,761**
Banks - debts to credit institutions, clients & securities	**655,168**					**655,168**
Banks - deposits from credit institutions	0					0
Banks - deposits from clients	607,368					607,368
Banks - debt certificates including bonds	0					0
Banks - subordinated liabilities	47,800					47,800
III. Current liabilities	**6,796,455**	**0**	**0**	**0**	**18,627**	**6,815,082**
Provisions	**59,166**					**59,166**
Pension liabilities	**289**					**289**
Financial debts	**499,467**					**499,467**
Bank loans	163,833					163,833
Bonds	99,959					99,959
Finance leases	15,230					15,230
Other financial debts	220,445					220,445
Current hedging instruments	**8,405**					**8,405**
Amounts due to customers under construction contracts	**235,704**					**235,704**
Other amounts payable within one year	**1,641,461**	**0**	**0**	**0**	**18,627**	**1,660,088**
Trade payables	1,352,745				18,627	1,371,371
Advances received	2,505					2,505
Amounts payable regarding remuneration and social security	186,022					186,022
Other amounts payable	100,189					100,189
Current tax payables	**64,691**					**64,691**
Banks - debts to credit institutions, clients & securities	**4,191,182**					**4,191,182**
Banks - deposits from credit institutions	27,458					27,458
Banks - deposits from clients	3,898,145					3,898,145
Banks - debt certificates including bonds	253,114					253,114
Banks - subordinated liabilities	12,465					12,465
Accrued charges and deferred income	**96,089**					**96,089**
IV. Liabilities held for sale	**0**					**0**
Total equity and liabilities	**13,469,013**	**0**	**-2,851**	**-12,000**	**0**	**13,454,162**

Note 2: additional disclosure – IFRS 9

IFRS 9 – Bank J.Van breda & C°

1.1 Classification and measurement

IFRS 9 identifies three categories for the classification of financial assets according to how the assets are measured: amortised cost, FVOCI (fair value through other comprehensive income) and FVTPL (fair value through profit & loss). The IAS 39 categories held to maturity, loans & receivables and available for sale cease to exist.
In the matter of the classification and measurement of financial liabilities, IFRS 9 is largely similar to IAS 39.

The new classification under IFRS 9 is the result of a number of assessments made by Bank J.Van Breda & C° for the different groups of financial instruments.

The business model (BM) test is carried out for every group of interest-bearing financial assets that are managed in the same way with regard to cash flow generation:
- held-to-collect (HTC): by collecting the contractual cash flows over the term to maturity of the assets;
- held-to-collect & sell (HTC&S): by collecting contractual cash flows as well as by regularly selling the financial assets proper;
- other: e.g. trading.

Assessment of the contractual cash flow characteristics or SPPI test is carried out per product group (interest-bearing financial assets with similar cash flow characteristics) or, where necessary, on an individual basis. It is assessed whether the instrument generates cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding (SPPI: solely payments of principal and interest).

For example, this test may fail if there is a major mismatch between the reference interest rate used and the repricing time period (such as with a monthly repricing at a one-year interest rate), or if an excessive early repayment penalty is charged, or if the amount or timing of the cash flows can be unilaterally changed by a counterparty.

The shares and funds currently in the investment portfolio are not held for trading purposes. Bank J.Van Breda & C° opts to recognize these instruments in the category FVOCI when implementing IFRS 9 for the first time. Any capital gains/losses realized on sales are not reclassified to profit and loss (no recycling).

Derivatives are always recognized in the category FVTPL. A small part of these are forward exchange contracts entered into with clients and any hedges of those contracts with credit institutions. The majority are interest rate swaps that are held to hedge the interest rate risk of the credit portfolio: they will continue to be treated administratively as fair value hedges under IAS 39 until a new macro hedging standard is introduced.

The table below shows that the new classification of financial assets and liabilities has no impact on the opening balance at 1/1/2018 of Bank J.Van Breda & C°, based on the assessments made (without the impact of ECLs, see below).

1.2 Expected credit losses (expected loss model)

The introduction of IFRS 9 involves a changeover from an 'incurred loss' model to an 'expected loss' model. Under IFRS 9, a provision must be constituted for expected losses at the start of a contract. In general, all financial assets will carry a provision for credit losses (save for a few exceptions).

Modelling

The different portfolios of financial assets are subdivided into three stages:
- Stage 1 contracts, for which a 'one-year expected credit loss' is recognized: at the start of the contract, a provision for expected credit losses is constituted based on the probability that events will occur within 12 months that give rise to default.
- Stage 2 contracts, for which a 'lifetime expected credit loss' is recognized: if a significant increase in credit risk is observed since the start of the contract, a provision for credit losses is constituted over the expected life of the contract.
- Stage 3 contracts are non-performing contracts for which impairments continue to be recognized individually.

A valuation model calculates the credit losses for stages 1 and 2 in line with the literature on IFRS9 ECL modelling. Nothing changes for the non-performing credits in stage 3 (incurred credit loss).

The '1-year expected credit loss' and 'lifetime expected credit loss' are calculated for each individual contract on the basis of the repayment schedule and the following model parameters:
- PD stands for 'Probability of Default' in a given period. The PD modelling has been set up using migration matrices based on existing internal credit ratings.
- Loss given default (LGD) stands for expected loss in the event of default. The LGD figure is obtained from the 'exposure at default' and the pledged collateral.
- 'Survival Probability' is the probability that a contract is still liable to credit losses. The Survival Probability is determined on the basis of:
  - the probability that a contract has not disappeared from the balance sheet following an earlier default, and
  - the probability that a contract has not yet disappeared from the balance sheet following full early repayment.
- The 'Effective Interest Rate' (EIR) is the interest rate at which the losses are discounted. For fixed-rate contracts this is the contractual effective interest rate; for variable-rate contracts, the most recent fixing is used.

The staging in the event of a significant increase (or decrease) in credit risk is done on an individual contract level ('bottom-up' staging) based on certain criteria such as payment arrears, renegotiations, and rating category. The internal credit rating is used for the individual staging. As this is a criterion based on past history, a distinct 'collective staging' logic is used as well to take into account the macroeconomic outlook.

IFRS 9 allows an exemption (low credit risk exemption) to a portfolio with a low risk profile (e.g. bonds in a liquidity portfolio). For such a portfolio, a simplified way is allowed to determine an increased risk. This, however, is an exceptional situation where on the basis of the low credit risk at the reporting date it may be concluded that there has been no significant increase in credit risk.

The bond portfolio is modelled according to the same principles as those used for the credit portfolio (as described above). The PD modelling is based on migration matrices supplied by rating agency DBRS. For bonds we also apply the 'low credit risk exemption': as long as those bonds retain their investment grade rating category, they remain in stage 1. Should a bond migrate to a 'non-investment grade' rating category, Bank J.Van Breda & C° will do one of the following:
- the bond will be sold, or
- the bond will be assigned to stage 2 with corresponding 'lifetime ECL' recognition.

Quantitative impact on the balance sheet and equity of Bank J.Van Breda & C°

The following tables show the total exposure (on and off-balance sheet) and expected credit losses for the 'performing loans' in the credit, Van Breda Car Finance and bond portfolios (excluding interbank exposures, which in our modelling do not give rise to expected credit losses).

(€1,000)	Total exposure (on and off-balance sheet)	Estimated credit loss
Credit portfolio	4,542,325	3,124
Van Breda Car Finance portfolio	390,457	1,194
Bond portfolio	417,620	32
Total	**5,350,403**	**4,350**

The table below segments the above three portfolios by number of days in arrears.

(€1,000)	Total exposure (on and off-balance sheet)	Estimated credit loss
No arrears	5,165,683	3,743
1-30 days in arrears	167,936	345
31-60 days in arrears	15,381	242
61-90 days in arrears	1,370	20
More than 90 days in arrears	34	1
Total	**5,350,403**	**4,350**

Based on the above calculations, the net impact on the equity of the opening balance of Bank J.Van Breda & C° at 1/1/2018 is -3,263 KEUR as a result of expected credit losses on financial assets (stages 1 & 2).

Assets		Equity	
Expected credit losses	- 4,350	Reserves	-3,263
Deferred tax assets	+1,087		

Equity reported at 31/12/2017 (incl. minorities)	538,838
Impact of IFRS 9 ECL	-3,263
Adjusted equity in opening balance at 1/1/2018	**535,575**

IFRS 9 – Delen Private Bank

1.1 Classification and measurement

Delen Private Bank has reviewed the above criteria and concludes that, as far as classification and measurement of financial liabilities and financial assets is concerned, there is no impact on the opening balance at 1/1/2018. The organization, processes and governance are adjusted in order that the formal assessments and the review can be carried out in a going concern.

The changes in fair value in the portfolio "available-for-sale financial assets" are recognized through profit and loss as from January 1. Consequently, the unrealized capital gains are reclassified (within the equity) to the consolidated reserves in the opening balance to the amount of 304 KEUR. After that, the classification (changes in fair value through profit and loss or through other comprehensive income) of each new acquisition will be determined per instrument.

1.2 Expected credit losses (expected loss model)

The introduction of IFRS 9 involves a changeover from an "incurred loss" model to an "expected loss" model as regards impairments. Under IFRS 9, a provision must be constituted for expected losses at the start of a contract. The expected credit losses (ECL) are determined on an individual basis. Given the quality of the credit portfolio of Delen Private Bank, the impact on the opening equity is very limited (-61 KEUR).

Note 3: subsidiaries and jointly controlled subsidiaries

1. Fully consolidated subsidiaries

Name of subsidiary	Registration nr	Registered office	Beneficial interest % 2018	Beneficial interest % 2017	Minority interest % 2018	Minority interest % 2017
Marine Engineering & Contracting						
CFE [(1) (2)]	**0400.464.795**	**Belgium**	**60.45%**	**60.40%**	**39.55%**	**39.60%**
DEME [(1) (2)]	**0400.473.705**	**Belgium**	**60.45%**	**60.40%**	**39.55%**	**39.60%**
Rent-A-Port [(2)]	**0885.565.854**	**Belgium**	**72.20%**	**72.18%**	**27.80%**	**27.82%**
International Port Engineering and Management (IPEM)	0441.086.318	Belgium	72.20%	72.18%	27.80%	27.82%
Infra Asia Consultancy and Project Management	0891.321.320	Belgium	72.20%	72.18%	27.80%	27.82%
Rent-A-Port Green Energy	0648.717.687	Belgium	72.20%	72.18%	27.80%	27.82%
IPEM Holdings		Cyprus	72.20%	72.18%	27.80%	27.82%
Port Management Development		Cyprus	72.20%	72.18%	27.80%	27.82%
Infra Asia Consultancy Ltd.		Hong Kong	72.20%	72.18%	27.80%	27.82%
Rent-A-Port Reclamation		Hong Kong	72.20%	72.18%	27.80%	27.82%
OK SPM FTZ Enterprise		Nigeria	72.20%	72.18%	27.80%	27.82%
Société d'Investissement Portuaire de Guinée		Guinea	50.54%	50.53%	49.46%	49.47%
Infra Asia Investment Green Utilities Limited [(3)]		Hong Kong	72.20%		27.80%	
Green Offshore [(2)]	**0832.273.757**	**Belgium**	**80.22%**	**80.20%**	**19.78%**	**19.80%**
Private Banking						
Bank J.Van Breda & C°	**0404.055.577**	**Belgium**	**78.75%**	**78.75%**	**21.25%**	**21.25%**
Beherman Vehicle Supply	0473.162.535	Belgium	63.00%	63.00%	37.00%	37.00%
Finaxis [(4)]	**0462.955.363**	**Belgium**		**78.75%**		**21.25%**
FinAx [(4)]	**0718.694.279**	**Belgium**	**100.00%**			
Real Estate & Senior Care						
Extensa Group	**0425.459.618**	**Belgium**	**100.00%**	**100.00%**		
Extensa	0466.333.240	Belgium	100.00%	100.00%		
Extensa Development	0446.953.135	Belgium	100.00%	100.00%		
Extensa Istanbul	566454 / 514036	Turkey	100.00%	100.00%		
Extensa Romania	J40.24053.2007	Romania	100.00%	100.00%		
Gare Maritime [(5)]	0696.803.359	Belgium	100.00%			
Grossfeld Developments [(6)]	2012.2448.267	Luxembourg	100.00%	100.00%		
Grossfeld Immobilière	2001.2234.458	Luxembourg	100.00%	100.00%		
Implant	0434.171.208	Belgium	100.00%	100.00%		
RFD	0405.767.232	Belgium	100.00%	100.00%		
RFD CEE Venture Capital	801.966.607	The Netherlands	100.00%	100.00%		
Project T&T	0476.392.437	Belgium	100.00%	100.00%		
T&T Public Warehouse	0863.093.924	Belgium	100.00%	100.00%		
T&T Parking	0863.091.251	Belgium	100.00%	100.00%		
T&T Tréfonds	0807.286.854	Belgium	100.00%	100.00%		
T&T Services	0628.634.927	Belgium	100.00%	100.00%		
T&T Douanehotel	0406.211.155	Belgium	100.00%	100.00%		
Beekbaarimmo	19.992.223.718	Luxembourg	100.00%	100.00%		
UPO Invest	0473.705.438	Belgium	100.00%	100.00%		
Vilvolease	0456.964.525	Belgium	100.00%	100.00%		
Leasinvest Real Estate [(7)]	**0436.323.915**	**Belgium**	**30.01%**	**30.01%**	**69.99%**	**69.99%**
Leasinvest Real Estate Management [(7)]	**0466.164.776**	**Belgium**	**100.00%**	**100.00%**		

(1) The annual report of CFE, a listed company, contains the list of subsidiaries. DEME is a wholly-owned subsidiary of CFE.

(2) The acquisition of 12,000 CFE shares (+0.05%) on the stock market at the end of 2018 also explains the slight increase of the stake in DEME, Rent-A-Port and Green Offshore. This additional stake will contribute to the consolidated result as of 2019.

(3) Infra Asia Investment Green Utilities Limited: this newly established company is not yet operational.

(4) At the request of the National Bank of Belgium, the shareholding structure of Delen Private Bank and Bank J.Van Breda & Co was simplified, without changing the conditions of the partnership between Ackermans & van Haaren on the one hand and the Delen family on the other hand. AvH has, through its 100% subsidiary FinAx, a direct 78.75% stake in both banks, instead of through the joint holding structure Finaxis, as it was previously. Promofi (Delen family) participates directly for 21.25% in Delen Private Bank and Bank J.Van Breda & Co. We refer to Section 6 Segment reporting (p. 153) for more details.

(5) A separate company has been established in the context of the renovation and (future) operation of Gare Maritime.

(6) Under the shareholder agreement, Extensa has a beneficial interest of only 50% in the results of this company.

(7) The management of Leasinvest Real Estate Comm.VA is taken care of by Leasinvest Real Estate Management NV, its statutory manager and a wholly owned subsidiary of Ackermans & van Haaren. The board of directors of Leasinvest Real Estate Management cannot, in line with article 12 of the bylaws, take a decision regarding the strategy of the public regulated real estate company Leasinvest Real Estate without the approval of the majority of the directors appointed on the nomination of Ackermans & van Haaren or its affiliated companies. See the annual report of LRE for an overview of the participations held by the listed company Leasinvest Real Estate.

Note 3: subsidiaries and jointly controlled subsidiaries (continued)

1. Fully consolidated subsidiaries (continued)

Name of subsidiary	Registration nr		Regis-tered office	Beneficial interest % 2018		Beneficial interest % 2017		Minority interest % 2018		Minority interest % 2017	
Real Estate & Senior Care (continued)											
Anima Care [1]		**0469.969.453**	**Belgium**		**92.50%**		**92.50%**		**7.50%**		**7.50%**
Anima Care Vlaanderen		0698.940.725	Belgium		92.50%				7,50%		
Gilman		0870.238.171	Belgium		92.50%		92.50%		7.50%		7.50%
Anima Vera		0452.357.718	Belgium				92.50%				7.50%
Engagement		0462.433.147	Belgium		92.50%		92.50%		7.50%		7.50%
Le Gui		0455.218.624	Belgium		92.50%		92.50%		7.50%		7.50%
Anima Care Wallonie (ex-Au Privilège)		0428.283.308	Belgium		92.50%		92.50%		7.50%		7.50%
Huize Philemon & Baucis		0462.432.652	Belgium		92.50%		92.50%		7.50%		7.50%
Anima Cura		0480.262.143	Belgium		92.50%		92.50%		7.50%		7.50%
Glamar		0430.378.904	Belgium		92.50%		92.50%		7.50%		7.50%
Zorgcentrum Lucia		0818.244.092	Belgium		92.50%		92.50%		7.50%		7.50%
Résidence Parc des Princes		0431.555.572	Belgium		92.50%		92.50%		7.50%		7.50%
Résidence St. James		0428.096.434	Belgium		92.50%		92.50%		7.50%		7.50%
Château d'Awans		0427.620.342	Belgium		92.50%		92.50%		7.50%		7.50%
Home Scheut		0458.643.516	Belgium		92.50%		92.50%		7.50%		7.50%
Le Birmingham		0428.227.284	Belgium		92.50%		92.50%		7.50%		7.50%
Duneroze (merged with Anima Cura)		0536.809.777	Belgium				92.50%				7.50%
Zandsteen		0664.573.823	Belgium		92.50%		92.50%		7.50%		7.50%
Les Résidences de l'Eden		0455.832.197	Belgium		92.50%		92.50%		7.50%		7.50%
Résidence Arcade		0835.637.281	Belgium		92.50%		92.50%		7.50%		7.50%
La Roseraie		0466.582.668	Belgium		92.50%		92.50%		7.50%		7.50%
Patrium		0675.568.178	Belgium		92.50%		92.50%		7.50%		7.50%
Elenchus Invest		0478.953.930	Belgium		92.50%		92.50%		7.50%		7.50%
Résidence Edelweiss		0439.605.582	Belgium		92.50%		92.50%		7.50%		7.50%
Résidence Neerveld		0427.883.628	Belgium		92.50%		92.50%		7.50%		7.50%
HPA		**0818.090.674**	**Belgium**		**71.72%**		**71.72%**		**28.28%**		**28.28%**
Operations / Real estate residences [2]											
Residalya / Patrimoine & Santé Expansion	480.081.397	834.371.676	France	71.72%	71.72%	71.72%	71.72%	28.28%	28.28%	28.28%	28.28%
Residalya Real Estate / P&S Real Estate	480.081.819	487.599.102	France	71.72%	71.72%	71.72%	71.72%	28.28%	28.28%	28.28%	28.28%
Inova	450.720.883		France	36.01%		36.01%		63.99%		63.99%	
La Chenaie / Saint Ciers Invest	343.356.028	491.430.781	France	71.72%		71.72%	71.72%	28.28%		28.28%	28.28%
Le Jardin Des Loges / Bonnet Invest	394.806.541	485.191.951	France	71.72%		71.72%	71.72%	28.28%		28.28%	28.28%
Le Mont Des Landes / Saint Savest	401.600.481	491.485.371	France	71.72%		71.72%	71.72%	28.28%		28.28%	28.28%
Les Alysés / Troyes Invest	527.799.811	503.163.123	France	71.72%	69.04%	71.72%	69.04%	28.28%	30.96%	28.28%	30.96%
Les Portes De Champagne	338.568.389		France	71.72%		71.72%		28.28%		28.28%	
Les Portes De Nimes / Poulx Invest	423.582.055	491.006.300	France	71.72%	71.72%	71.72%	71.72%	28.28%	28.28%	28.28%	28.28%
Les Portes Du Jardin / Tonnay Invest	481.193.027	479.843.146	France	71.72%		71.72%	71.72%	28.28%		28.28%	28.28%
Residalya Bésançon / Chazal Invest	509.668.950	505.407.221	France	71.72%		71.72%	71.72%	28.28%		28.28%	28.28%
Residalya BL	534.425.574		France	71.72%		71.72%		28.28%		28.28%	
Residalya Courchelettes / Courchelettes Invest	531.354.801	510.895.162	France	71.72%		71.72%	71.72%	28.28%		28.28%	28.28%
Residalya Dijon / Dijon Invest	522.014.059	510.800.824	France	71.72%		71.72%	71.72%	28.28%		28.28%	28.28%
Residalya Garons / Garons Invest	534.425.608	808.415.368	France	71.72%	71.72%	71.72%	71.72%	28.28%	28.28%	28.28%	28.28%
Residalya Haute Goulaine / Goulaine Invest	492.700.885	495.191.918	France	71.72%		71.72%	71.72%	28.28%		28.28%	28.28%
Residalya Le Lavandou / Grand Batailler Invest	534.860.036	510.895.337	France	71.72%		71.72%	71.72%	28.28%		28.28%	28.28%
Residalya Le Rove / Marseille Le Rove Invest	490.173.614	499.376.457	France	71.72%		71.72%	71.72%	28.28%		28.28%	28.28%
Residalya Les Rives D'Allier / Pont Du Château Invest	491.818.779	492.578.505	France	71.72%		71.72%	71.72%	28.28%		28.28%	28.28%
Residalya Orléans / Orléans Invest	534.476.536	519.062.228	France	71.72%		71.72%	71.72%	28.28%		28.28%	28.28%
Residalya Résidence Automne / Champs Invest	501.535.371	534.103.262	France	71.72%	71.72%	71.72%	71.72%	28.28%	28.28%	28.28%	28.28%
Residalya Séolanes / Seolanes Invest	501.479.638	387.965.502	France	71.72%		71.72%	71.72%	28.28%		28.28%	28.28%
Residalya St. Marcel / Saint Marcel Invest	531.418.564	522.169.861	France	71.72%	71.72%	71.72%	71.72%	28.28%	28.28%	28.28%	28.28%
Residalya Villers Semeuse / Villers Semeuse invest	527.736.441	510.800.808	France	71.72%	71.72%	71.72%	71.72%	28.28%	28.28%	28.28%	28.28%
Residalya Projet 7	815.347.711		France	71.72%		71.72%		28.28%		28.28%	
Résidence Du Littoral / Saint Augustinvest	482 162 542	491.430.575	France	71.72%		71.72%	71.72%	28.28%		28.28%	28.28%
Résidence Marguerite	950.537.233		France	71.72%		71.72%		28.28%		28.28%	
Sogécom	343.296.760		France	71.72%		71.72%		28.28%		28.28%	
SRG / Saint Genis Invest	398.710.921	394.584.742	France	71.72%	71.72%	71.72%	71.72%	28.28%	28.28%	28.28%	28.28%
Villa Charlotte	390.719.193		France	71.72%		71.72%		28.28%		28.28%	

Note 3: subsidiaries and jointly controlled subsidiaries (continued)

1. Fully consolidated subsidiaries (continued)

Name of subsidiary	Registration nr		Registered office	Beneficial interest % 2018		Beneficial interest % 2017		Minority interest % 2018		Minority interest % 2017	
Real Estate & Senior Care (continued)											
La Demeure Du Bois Ardent / Turquoise	399.793.173	394.597.488	France	71.72%	71.72%	71.72%	71.72%	28.28%	28.28%	28.28%	28.28%
Sérénalto	344.503.545		France	43.03%		43.03%		56.97%		56.97%	
Ambroise Paré / Paradin	395.190.226	395.190.374	France	40.88%	43.03%	40.88%	43.03%	59.12%	56.97%	59.12%	56.97%
Cigma Holding / Cidevim	789.479.185	478 101 025	France	71.72%	71.72%	71.72%	71.72%	28.28%	28.28%	28.28%	28.28%
Cigma De Laval / Cigma du Tertre	527.946.131	511 972 721	France	71.72%	71.72%	71.72%	71.72%	28.28%	28.28%	28.28%	28.28%
Crèche du Tertre / Cigma du Tertre	528.379.001	511 972 721	France	71.72%	71.72%	71.72%	71.72%	28.28%	28.28%	28.28%	28.28%
Villa Thalia / CMSR	348.210.196	322.409.442	France	71.72%	71.72%	71.72%	71.72%	28.28%	28.28%	28.28%	28.28%
Résidence Le Pyla / Saphir	424.416.212	433.702.467	France	71.72%	71.72%	71.72%	71.72%	28.28%	28.28%	28.28%	28.28%
Assoc. Château Vacquay / CV Invest [3]		821.435.310	France		71.72%				28.28%		
Assoc. Château Vacquay / PASA [3]		800.412.025	France		71.72%				28.28%		
Saint Lo Développement		815.376.124	France		71.72%		71.72%		28.28%		28.28%
Taillan Invest		820.126.902	France		71.72%		71.72%		28.28%		28.28%
Salvagny Invest		824.058.184	France		71.72%		71.72%		28.28%		28.28%
Energy & Resources											
AvH Resources India		**U74300DL2001 PTC111685**	**India**		**100.00%**		**100.00%**				
AvH & Growth Capital											
Sofinim		**0434.330.168**	**Belgium**		**100.00%**		**100.00%**				
Sofinim Luxembourg		2003.2218.661	Luxembourg		100.00%		100.00%				
Agidens International		**0468.070.629**	**Belgium**		**86.25%**		**86.25%**		**13.75%**		**13.75%**
Agidens Life Sciences		0411.592.279	Belgium		86.25%		86.25%		13.75%		13.75%
Agidens Infra Automation		0630.982.030	Belgium		86.25%		86.25%		13.75%		13.75%
Agidens Proces Automation		0465.624.744	Belgium		86.25%		86.25%		13.75%		13.75%
Agidens Proces Automation BV		005469272B01	The Netherlands		86.25%		86.25%		13.75%		13.75%
Agidens Life Sciences BV		850983411B01	The Netherlands		86.25%		86.25%		13.75%		13.75%
Agidens Infra Automation BV		856220024B01	The Netherlands		86.25%		86.25%		13.75%		13.75%
Agidens Inc			USA		86.25%		86.25%		13.75%		13.75%
Agidens SAS		10.813.818.424	France		86.25%		86.25%		13.75%		13.75%
Agidens GmbH		76301	Germany		86.25%		86.25%		13.75%		13.75%
Agidens AG		539301	Switserland		86.25%		86.25%		13.75%		13.75%
Argus Technologies [4]		0844.260.284	Belgium		86.25%				13.75%		
Baarbeek Immo		651.662.133	Belgium		86.25%		86.25%		13.75%		13.75%
Subholdings AvH											
Anfima		0426.265.213	Belgium		100.00%		100.00%				
AvH Coordination Center (liquidated)		0429.810.463	Belgium				99.99%				0.01%
Brinvest		0431.697.411	Belgium		99.99%		99.99%		0.01%		0.01%
Profimolux		1992.2213.650	Luxembourg		100.00%		100.00%				

(1) Anima Care acquired the Ark van Noé residential care centre (Bilzen) in 2018, and grouped a number of activities in the newly established 'Anima Care Vlaanderen' company. Anima Vera disappeared from the consolidation scope as a result of the sale of the real estate of the Kruyenberg nursing home in Berlare to Baltisse.

(2) At the beginning of July 2018, HPA sold the real estate of 14 of its residential care centres to the French property group Icade Santé. HPA's subsidiary Residalya remains the tenant and operator of these residential care centres. The sale was structured as follows: the property that was not part of the sale was transferred to a newly established company, Patrimoine & Santé Expansion. Subsequently, Patrimoine & Santé, the initial real estate company (owner of the real estate of the 14 residential care centres), was sold to Icade Santé.

(3) HPA completed the acquisition of a residence in Salleboeuf (Gironde) at the start of 2018.

(4) The acquisition of Argus Technologies, which offers a "cloud-based" SaaS energy monitoring platform, is part of the product innovation strategy of Agidens.

Note 3: subsidiaries and jointly controlled subsidiaries (continued)

2. Jointly controlled subsidiaries accounted for using the equity method - 2018

(€ 1,000) Name of subsidiary	Registration nr	Registered office	Beneficial interest % 2018	Minority interest % 2018	Total assets	Total liabilities	Turnover	Net result
Marine Engineering & Contracting								
Rent-A-Port (1)								
Consortium Antwerp Port	0817.114.340	Belgium	43.32%	16.68%	3,888	1,052	1,217	41
Rent-A-Port Utilities	0846.410.221	Belgium	36.10%	13.90%	1,805	2,066	0	-154
C.A.P. Industrial Port Land	0556.724.768	Belgium	36.10%	13.90%	1,331	3	0	-10
Infra Asia Investment Fund	648.714.620	Belgium	36.10%	13.90%	32,132	32,032	3	16
S Channel Management Limited		Cyprus	36.10%	13.90%	0	91	0	-8
Infra Asia Investment subconsolidation (Dinh Vu) (USD 1.000)		Vietnam	43.33%	16.68%	182,432	103,719	30,380	15,420
Rent-A-Port Gulf for Operation and Maintenance WLL		Qatar	35.38%	13.62%	276	192	434	38
Private Banking								
Delen Investments cva (2)	**0423.804.777**	**Belgium**						
Delen Private Bank (2)	**0453.076.211**	**Belgium**	**78.75%**		**3,200,465**	**2,457,538**	**384,262**	**112,390**
Real Estate & Senior Care								
Extensa Group								
CBS Development	0831.191.317	Belgium	50.00%		18,570	18,070	0	-2,038
CBS-Invest	0879.569.868	Belgium	50.00%		16,818	9,783	700	-42
Delo 1 (3)	2016.2450.523	Luxembourg	50.00%		208,785	155,414	0	19,677
Alto 1 (3)	2016.2450.590	Luxembourg						
DPI (4)	0890.090.410	Belgium						
Grossfeld PAP	2005.2205.809	Luxembourg	50.00%		72,653	74,749	3,032	-354
Les Jardins d'Oisquercq	0899.580.572	Belgium	50.00%		2,999	4,199	8	-273
Immobilière Du Cerf (4)	0822.485.467	Belgium						
Top Development	35 899 140	Slovakia	50.00%		6,039	1,617	1,744	2,588
TMT Energy (subs. Top Development) (4)	47 474 238	Slovakia						
TMT RWP (subs. Top Development)	47 144 513	Slovakia	50.00%		5,982	5,028	818	-221
Energy & Resources								
SIPEF (5) (USD 1,000)	**0404.491.285**	**Belgium**	**31.59%**		**938,368**	**293,859**	**275,270**	**30,089**
AvH & Growth Capital								
Amsteldijk Beheer	**33.080.456**	**The Netherlands**	**50.00%**		**3,421**	**1,214**	**831**	**272**
Distriplus (6)	**0890.091.202**	**Belgium**						
Manuchar (USD 1,000)	**0407.045.751**	**Belgium**	**30.00%**		**703,887**	**635,437**	**1,691,121**	**-10,609**
Turbo's Hoet Groep	**0881.774.936**	**Belgium**	**50.00%**		**313,914**	**206,760**	**532,647**	**10,136**
Telemond Consortium (7)		**Belgium**	**50.00%**		**79,261**	**26,267**	**92,327**	**4,075**
Subholdings AvH								
GIB nv	**0404.869.783**	**Belgium**	**50.00%**		**3,690**	**55,907**	**0**	**-202**

(1) The acquisition of 12,000 CFE shares (+0.05%) on the stock market at the end of 2018 also explains the slight increase of the stake in DEME, Rent-A-Port and Green Offshore and their affiliates. This additional stake will contribute to the consolidated result as of 2019.

(2) At the request of the National Bank of Belgium, the shareholding structure of Delen Private Bank and Bank J.Van Breda & Co was simplified, without changing the conditions of the partnership between Ackermans & van Haaren on the one hand and the Delen family on the other hand. AvH has, through its 100% subsidiary FinAx, a direct 78.75% stake in both banks, instead of through the joint holding structure Finaxis, as it was previously. Promofi (Delen family) participates directly for 21.25% in Delen Private Bank and Bank J.Van Breda & Co. We refer to Section 6 Segment reporting (p. 153) for more details.

(3) These companies were set up in the context of the construction of the buildings that have been pre-let on a long-term lease to Deloitte Luxembourg (Delo 1) and Alter Domus (Alto 1). The office building leased to Alter Domus was sold to international investors in October 2018. The new headquarters of Deloitte Luxembourg was completed and sold in January 2019.

(4) Top Development (Extensa 50%) sold its energy grid in Trnava, Slovakia in 2018. A land position in La Hulpe was also sold.

(5) The shareholders' agreement between the Baron Bracht family and AvH results in joint control of SIPEF. In 2018, AvH increased its shareholding percentage in SIPEF from 30.25% at year-end 2017 to 31.59% at year-end 2018.

(6) In October, Sofinim sold its 50% stake in Distriplus, owner of the Di and Planet Parfum brands, to Groupe Jacques Bogart.

(7) The consortium consists of the three jointly controlled subsidiaries Telemond Holding, Telehold & Henschel Engineering.

Note 3: subsidiaries and jointly controlled subsidiaries (continued)

3. Jointly controlled subsidiaries accounted for using the equity method - 2017

(€ 1,000) Name of subsidiary	Registration nr	Registered office	Beneficial interest % 2017	Minority interest % 2017	Total assets	Total liabilities	Turnover	Net result
Marine Engineering & Contracting								
Rent-A-Port								
Consortium Antwerp Port	0817.114.340	Belgium	43.31%	16.69%	4,217	1,522	1,498	-46
Rent-A-Port Utilities	0846.410.221	Belgium	36.09%	13.91%	2,487	2,594	1,079	175
C.A.P. Industrial Port Land	0556.724.768	Belgium	36.09%	13.91%	1,341	3	0	-10
Infra Asia Investment Fund	648.714.620	Belgium	36.09%	13.91%	32,076	31,991	-2	14
S Channel Management Limited		Cyprus	36.09%	13.91%	0	82	0	-9
Infra Asia Investment subsonsolidation (Dinh Vu) (USD 1,000)		Vietnam	43.32%	16.70%	138,319	51,397	22,306	447
Rent-A-Port Gulf for Operation and Maintenance WLL		Qatar	35.37%	13.63%	484	442	249	20
Private Banking								
Delen Investments cva	**0423.804.777**	**Belgium**	**78.75%**	**21.25%**	**2,601,077**	**1,922,285**	**366,912**	**105,836**
Real Estate & Senior Care								
Extensa Group								
CBS Development	0831.191.317	Belgium	50.00%		21,098	19,311	0	-1,048
CBS-Invest	0879.569.868	Belgium	50.00%		18,701	11,624	1,417	-283
Delo 1	2016.2450.523	Luxembourg	50.00%		134,247	100,553	0	23,393
Alto 1	2016.2450.590	Luxembourg	50.00%		40,504	32,874	0	5,339
DPI	0890.090.410	Belgium	50.00%		1,782	951	15	8
Grossfeld PAP	2005.2205.809	Luxembourg	50.00%		58,445	60,186	5,342	-433
Les Jardins d'Oisquercq	0899.580.572	Belgium	50.00%		2,866	3,758	14	-273
Immobilière Du Cerf	0822.485.467	Belgium	33.33%		508	-88	0	-67
Top Development	35 899 140	Slovakia	50.00%		6,493	1,961	1,843	-2,277
TMT Energy (subs. Top Development)	47 474 238	Slovakia	50.00%		1,838	1,817	2,658	152
TMT RWP (subs. Top Development)	47 144 513	Slovakia	50.00%		6,563	5,388	905	-697
Energy & Resources								
SIPEF (USD 1,000)	**0404.491.285**	**Belgium**	**30.25%**		**907,008**	**272,372**	**321,641**	**139,663**
AvH & Growth Capital								
Amsteldijk Beheer	**33.080.456**	**The Netherlands**	**50.00%**		**3,319**	**1,385**	**708**	**200**
Distriplus	**0890.091.202**	**Belgium**	**50.00%**		**155,546**	**129,206**	**193,878**	**-24,523**
Manuchar (USD 1,000)	**0407.045.751**	**Belgium**	**30.00%**		**617,610**	**535,101**	**1,399,848**	**176**
Turbo's Hoet Groep	**0881.774.936**	**Belgium**	**50.00%**		**302,195**	**199,595**	**467,665**	**9,677**
Telemond Consortium		**Belgium**	**50.00%**		**74,944**	**22,698**	**75,814**	**2,474**
Subholdings AvH								
GIB nv	**0404.869.783**	**Belgium**	**50.00%**		**3,717**	**55,691**	**0**	**-13,676**

4. Main subsidiaries and jointly controlled subsidiaries not included in the consolidation scope

(€ 1,000) Name of subsidiary	Registration nr	Registered office	Beneficial interest % 2018	Reason for exclusion	Total assets	Total liabilities	Turnover	Net result
Subholdings AvH								
BOS	0422.609.402	Belgium	100.00%	(1)	243	2	0	-4
Pribinvest	2005.2209.421	Luxembourg	78.75%	(1)	4,426	989	0	-146

(1) Investment of negligible significance (valued at cost).

Note 4: associated participating interests

1. Associated participating interests accounted for using the equity method - 2018

(€ 1,000) Name of associated participating interest	Registration nr	Registered office	Beneficial interest % 2018	Minority interest % 2018	Total assets	Total liabilities	Turnover	Net result
Marine Engineering & Contracting								
Rent-A-Port								
Ontwikkelingsmaatschappij Zuiderzeehaven [(1)]		The Netherlands						
Zuiderzeehaven [(1)]		The Netherlands						
Port of Duqm (OMR 1,000)		Oman	21.66%	8.34%	44,431	40,838	15,172	-232
Duqm Industrial Land Company (OMR 1,000)		Oman	25.23%	9.72%	6,403	191	1,151	540
Green Offshore [(2)]								
Otary RS	0833.507.538	Belgium	10.03%	2.47%	82,631	3,493	13,717	1,055
Rentel	0700.246.364	Belgium	10.03%	2.47%	1,124,555	1,027,345	66,366	25,495
Otary BIS	0842.251.889	Belgium	10.03%	2.47%	53,729	0	0	-26
Private Banking								
Bank J.Van Breda & C°								
Finauto (merged with Bank J.Van Breda & C°)	0464.646.232	Belgium						
Antwerpse Financiële Handelsmaatschappij (merged with Bank J.Van Breda & C°)	0418.759.886	Belgium						
Financieringsmaatschappij Definco (liquidated)	0415.155.644	Belgium						
Informatica J.Van Breda & C°	0427.908.174	Belgium	31.50%	8.50%	5,756	4,543	10,942	5
Energy & Resources								
Sagar Cements (INR million) [(3)]	**L26942AP-1981PLC002887**	**India**	**17.57%**		**17,507**	**9,803**	**11,466**	**-4**
AvH & Growth Capital								
Atenor [(4)]	**0403.209.303**	**Belgium**						
Axe Investments	**0419.822.730**	**Belgium**	**48.34%**		**14,985**	**76**	**634**	**226**
Financière EMG [(5)]	**801.720.343**	**France**	**22.51%**		**293,476**	**282,311**	**306,644**	**838**
Mediahuis [(5)] [(6)]	**439.849.666**	**Belgium**	**13.25%**		**851,898**	**540,423**	**819,176**	**28,301**
Agidens International								
Keersluis Limmel Maintenance BV (MTC)	62058630	The Netherlands	43.12%		94	94	279	0
SAS van Vreeswijk (MTC van Beatrix)	65067096	The Netherlands	17.25%		604	604	1,011	0

(1) Rent-A-Port sold its stake in Zuiderzeehaven in 2018.

(2) Rentel's offshore wind farm became operational in the second half of the year, and was subsequently consolidated for the first time (as well as the intermediate holding companies Otary RS and Otary BIS). Through Green Offshore, which is a 50/50 investment vehicle of AvH and CFE, AvH has a (transitive) participation of 10.03% in Rentel and 7.02% in SeaMade (under construction). This percentage does not take into account DEME's investment in these wind farms.

(3) AvH's right to one representative on the Board of Directors of Sagar Cements and a right of veto on changes to aspects including articles of association and purchasing and sales of activities, explain why it is included in the consolidation scope of AvH.

(4) In April 2018, Sofinim sold its entire participation (10.53%) in Atenor.

(5) During the first half of 2018, AvH's shareholding percentage in Financière EMG increased from 22.24% to 22.51% and in Mediahuis Partners (ex-Corelio) from 26.17% to 26.21%. Both these movements are the result of minor changes in the shareholder structure of those companies and not of additional direct investments by AvH.

(6) As a result of the successive acquisitions (TMG) and contributions (by Mediahuis Partners and Concentra respectively), AvH has at the end of 2018 a 49.9% stake in Mediacore, the controlling shareholder (52.4%) in Mediahuis Partners. Mediahuis Partners has a controlling share of 50.57% in Mediahuis. The participation percentage of AvH in Mediahuis is therefore 13.3%.

Note 4: associated participating interests (continued)

2. Associated participating interests not accounted for using the equity method - 2018

(€ 1,000) Name of associated participating interest	Registration nr	Registered office	Beneficial interest % 2018	Reason for exclusion	Total assets	Total liabilities	Turnover	Net result
AvH & Growth Capital								
Nivelinvest (extended financial year)	0430.636.943	Belgium	25.00%	(1)				
OncoDNA (31-12-2017)	0501.631.837	Belgium	15.00%	(1)	5,411	4,507	(2)	-3,743

(1) Investment of negligible significance (valued at cost).
(2) Abbreviated schedule of the annual accounts.

3. Associated participating interests accounted for using the equity method - 2017

(€ 1,000) Name of associated participating interest	Registration nr	Registered office	Beneficial interest % 2017	Minority interest % 2017	Total assets	Total liabilities	Turnover	Net result
Marine Engineering & Contracting								
Rent-A-Port								
Ontwikkelingsmaatschappij Zuiderzeehaven		The Netherlands	12.03%	4.64%	18	0	0	0
Zuiderzeehaven		The Netherlands	12.03%	4.64%	11,656	4,411	0	0
Port of Duqm (OMR 1,000)		Oman	21.65%	8.35%	27,259	23,584	18,702	-173
Duqm Industrial Land Company (OMR 1,000)		Oman	25.23%	9.72%	6,037	584	902	438
Private Banking								
Bank J.Van Breda & C°								
Finauto	0464.646.232	Belgium	39.38%	10.63%	1,637	1,375	1,280	1
Antwerpse Financiële Handelsmaatschappij	0418.759.886	Belgium	39.38%	10.63%	1,348	411	1,437	687
Financieringsmaatschappij Definco	0415.155.644	Belgium	39.38%	10.63%	274	0	45	24
Informatica J.Van Breda & C°	0427.908.174	Belgium	31.50%	8.50%	5,871	4,664	11,064	5
Energy & Resources								
Sagar Cements (INR million)	**L26942AP-1981PLC002887**	**India**	**17.57%**		**16,030**	**8,284**	**9,773**	**184**
AvH & Growth Capital								
Atenor	**0403.209.303**	**Belgium**	**10.53%**		**593,180**	**446,464**	**220,430**	**22,179**
Axe Investments	**0419.822.730**	**Belgium**	**48.34%**		**15,124**	**93**	**697**	**1,887**
Financière EMG	**801.720.343**	**France**	**22.24%**		**310,251**	**299,604**	**304,220**	**-4,566**
Mediahuis	**439.849.666**	**Belgium**	**13.24%**		**929,239**	**647,536**	**641,542**	**14,948**
Agidens International								
Keersluis Limmel Maintenance BV (MTC)	62058630	The Netherlands	43.12%		94	94	279	0
SAS van Vreeswijk (MTC van Beatrix)	65067096	The Netherlands	17.25%		604	604	1,011	0

4. Associated participating interests not accounted for using the equity method - 2017

(€ 1,000) Name of associated participating interest	Registration nr	Registered office	Beneficial interest % 2017	Reason for exclusion	Total assets	Total liabilities	Turnover	Net result
AvH & Growth Capital								
Nivelinvest	0430.636.943	Belgium	25.00%	(1)	63,443	55,732	555	-2
OncoDNA (31-12-2016)	0501.631.837	Belgium	15.00%	(1)	5,206	2,951	(2)	-1,996

(1) Investment of negligible significance.
(2) Abbreviated schedule of the annual accounts.

Note 5: business combinations and disposals

1. Final assessment A2Sea & G-TEC (2017)

(€ 1,000)	31-12-2017	31-12-2018	Difference
	A2Sea & G-TEC	A2Sea & G-TEC	
	Preliminary assessment	Final assessment	
Tangible assets	186,675	190,964	4,289
Cash and cash equivalents	38,945	38,945	0
Other current and non-current assets & liabilities	-23,474	-21,560	1,914
Net assets (100%)	**202,146**	**208,349**	**6,203**
Non-acquired minorities	702	869	167
Net assets - group share	**202,848**	**209,218**	**6,370**
Goodwill (post allocation)	7,410	704	-6,706
Purchase price	**210,258**	**209,922**	**-336**

On 31 August 2017, GeoSea, a subsidiary of DEME, acquired 100% of the shares of the fully consolidated company A2Sea. In the fourth quarter of 2017, GeoSea acquired 72,5% of the shares of the fully consolidated Belgian company G-TEC.

The fair value of the identifiable assets and liabilities of both new entities was provisionally assessed on 31 December 2017. During the first half year of 2018, the accounting of the business combinations A2Sea and G-TEC has been finalized and following adjustments have been reflected in the consolidated financial statements.

As the total net impact of the difference between the provisional and final accounting of the business combination is not significant to the financial statements as a whole, the 2017 comparative financial statements have not been restated and the effect is reflected in the 2018 income statement.
The final assessment of the business combination resulted in a remaining goodwill (0.7 million euros), which has been impaired subsequently.

The following valuation methods were used:
- Property, plant and equipment (mainly vessels): the fair value was determined on the basis of a valuation report by an independent expert.
- Orderbook: the multi-period excess earnings method was used.
- Other assets and liabilities: the fair value is based on the market value at which these assets or liabilities can be settled with a third,unrelated party.

2. Business combinations - 2018

(€ 1,000)	MEDCO
Tangible assets	79,636
Cash and cash equivalents	72,454
Financial debts (current and non-current)	-35,330
Other current assets & liabilities	-95,851
Other non-current assets & liabilities	-26,191
Net assets (group share)	**-5,282**
Goodwill	5,282
Purchase price of the additional stake of 50.9% + Revaluation of the initial stake of 44.1%	**0**

On 3 September 2018, DEME acquired additional economic rights from Middle East Dredging Company QSC "MEDCO", increasing the group's beneficial interest from 44.1% to 95%. As a result, MEDCO's consolidation method has changed: consolidated using the equity method until the third quarter of the financial year, after which it was fully consolidated.

This takeover meets the definition of a business combination in accordance with IFRS 3 - Business Combinations, which requires the application of the "acquisition method":
1) Under this method, the 44.1% historical stake must be remeasured at fair value through the income statement. Following the negative net asset value (not revalued) at the time of the transaction, the revaluation of the historical participation generates a gain of 10.6 million euros.
2) Subsequently, MEDCO's identifiable assets and liabilities must be revalued at fair value at the acquisition date in DEME's consolidated financial statements. Finally, the total goodwill generated on this transaction results from the difference between the consideration transferred and the fair value of MEDCO's identifiable assets and liabilities.

The work to value the identifiable assets and liabilities at fair value was completed within a time frame compatible with that of the annual closing. This valuation exercise, carried out in accordance with the AvH group's accounting methods, is final at 31 December 2018.

The following valuation methods have been used to determine the fair value of the main identifiable assets and liabilities:
- tangible fixed assets (mainly two cutters Al Mahaar and Al Jarraf): the fair value was determined on the basis of a valuation exercise carried out by an independent expert;
- other assets and liabilities: fair value has been based on the market value at which these assets or liabilities can be sold to an unrelated third party;

This transaction did not result in a cash settlement. At the end of the transaction, DEME acquired MEDCO's cash, generating a positive net cash flow of 72.4 million euros.

The revaluation of the historical stake generates a remeasurement gain of 10.6 million euros. The total unallocated goodwill generated by the transaction amounts to 5.3 million euros and was written down at 31 December 2018.

Note 6: Segment reporting

Segment 1

Marine Engineering & Contracting

DEME (global integration 60.45%), CFE (global integration 60.45%), Rent-A-Port (global integration 72.20%) and Green Offshore (global integration 80.22%).

The acquisition of 12,000 CFE shares (+0.05%) on the stock market at the end of 2018 also explains the slight increase of the stake in DEME, Rent-A-Port and Green Offshore. This additional stake will contribute to the consolidated result as of 2019.

Segment 2

Private Banking

Delen Investments CVA (equity method 78.75% till 3Q2018), Delen Private Bank (Equity method 78.75% as of 4Q2018), Bank J.Van Breda & C° (global integration 78.75%), Finaxis (global integration 78.75% till 3Q2018) and FinAx (global integration 100% as of 4Q2018).

As of December 31, 2018, the structure of the Finaxis group has been simplified as follows:

- Delen Investments Comm.VA has been absorbed in Finaxis NV by a merger, as a result of which Finaxis has acquired all the assets of Delen Investments (including the shares in Delen Private Bank NV) and Delen Investments has been dissolved; and
- a mixed division of Finaxis took place, as a result of which the assets of Finaxis (including the shares in Bank J.Van Breda & C° and Delen Private Bank) have been entrusted to a newly formed company belonging to the AvH group, FinAx NV (for 78.75%), and to a company of the Jacques Delen family, Promofi NV (21.25%), and Finaxis has been dissolved.

Both the merger and division were approved with retroactive effect in the accounts to October 1, 2018, at 0.00h.

This internal restructuring was carried out at the request of the National Bank of Belgium in order to guarantee an appropriate supervisory structure for Delen Private Bank and Bank J.Van Breda & C°.

The internal restructuring involves a change in the direct shareholding of the two credit institutions without altering the final control structure, while at the same time safeguarding the pre-existing agreements between the two shareholder groups, Ackermans & van Haaren and the Jacques Delen family. The Ackermans & van Haaren group essentially retains a 78.75% stake in the two credit institutions, which is held directly by a newly formed company, coupled with agreements at shareholder level. This structure is aligned to the pre-existing final shareholder structure in the credit institutions and the pre-existing contractual arrangements and control structure between Ackermans & van Haaren and the Jacques Delen family, and therefore implies a continuation of the successful collaboration between both partners.

For the rest, the composition of this segment has not changed since year-end 2017. In the consolidated balance sheet of 2017, the participation in BDM-Asco had already been reclassified to 'Assets held for sale' in light of the announced sale to the US insurance company Navigators Group, Inc. This transaction was closed in 1H2018.

Segment 3

Real Estate & Senior Care

Extensa (global integration 100%), Leasinvest Real Estate (global integration 30%), Leasinvest Real Estate Management (global integration 100%), Anima Care (global integration 92.5%) and HPA (global integration 71.7%). HPA is the structure that owns 100% of Residalya (operation of retirement homes) and 100% of Patrimoine & Santé Expansion (which owns real estate operated by Residalya). Both Residalya and Patrimoine & Santé Expansion are fully consolidated by HPA.

The composition of this segment has not changed in 2018.

Segment 4

Energy & Resources

SIPEF (equity method 31.6%), AvH India Resources (global integration 100%) and Sagar Cements (equity method 17.6%).

AvH's stake in SIPEF increased slightly from 30.25% to 31.59% in 2018.

Segment 5

AvH & Growth Capital

- AvH, Sofinim & subholdings (global integration 100%)
- Participations accounted for using global integration: Agidens (86.2%)
- Participations accounted for using the equity method: Axe Investments (48.3%), Amsteldijk Beheer (50%), Mediahuis Partners (ex-Corelio) (26.2%), Mediahuis (13.2%), MediaCore (49.9%), Financière EMG (22.5%), Manuchar (30.0%), Turbo's Hoet Groep (50%), Consortium Telemond (50%) and GIB (50%)
- Non-consolidated participations: OncoDNA (15%)

In April 2018, Sofinim (AvH 100%) sold its entire participation (10.53%) in Atenor and its 50% stake in Distriplus in October 2018.

During the first half of 2018, AvH's shareholding percentage in Financière EMG increased from 22.24% to 22.51% and in Mediahuis Partners from 26.17% to 26.21%. Both these movements are the result of minor changes in the shareholder structure of those companies and not of additional direct investments by AvH.

Note 6: Segment information - income statement 2018

(€ 1,000)	Segment 1 Marine Engineering & Contracting	Segment 2 Private Banking	Segment 3 Real Estate & Senior Care	Segment 4 Energy & Resources	Segment 5 AvH & Growth Capital	Eliminations between segments	Total 2018
Revenue	**3,757,557**	**167,429**	**448,113**	**13**	**87,057**	**-1,989**	**4,458,181**
Rendering of services	3,180		204,574		1,833	-1,843	207,745
Lease revenue		8,656	1,583				10,239
Real estate revenue	94,696		221,880				316,576
Interest income - banking activities		95,126					95,126
Fees and commissions - banking activities		61,224					61,224
Revenue from construction contracts	3,543,530				82,550		3,626,080
Other operating revenue	116,151	2,423	20,076	13	2,674	-146	141,192
Other operating income	**7,670**	**701**	**4,402**	**0**	**2,712**	**-1,194**	**14,290**
Interest on financial fixed assets - receivables	7,619		110		1,254	-1,124	7,858
Dividends	50	701	4,293		634		5,677
Government grants							0
Other operating income					824	-70	754
Operating expenses (-)	**-3,537,890**	**-116,061**	**-358,598**	**-74**	**-117,308**	**2,059**	**-4,127,873**
Raw materials and consumables used (-)	-2,078,801		-150,385		-43,720		-2,272,906
Changes in inventories of finished goods, raw materials & consumables (-)	-27,361		10,836		38		-16,488
Interest expenses Bank J.Van Breda & C° (-)		-24,841					-24,841
Employee expenses (-)	-637,476	-42,857	-124,631		-37,106		-842,070
Depreciation (-)	-272,495	-4,446	-17,131		-2,972		-297,044
Impairment losses (-)	-19,802	-3,011	-4,438		-13,283		-40,533
Other operating expenses (-)	-528,755	-37,102	-74,007	-74	-20,261	2,059	-658,139
Provisions	26,799	-3,804	1,158		-4		24,149
Profit (loss) on assets/liabilities designated at fair value through profit and loss	**0**	**0**	**6,285**	**0**	**-2,581**	**0**	**3,704**
Financial assets - Fair value through P/L (FVPL)			5,555		-2,581		2,974
Investment property			730				730
Profit (loss) on disposal of assets	**7,879**	**482**	**30,692**	**0**	**11,368**	**0**	**50,421**
Realised gain (loss) on intangible and tangible assets	7,530		-29		9		7,510
Realised gain (loss) on investment property							0
Realised gain (loss) on financial fixed assets	349	-27	30,721		11,125		42,168
Realised gain (loss) on other assets		509			234		743
Profit (loss) from operating activities	**235,215**	**52,551**	**130,894**	**-61**	**-18,752**	**-1,124**	**398,723**
Finance income	**55,233**	**8**	**4,375**	**0**	**339**	**-88**	**59,867**
Interest income	7,501	8	2,661		332	-88	10,414
Other finance income	47,732		1,714		8		49,454
Finance costs (-)	**-71,945**	**0**	**-26,951**	**-6**	**-1,616**	**1,212**	**-99,305**
Interest expenses (-)	-20,638		-16,482		-388	1,212	-36,295
Other finance costs (-)	-51,307		-10,469	-6	-1,228		-63,010
Derivative financial instruments designated at fair value through profit and loss	**0**	**-10**	**124**	**0**	**0**		**114**
Share of profit (loss) from equity accounted investments	**21,910**	**107,089**	**18,860**	**8,040**	**-2,047**		**153,853**
Other non-operating income	**0**	**716**	**0**	**0**	**0**		**716**
Other non-operating expenses (-)	**0**	**0**	**0**	**0**	**0**		**0**
Profit (loss) before tax	**240,413**	**160,355**	**127,302**	**7,973**	**-22,075**	**0**	**513,968**
Income taxes	**-49,769**	**-11,465**	**-9,618**	**0**	**-1,343**	**0**	**-72,195**
Deferred taxes	91	916	5,774		-328		6,452
Current taxes	-49,860	-12,381	-15,392		-1,015		-78,647
Profit (loss) after tax from continuing operations	**190,644**	**148,890**	**117,685**	**7,973**	**-23,418**	**0**	**441,773**
Profit (loss) after tax from discontinued operations	**0**	**0**	**0**	**0**	**0**		**0**
Profit (loss) of the period	**190,644**	**148,890**	**117,685**	**7,973**	**-23,418**	**0**	**441,773**
Minority interests	72,563	27,589	52,405	266	-689		152,134
Share of the group	118,081	121,300	65,279	7,707	-22,729		289,639

Comments on the segment information - income statement 2018

The consolidated **revenue** increased in 2018 by 507.6 million euros (+12.8%) to 4,458.2 million euros compared with the previous year.

This increase was to a large extent realized in the "Marine Engineering & Contracting" segment, and reflects the buoyant activity reported by both DEME and CFE. The successful sales by Extensa of its residential property developments and the further expansion of the retirement home groups Anima Care in Belgium and Residalya in France also contributed to this turnover increase, as did Agidens (in "AvH & Growth Capital"). Revenue in the "Private Banking" segment increased by 2.6%. Since the participation in Delen Private Bank is accounted for using the equity method, this revenue (and the corresponding charges) relates exclusively to Bank J.Van Breda & C°, which in 2018 again succeeded in compensating the pressure on interest margins with higher commissions and increased income from car finance. In the "Energy & Resources" segment, all participations are now accounted for using the equity method, following the sale of the stake in Nationale Maatschappij der Pijpleidingen (NMP) at year-end 2017.

In line with the increased revenue, the **operating expenses** increased as well, more particularly by 473.0 million euros (+12.9%). In keeping with the evolution of the revenue, the costs increased in all segments, with the exception of Energy & Resources, as a result of the participation in NMP leaving the consolidation scope as was mentioned earlier.

Impairment losses of 40.5 million euros were charged to profit and loss in 2018, and consist primarily of 13.3 million euros additional impairment losses on Distriplus, 8.4 million euros net impairment losses at CFE (including an additional 10 million euros Expected Credit Loss), 6.0 million euros impairment losses on goodwill recognized by DEME on the final recognition of the purchase price of MEDCO, G-Tec and A2Sea, and 3.0 million euros (incl. Expected Credit Loss) on outstanding loans to clients of Bank J.Van Breda & C°.

The impairment losses were offset by the reversal of **provisions**: 11.4 million euros worth of provisions that CFE had constituted in the past, and 15.4 million euros for contingent liabilities which AvH had recognized on the acquisition of control over CFE in 2013, given that the relevant underlying risks have since been reduced or provided for by CFE itself.

In 2018, the **profit on assets/liabilities designated at fair value through profit and loss** related primarily to the increase in fair value (market price) of the 1,192,418 Retail Estates shares in the portfolio of Leasinvest Real Estate, the net positive increase in fair value of investment property at Leasinvest Real Estate and Extensa, and, finally, the decrease in fair value of AvH's portfolio investments.

Capital gains (losses) were realized in 2018 on the sale of miscellaneous equipment by DEME and CFE (totalling 7.5 million euros), to the amount of 29.8 million euros on the sale by HPA of a company owning the real estate of 14 retirement homes operated by Residalya, and to the amount of 11.1 million euros in the "AvH & Growth Capital" segment (including a capital gain of 8.7 million euros on the disposal of the stake in Atenor, a capital gain of 6.1 million euros on the disposal of BDM-Asco, and an additional loss of 4.5 million euros on the disposal of the 50% stake in Distriplus in 4Q2018). The 'Profit (loss) on disposal of assets' totalled 50.4 million euros in 2018, or 33.4 million euros below the capital gains realized in 2017, which were favourably influenced by a.o. capital gains on (the companies owning) the real estate developments Kons and Oosteroever at CFE and on the sales of the participations in NMP and Ogeda.

The slight decrease in the **profit from operating activities** compared with last year is explained entirely by the lower net capital gains that were realized in 2018.

The **finance costs** in 2018 were 39.4 million euros higher than the finance income end they turn out 17.8 million euros net less negative than in 2017.

The share of profit (loss) from equity accounted investments was 153.9 million euros, compared with 140.9 million euros in 2017.

- "Marine Engineering & Contracting" made a markedly higher contribution in 2018 thanks to the substantial improvement in the results of Rent-A-Port's operations in Vietnam, the first consolidation of the stake in the Rentel offshore wind farm by Green Offshore, and positive contributions from DEME and CFE.
- The contribution of "Private Banking" was impacted by changes in the consolidation scope: BDM-Asco was sold in 1H2018 and has therefore ceased to contribute as an equity accounted participation. Furthermore the 78.75% stake in Delen Private Bank is being held directly as of 4Q2018 instead of through a joint structure called Finaxis (which owned 100% of Delen Private Bank), in which AvH held a 78.75% stake. There has been no change in the beneficial shareholding percentage in Delen Private Bank; likewise, the nature and agreement of the partnership with the Jacques Delen family remains the same. The contribution from the 78.75% participation is now reported directly in profit and loss, instead of at 100% with a 21.25% adjustment for minority interests as was done in previous periods (up to 30/09/2018).
- The higher contribution to this item from "Real Estate & Senior Care" is explained by the increased development results on the office projects Deloitte Luxembourg and Alter Domus on the Cloche d'Or site in Luxembourg (Extensa 50%).
- The contribution from "Energy and Resources" turned out lower as a result of a decrease in the underlying results of SIPEF and Sagar, coupled with the exclusion of the participation in NMP from this segment following its disposal. In this connection, we should recall the accounting impact of the remeasurement gain that was included in SIPEF's 2017 result following the acquisition of exclusive control over Agro Muko. AvH's share in that (exclusively accounting) remeasurement gain, which in 2017 was included in the contribution from equity accounted participations, amounted to 19.8 million euros.
- The slightly negative contribution from equity accounted participations in the "AvH & Growth Capital" segment is explained by negative contributions from Manuchar and in particular from Distriplus to the amount of 12.9 million euros over the first nine months of 2018, whereupon this participation was sold and deconsolidated. Positive contributions were made by a.o. Mediahuis (5.4 million euros), Turbo's Hoet Groep (5.0 million euros) and the Telemond Group (2.2 million euros).

The **income taxes** increased in 2018 by 15.2 million euros to 72.2 million euros. Adjusted for the profit from the equity accounted companies, which is recognized after tax, this amounts to a tax cost of 20.0%.

Note 6: segment information - assets 2018

(€ 1,000)	Segment 1 Marine Engineering & Contracting	Segment 2 Private Banking	Segment 3 Real Estate & Senior Care	Segment 4 Energy & Resources	Segment 5 AvH & Growth Capital	Eliminations between segments	Total 2018
I. Non-current assets	**3,127,131**	**4,554,231**	**1,662,897**	**221,606**	**220,361**	**-17,405**	**9,768,821**
Intangible assets	**89,603**	**1,528**	**85,197**		**475**		**176,802**
Goodwill	**177,127**	**134,247**	**28,363**				**339,738**
Tangible assets	**2,382,353**	**44,401**	**257,420**		**26,923**		**2,711,097**
Investment property			**1,137,531**				**1,137,531**
Participations accounted for using the equity method	**194,547**	**585,540**	**32,765**	**221,606**	**150,307**		**1,184,765**
Financial fixed assets	**181,135**	**1,054**	**95,159**		**36,524**	**-17,405**	**296,467**
Financial assets : shares - Fair value through P/L (FVPL)	3,255		91,824		18,447		113,526
Receivables and warranties	177,880	1,054	3,335		18,077	-17,405	182,941
Non-current hedging instruments	**9**	**1,295**	**696**				**2,000**
Amounts receivable after one year	**2,448**	**156,875**	**22,618**		**3,554**		**185,495**
Trade receivables							0
Finance lease receivables		156,875	22,096				178,971
Other receivables	2,448		522		3,554		6,524
Deferred tax assets	**99,909**	**2,663**	**3,147**		**2,578**		**108,297**
Banks - receivables from credit institutions and clients after one year		**3,626,628**					**3,626,628**
II. Current assets	**1,875,800**	**1,992,452**	**362,626**	**412**	**150,736**	**-10,451**	**4,371,576**
Inventories	**181,451**		**150,415**		**519**		**332,385**
Amounts due from customers under construction contracts	**50,943**		**26,042**		**8,770**		**85,755**
Investments	**3**	**457,129**	**113**		**37,175**		**494,420**
Financial assets : shares - Fair value through P/L (FVPL)	3		113		37,175		37,291
Financial assets : bonds - Fair value through OCI (FVOCI)		456,813					456,813
Financial assets : shares - Fair value through OCI (FVOCI)		316					316
Financial assets - at amortised cost							0
Current hedging instruments	**275**	**176**					**451**
Amounts receivable within one year	**1,200,042**	**93,266**	**114,678**		**50,150**	**-8,801**	**1,449,334**
Trade debtors	1,093,581		30,895		15,123	-1,116	1,138,482
Finance lease receivables		63,682	685				64,367
Other receivables	106,461	29,584	83,097		35,028	-7,685	246,485
Current tax receivables	**24,257**	**881**	**3,282**	**4**	**1,092**		**29,516**
Banks - receivables from credit institutions and clients within one year		**1,424,040**					**1,424,040**
Banks - loans and advances to banks		127,693					127,693
Banks - loans and receivables (excl. finance leases)		936,664					936,664
Banks - cash balances with central banks		359,683					359,683
Cash and cash equivalents	**390,746**	**9,355**	**62,785**	**409**	**50,293**		**513,588**
Time deposits for less than three months	28,240	1	4,552		23,868		56,661
Cash	362,506	9,354	58,234	409	26,425		456,927
Deferred charges and accrued income	**28,083**	**7,605**	**5,312**		**2,738**	**-1,649**	**42,088**
III. Assets held for sale			**19,753**		**5,314**		**25,067**
Total assets	**5,002,931**	**6,546,683**	**2,045,277**	**222,018**	**376,412**	**-27,856**	**14,165,464**

(€ 1,000) Segment information - pro forma turnover	Segment 1 Marine Engineering & Contracting	Segment 2 Private Banking	Segment 3 Real Estate & Senior Care	Segment 4 Energy & Resources	Segment 5 AvH & Growth Capital	Eliminations between segments	Total 2018
Turnover EU member states	2,764,016	547,334	427,574	38,024	691,980	-1,843	4,467,086
Other European countries	54,321	215	463	23,484	78,945		157,428
Rest of the world	823,068	0	0	37,260	401,763		1,262,092
Total	**3,641,406**	**547,549**	**428,037**	**98,769**	**1,172,688**	**-1,843**	**5,886,606**

The pro forma turnover comprises the turnover of all participations held by the AvH group, and therefore deviates from the turnover as reported in the legal IFRS consolidation drawn up on the basis of the consolidation scope reported on page 145 to 151. In this pro forma presentation, all (exclusive) control interests are incorporated in full and the other interests proportionally.

Note 6: segment information - equity and liabilities 2018

(€ 1,000)	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5		
	Marine Engineering & Contracting	Private Banking	Real Estate & Senior Care	Energy & Resources	AvH & Growth Capital	Eliminations between segments	Total 2018
I. Total equity	**1,726,910**	**1,265,115**	**830,804**	**222,012**	**313,154**		**4,357,996**
Shareholders' equity - group share	**1,044,472**	**1,149,019**	**450,091**	**222,012**	**310,853**		**3,176,447**
Issued capital					**113,907**		**113,907**
Share capital					2,295		2,295
Share premium					111,612		111,612
Consolidated reserves	**1,071,973**	**1,147,315**	**457,491**	**212,576**	**235,486**		**3,124,841**
Revaluation reserves	**-27,501**	**1,704**	**-7,400**	**9,436**	**-10,429**		**-34,190**
Financial assets : bonds - Fair value through OCI (FVOCI)		1,569					1,569
Financial assets : shares - Fair value through OCI (FVOCI)		228					228
Hedging reserves	-3,501	-71	-10,281	117	208		-13,529
Actuarial gains (losses) defined benefit pension plans	-15,427	-145	-9	-871	1,455		-14,996
Translation differences	-8,573	123	2,891	10,190	-12,092		-7,462
Treasury shares (-)					**-28,111**		**-28,111**
Minority interests	**682,439**	**116,096**	**380,713**		**2,301**		**1,181,549**
II. Non-current liabilities	**962,984**	**707,047**	**773,470**		**9,118**	**-17,405**	**2,435,214**
Provisions	**66,913**	**8,874**	**2,836**		**1,425**		**80,048**
Pension liabilities	**57,553**	**4,528**	**823**				**62,904**
Deferred tax liabilities	**119,441**		**70,884**		**1,657**		**191,983**
Financial debts	**703,997**		**647,804**		**5,808**	**-17,405**	**1,340,204**
Bank loans	598,767		516,311		5,227		1,120,304
Bonds	29,805		113,552				143,356
Subordinated loans	18,902				14		18,916
Finance leases	37,997		15,363		567		53,927
Other financial debts	18,528		2,578			-17,405	3,700
Non-current hedging instruments	**9,354**	**14,048**	**35,801**				**59,203**
Other amounts payable after one year	**5,725**	**11,268**	**15,322**		**228**		**32,543**
Banks - debts to credit institutions, clients & securities		**668,329**					**668,329**
Banks - deposits from credit institutions							0
Banks - deposits from clients		594,294					594,294
Banks - debt certificates including bonds							0
Banks - subordinated liabilities		74,035					74,035
III. Current liabilities	**2,313,036**	**4,574,521**	**440,950**	**6**	**54,139**	**-10,451**	**7,372,201**
Provisions	**44,205**	**18**	**6,536**				**50,760**
Pension liabilities		**358**					**358**
Financial debts	**357,997**		**296,612**		**25,679**	**-7,367**	**672,919**
Bank loans	137,010		76,480		1,374		214,864
Bonds	200,137		75,689				275,826
Subordinated loans	4,573				7		4,580
Finance leases	8,325		1,301		299		9,924
Other financial debts	7,952		143,141		23,999	-7,367	167,724
Current hedging instruments	**10,990**	**1,546**	**33**				**12,569**
Amounts due to customers under construction contracts	**216,222**		**740**		**7,579**		**224,540**
Other amounts payable within one year	**1,601,027**	**13,764**	**101,105**	**2**	**19,490**	**-1,116**	**1,734,272**
Trade payables	1,412,207	15	66,434	2	9,689	-1,116	1,487,232
Advances received			1,270				1,270
Amounts payable regarding remuneration and social security	150,717	9,892	20,221		8,381		189,210
Other amounts payable	38,103	3,857	13,180		1,420		56,559
Current tax payables	**43,666**	**75**	**11,569**	**4**	**899**		**56,212**
Banks - debts to credit institutions, clients & securities		**4,551,832**					**4,551,832**
Banks - deposits from credit institutions		27,634					27,634
Banks - deposits from clients		4,232,779					4,232,779
Banks - debt certificates including bonds		275,208					275,208
Banks - subordinated liabilities		16,211					16,211
Accrued charges and deferred income	**38,930**	**6,928**	**24,355**		**493**	**-1,967**	**68,739**
IV. Liabilities held for sale			**54**				**54**
Total equity and liabilities	5,002,931	6,546,683	2,045,277	222,018	376,412	-27,856	14,165,464

Comments on the segment information - balance sheet 2018

The consolidated **balance sheet total** of AvH increased further in 2018 to 14,165.5 million euros at year-end 2018, compared with 13,469.0 million euros the previous year.

As was already mentioned in earlier reports, the full consolidation of the participation in Bank J.Van Breda & C° (78.75%) has a considerable impact on both the total size and the composition of the consolidated balance sheet of AvH. Due to its specific banking activity, Bank J.Van Breda & C° has a significantly greater balance sheet total than the other companies of the group: out of an overall balance sheet total of 14,165.5 million euros, the full consolidation of Bank J.Van Breda & C° alone already accounts for 5,820.0 million euros. Moreover, as a financial institution, Bank J.Van Breda & C° has a distinct balance sheet structure that is tailored to its activities. Although Bank J.Van Breda & C° is one of the best capitalized financial institutions in Belgium, it clearly has different balance sheet ratios than the other participations of the group. A number of items from the balance sheet of Bank J.Van Breda & C° are grouped under separate items in the consolidated balance sheet of AvH for distinction purposes.

The strong commercial dynamic of Bank J.Van Breda & C°, which is reflected, among other things, in a further increase of the loan portfolio (assets) and deposits received (liabilities), accounts for nearly half of the increase in the group's balance sheet total in 2018. The rest of the growth is spread over several balance sheet items and generally illustrates the growth of the group's activities over the past year.

The limited decrease in **goodwill** (9.8 million euros) is primarily the result of the final recognition of DEME's acquisition of the stakes in A2Sea and G-TEC; both transactions had been provisionally recognized in the balance sheet at year-end 2017.

DEME again made substantial **investments** in 2018 to a total amount of 441.3 million euros in the modernization and expansion of its fleet. In 2018, the Apollo and the Living Stone were brought into service, while building work continued on the Spartacus and the Orion. This investment volume far exceeds the 256.9 million euros worth of depreciation that was recognized. Furthermore, in 2H2018 DEME acquired exclusive control over its Qatar-based MEDCO subsidiary, which is now fully consolidated instead of being accounted for using the equity method as before. As a result, the MEDCO vessels, which include the cutters Al Mahaar and Al Jarraf, now appear on the balance sheet of DEME (and therefore of AvH) where they represent an amount of 79.6 million euros.

Although Anima Care and Residalya both made additional investments in their retirement homes, the tangible assets in "Real Estate & Senior Care" decreased by 121.1 million euros. This is explained by the sale in 3Q2018 by HPA of the real estate of 14 sites operated by Residalya to Icade Santé, an investor specializing in healthcare real estate. This transaction, in which the underlying real estate was valued at 189 million euros, earned HPA a net capital gain of 29.8 million euros, and made 148.1 million euros worth of real estate assets disappear from the balance sheet of HPA.

Supported by the 84 million euros fresh funds contributed by the shareholders on the occasion of the public capital increase, Leasinvest Real Estate invested 127.2 million euros in real estate assets in 2018, putting the portfolio at year-end 2018, including 1.6 million euros remeasurement gain, at 1,037.1 million euros (including leasing). The main investments in 2018 were the purchase of 2 office buildings in the EBBC complex in Luxembourg, the Hangar 26/27 building in Antwerp, and Montoyer 14 in Brussels. Extensa also owns investment property, including leased buildings on the Tour & Taxis site in Brussels, worth a total of 133.3 million euros.

The **participations accounted for using the equity method** represented a carrying value of 1,184.8 million euros at year-end 2018. The decrease in this item compared with the previous financial year is primarily explained by the simplification of the shareholder structure of Delen Private Bank and Bank J.Van Breda & C°. AvH now holds a direct 78.75% stake in both banks via its 100% subsidiary FinAx instead of previously via a joint holding structure Finaxis. The cooperation agreements with respect to the two banks as well as the shareholders'agreements remain unchanged, as does the consolidation method. With regard to the stake in Delen Private Bank, a direct shareholding (78.75%) is accounted for using the equity method as of 4Q2018 instead of 100% through Finaxis, adjusted for a minority interest of 21.25%.

The increase in **financial fixed assets** in the "Marine Engineering & Contracting" segment is the result of additional investments by DEME and Green Offshore in wind power project companies (such as Merkur (D) and Seamade (B)). The increase in financial fixed assets at Leasinvest Real Estate is the result of an increase in the Retail Estates share price and of the participation, to the amount of 12.9 million euros, in the capital increase of Retail Estates in 1H2018. At the end of 2018 AvH acquired also a 2.45% stake in EVS.

As of 2018, the **investments** are broken down into several categories according to the accounting treatment of the results that might be realized on those investments. The bond portfolio of Bank J.Van Breda & C° increased by 29.1 million euros compared with last year, whereas the composition of AvH's investment portfolio in "AvH & Growth Capital" remained virtually unchanged.

The **short-term portion of loans** to clients at Bank J.Van Breda & C° decreased slightly compared with last year. On the other hand, more cash is invested with central banks and other credit institutions.

The volume of **cash and cash equivalents** at the other fully consolidated participations remains high, amounting to 513.6 million euros at year-end 2018.

The **assets held for sale** at year-end 2018 consisted of the Kennedy building in Luxembourg from the portfolio of Leasinvest Real Estate and a number of smaller properties of Extensa, Anima Care and HPA. AvH signed a sales agreement, albeit still containing a condition precedent, for its 45% participation in Transpalux.

The evolution of the **consolidated equity** is explained on page 131.

The **deposits** (including subordinated) received from clients of Bank J.Van Breda & C° increased by 351.7 million euros (+7.7%), with a stronger growth of the short-term portion.

The **financial debts** of the other fully consolidated participations increased by 125.5 million euros. The long-term portion of that debt decreased by 48.0 million euros, whereas the short-term portion increased by 173.5 million euros. This evolution is partly explained by the approaching maturity date of the bonds of DEME (200 million euros on February 14, 2019) and of Leasinvest Real Estate (75 million euros on October 9, 2019), and their reclassification to short-term financial debt. DEME accounts for 122.8 million euros of the increase in financial debt due to the sustained investment efforts and the movements in working capital.

The **other amounts payable** within one year decreased by 43.6 million euros, thanks among other things to the payment in September 2018 of the final tranche of 28 million euros that was still outstanding to NPM Capital for the acquisition in 2016 of its 26% minority interest in Sofinim.

Evolution of the financial debts (cash & non-cash)

(€ 1,000)	2018
Financial debts at the end of 2017	**1,887,644**
Changes in Cashflow statement (p. 159)	158,592
Non-cash changes :	
- Changes in consolidation scope - acquisitions	35,508
- Changes in consolidation scope - divestments	-82,767
- Impact of exchange rates	5
- Sale & lease back (Anima Care)	15,537
- Others	-1,397
Financial debts at the end of 2018	**2,013,122**

Note 6: segment information - cash flow statement 2018

(€ 1,000)	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5		
	Marine Engineering & Contracting	Private Banking	Real Estate & Senior Care	Energy & Resources	AvH & Growth Capital	Eliminations between segments	Total 2018
I. Cash and cash equivalents - opening balance	**524,994**	**3,762**	**48,930**	**402**	**58,939**		**637,027**
Profit (loss) from operating activities	235,215	52,551	130,894	-61	-18,752	-1,124	398,723
Reclassification 'Profit (loss) on disposal of assets' to cash flow from divestments	-7,879	-482	-30,692		-11,368		-50,421
Dividends from participations accounted for using the equity method	5,825	52,263	1,766	73	7,638		67,565
Other non-operating income (expenses)		716					716
Income taxes	-55,685	-11,465	-9,618		-1,343		-78,111
Non-cash adjustments							
Depreciation	272,495	4,446	17,131		2,972		297,044
Impairment losses	19,802	3,148	4,429		13,283		40,661
Share based payment		-1,498	163		973		-362
Profit (loss) on assets/liabilities designated at fair value through profit and loss			-6,285		2,581		-3,704
(Decrease) increase of provisions	-24,250	4,304	-1,126		-196		-21,268
(Decrease) increase of deferred taxes	-91	-916	-5,774		328		-6,452
Other non-cash expenses (income)	-3,070	269	-120		830		-2,091
Cash flow	**442,363**	**103,336**	**100,768**	**12**	**-3,054**	**-1,124**	**642,299**
Decrease (increase) of working capital	**-213,714**	**10,645**	**9,511**	**18**	**-26,446**	**6,165**	**-213,822**
Decrease (increase) of inventories and construction contracts	-64,473		10,631		-4,505		-58,347
Decrease (increase) of amounts receivable	-289,957	-28,245	-1,824	19	5,459	6,165	-308,384
Decrease (increase) of receivables from credit institutions and clients (banks)		-336,488					-336,488
Increase (decrease) of liabilities (other than financial debts)	134,724	-2,394	-9,905	-1	-26,304		96,120
Increase (decrease) of debts to credit institutions, clients & securities (banks)		379,047					379,047
Decrease (increase) other	5,993	-1,275	10,608		-1,096		14,230
Cash flow from operating activities	**228,649**	**113,981**	**110,279**	**30**	**-29,500**	**5,041**	**428,478**
Investments	**-450,192**	**-368,096**	**-239,731**	**-7,360**	**-39,780**	**1,937**	**-1,103,222**
Acquisition of intangible and tangible assets	-453,483	-5,867	-43,084		-3,482		-505,916
Acquisition of investment property			-182,707				-182,707
Acquisition of financial fixed assets	53,965	-289	-12,990	-7,360	-13,485		19,842
New amounts receivable	-50,674	-236	-950		-4,188	1,937	-54,112
Acquisition of investments		-361,704			-18,625		-380,329
Divestments	**34,152**	**330,654**	**107,664**	**0**	**65,541**		**538,011**
Disposal of intangible and tangible assets	15,834		155		38		16,027
Disposal of investment property			3,500				3,500
Disposal of financial fixed assets	9,564		103,477		46,904		159,945
Reimbursements of amounts receivable	8,755		486				9,241
Disposal of investments		330,654	45		18,598		349,297
Cash flow from investing activities	**-416,039**	**-37,442**	**-132,067**	**-7,360**	**25,760**	**1,937**	**-565,211**
Financial operations							
Interest received	7,501	8	2,659		332	-88	10,412
Interest paid	-23,934		-17,234		-388	1,212	-40,343
Other financial income (costs)	-3,605		-8,196	-6	-1,045		-12,852
Decrease (increase) of treasury shares					768		768
(Decrease) increase of financial debts	136,537		50,704		-20,548	-8,102	158,592
Distribution of profits					-73,019		-73,019
Dividends paid intra group	-36,695	-55,913	-7,410		100,017		0
Dividends paid to minority interests	-24,060	-15,161	-37,600				-76,820
Cash flow from financial activities	**55,745**	**-71,065**	**-17,076**	**-6**	**6,118**	**-6,977**	**-33,262**
II. Net increase (decrease) in cash and cash equivalents	**-131,646**	**5,474**	**-38,865**	**-7,336**	**2,378**		**-169,995**
Transfer between segments				7,360	-7,360		0
Change in consolidation scope or method	-3,314	119	401				-2,794
Capital decrease HPA (minorities)			-30,000		21,517		-8,483
Capital increase Leasinvest Real Estate (minorities)			83,961		-25,193		58,767
Capital increase expenses LRE deducted directly from equity			-1,644				-1,644
Impact of exchange rate changes on cash and cash equivalents	712		2	-17	12		709
III. Cash and cash equivalents - ending balance	**390,746**	**9,355**	**62,785**	**409**	**50,293**	**0**	**513,588**

Comments on the segment information - cash flow statement 2018

The **cash flow** over the full year 2018 amounted to 642.3 million euros, which is 31.0 million euros up on 2017. Nevertheless, the profit from operating activities, after adjustment for the profit from divestments, is in line with last year, and 31.0 million euros more income taxes were paid.

The profit from operating activities is lower than in 2017 for all segments, except "Real Estate & Senior Care" where capital gains were realized (especially the 29.8 million euros capital gains which HPA realized on the sale of the real estate of 14 retirement homes operated by Residalya).

The cash flow increase in 2018 is primarily explained by the increase in the **non-cash items** included in the operating result in 2018: 27.7 million euros more depreciation, 27.8 million euros more impairment losses, 28.3 million euros less profit on assets/liabilities designated at fair value, and 9.6 million euros less release of deferred taxes. The provisions showed an opposite evolution: in 2018, the operating result comprised a release of provisions to the amount of 21.3 million euros, whereas in 2017 additional provisions worth 11.2 million euros had been constituted.

- The sustained investments by DEME in the renewal and expansion of its fleet led to a 31.9 million euros increase in depreciation charges.
- In addition, impairment losses were recognized in profit or loss in 2018 up to a total amount of 40.7 million euros (a.o. 13.3 million euros additional impairment losses on Distriplus, 8.4 million euros net impairment losses at CFE and 6.0 million euros impairment losses on goodwill recognized by DEME on the final recognition of the purchase price of MEDCO, G-Tec and A2Sea).
- The assets designated at fair value made a positive contribution at a.o. Leasinvest Real Estate (investment property and the Retail Estates shares), as opposed to the evolution of the value of AvH's portfolio investments.
- Provisions worth a total of 21.3 million euros were reversed to profit or loss in 2018, and included a reversal of 15.4 million euros on contingent liabilities which AvH had recognized when CFE was acquired in 2013. This reversal has been made in view of the extinction of the underlying risk or the fact that CFE recognizes provisions in its own financial statements.

The growth of activity reported by DEME in particular resulted in an extra 213.8 million euros working capital requirement; consequently, the **cash flow from operating activities** amounted to 428.5 million euros, which is 120.1 million euros lower than in 2017. This increase in working capital follows an increase that had already occurred in 2017, albeit 151.1 million euros less than in 2018.

On balance, **investments** across the AvH group exceeded **divestments** by 565.2 million euros. In 2017, that balance stood at 441.0 million euros.

In 2018, DEME made additional investments worth a total of 441.3 million euros in tangible assets, while CFE invested 12.2 million euros. Furthermore, in 2H2018 DEME acquired exclusive control over its Qatar-based MEDCO subsidiary (with a positive net cash impact of 72.5 million euros).

Anima Care and HPA spent 22.2 million euros and 18.7 million euros respectively on the expansion of their retirement home network, but at the same time sold companies owning the real estate of Anima Care's Kruyenberg care centre (sold to Baltisse) and 14 residences operated by Residalya (sold to Icade Santé). HPA subsequently distributed 30 million euros of that amount to its shareholders (through a capital reduction).

Leasinvest Real Estate expanded its real estate portfolio in 2018 with the acquisition of 2 office buildings of the EBBC complex in Luxembourg, Hangar 26/27 in Antwerp, Montoyer 14 in Brussels, and investments in other projects that were already in portfolio at 31/12/2017. Leasinvest Real Estate also followed for its part the capital increase of Retail Estates, which represented an additional investment of 12.9 million euros. Those investments were financed by a capital increase of 84 million euros that was carried out in 4Q2018.

Extensa, too, continued in 2018 to invest in the Tour & Taxis site: in 2018, those investments were primarily intended for the construction of a new underground car park and the refurbishment of the Gare Maritime. At the end of 2018, the office building on the site of Cloche D'Or in Luxemburg that is leased to Alter Domus was sold to international investors.

The acquisition of investments should be seen in combination with the disposal of investments as part of the ALM policy of Bank J.Van Breda & C°.

The investments in the "AvH & Growth Capital" segment, besides the increase of the participation in SIPEF and our share in the capital increase of LRE (transfer between segments), primarily related to the acquisition of a 2.45% stake in EVS at year-end 2018 and additional investments and/or financing of OncoDNA, Healthquad (an Indian fund focused on the health care sector) and Distriplus. In that same segment, the disposal of the stakes in Atenor, BDM-Asco and an additional tranche of 3% of Koffie Rombouts yielded a total of 46.9 million euros.

The interest paid by the group decreased by 7.2 million euros net compared with the previous year, while the net interest charges in 2018 did not exceed 29.9 million euros. Despite the increased net financial debt position in "Marine Engineering & Contracting" during the year (particularly DEME), the interest paid in that segment decreased by 6.4 million euros.

To finance its activities and investments, AvH incurred 158.6 million euros worth of extra financial debts. In 2017, the group had reduced its financial debt by 9.7 million euros, with a lower cash flow from investing activities. In line with the favourable development of the results of 2017 reported by most group companies, 25.6 million euros more in dividends was paid out in 2018 outside the group by AvH and subsidiaries. The **cash flow from financial activities** resulted in a net outflow of 33.3 million euros, compared with 202.6 million euros in 2017.

CFE, Finaxis, Leasinvest Real Estate, HPA and the subsidiary of Extensa developing the Cloche d'Or residential real estate project in Luxembourg account for most of the dividends paid to minority interests by group companies.

The lower cash flow from operating activities, coupled with increased investments and a less negative cash flow from financial activities, resulted in a 170.0 million euros decrease in **cash and cash equivalents**.

Evolution of the cash position of the AvH group 2014-2018[1]

€ millions	2018	2017	2016	2015	2014
Treasury shares	34.7	35.5	29.0	28.4	24.5
Other investments					
- Portfolio shares	37.2	40.0	39.0	41.1	27.2
- Term deposits	23.9	1.3	26.2	33.2	55.9
Cash	31.2	49.7	5.3	5.6	6.5
Financial debts (commercial paper)	-24.0	-46.2	-31.2	-32.0	-92.7
Net cash position	**102.9**	**80.2**	**68.3**	**76.3**	**21.3**

[1] Includes the cash and financial debts to credit institutions and to financial markets of the consolidated subholdings recorded in the segment 'AvH & Growth Capital' and the cash of GIB (50%) and FinAx/Finaxis. To the extent that the treasury shares are held in portfolio to cover outstanding option obligations, the value of the treasury shares is matched to those obligations.

Note 6: Segment information - income statement 2017

(€ 1,000)	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5		
	Marine Engineering & Contracting	Private Banking	Real Estate & Senior Care	Energy & Resources	AvH & Growth Capital	Eliminations between segments	Total 2017
Revenue	**3,279,471**	**163,256**	**420,694**	**13,197**	**76,362**	**-2,405**	**3,950,575**
Rendering of services	4,459		189,296	13,156	2,324	-2,262	206,973
Lease revenue		7,407	1,567				8,974
Real estate revenue	10,900		216,997				227,897
Interest income - banking activities		97,563					97,563
Fees and commissions - banking activities		55,637					55,637
Revenue from construction contracts	3,191,328				71,255		3,262,584
Other operating revenue	72,783	2,649	12,834	41	2,783	-143	90,948
Other operating income	**7,093**	**2,637**	**3,405**	**-3**	**1,622**	**-271**	**14,484**
Interest on financial fixed assets - receivables	7,093		134		275	-201	7,301
Dividends	1	2,637	3,271	-3	959		6,864
Government grants							0
Other operating income					388	-70	318
Operating expenses (-)	**-3,083,651**	**-111,323**	**-344,696**	**-9,987**	**-107,684**	**2,475**	**-3,654,866**
Raw materials and consumables used (-)	-1,818,638		-148,606	-6,411	-31,471		-2,005,126
Changes in inventories of finished goods, raw materials & consumables (-)	13,306		9,466		161		22,932
Interest expenses Bank J.Van Breda & C° (-)		-25,869					-25,869
Employee expenses (-)	-574,152	-43,981	-111,674	-1,059	-35,035		-765,902
Depreciation (-)	-240,747	-5,248	-18,644	-1,920	-2,755		-269,315
Impairment losses (-)	9,734	-1,660	-2,398		-18,400		-12,724
Other operating expenses (-)	-462,909	-33,581	-73,013	-596	-20,125	2,475	-587,750
Provisions	-10,245	-984	173		-57		-11,113
Profit (loss) on assets/liabilities designated at fair value through profit and loss	**0**	**0**	**31,960**	**0**	**0**	**0**	**31,960**
Financial assets held for trading							0
Investment property			31,960				31,960
Profit (loss) on disposal of assets	**47,657**	**1,484**	**-2,758**	**355**	**37,103**	**0**	**83,841**
Realised gain (loss) on intangible and tangible assets	10,845			3	20		10,868
Realised gain (loss) on investment property			-2,798				-2,798
Realised gain (loss) on financial fixed assets	36,812	2	23	352	35,992		73,181
Realised gain (loss) on other assets		1,483	17		1,090		2,591
Profit (loss) from operating activities	**250,570**	**56,054**	**108,605**	**3,562**	**7,403**	**-201**	**425,993**
Finance income	**51,106**	**13**	**3,615**	**13**	**1,660**	**-762**	**55,645**
Interest income	7,906	13	2,664	9	1,000	-762	10,830
Other finance income	43,199		951	4	661	0	44,815
Finance costs (-)	**-83,653**	**0**	**-27,867**	**-88**	**-2,190**	**963**	**-112,836**
Interest expenses (-)	-25,198		-17,469	-88	-446	963	-42,237
Other finance costs (-)	-58,456		-10,399		-1,744	0	-70,599
Derivative financial instruments designated at fair value through profit and loss	**0**	**-85**	**718**	**0**	**0**		**633**
Share of profit (loss) from equity accounted investments	**-13,639**	**106,921**	**10,979**	**37,560**	**-962**		**140,859**
Other non-operating income	**1,231**	**1,154**	**0**	**0**	**0**		**2,385**
Other non-operating expenses (-)	**0**	**0**	**0**	**0**	**0**		**0**
Profit (loss) before tax	**205,614**	**164,057**	**96,050**	**41,047**	**5,911**	**0**	**512,680**
Income taxes	**-45,067**	**-19,526**	**8,689**	**-1,035**	**-83**	**0**	**-57,022**
Deferred taxes	5,112	-3,281	13,882	-10	379		16,082
Current taxes	-50,179	-16,245	-5,194	-1,024	-462		-73,104
Profit (loss) after tax from continuing operations	**160,547**	**144,531**	**104,739**	**40,013**	**5,828**	**0**	**455,657**
Profit (loss) after tax from discontinued operations	**0**	**0**	**0**	**0**	**0**		**0**
Profit (loss) of the period	**160,547**	**144,531**	**104,739**	**40,013**	**5,828**	**0**	**455,657**
Minority interests	69,959	30,608	50,392	2,087	82		153,128
Share of the group	90,588	113,923	54,347	37,925	5,746		302,530

Note 6: segment information - assets 2017

(€ 1,000)	Segment 1 Marine Engineering & Contracting	Segment 2 Private Banking	Segment 3 Real Estate & Senior Care	Segment 4 Energy & Resources	Segment 5 AvH & Growth Capital	Eliminations between segments	Total 2017
I. Non-current assets	**2,839,219**	**4,410,084**	**1,565,916**	**204,048**	**242,594**	**-6,385**	**9,255,476**
Intangible assets	**91,363**	**2,930**	**84,670**		**605**		**179,567**
Goodwill	**186,821**	**134,247**	**28,455**				**349,523**
Tangible assets	**2,126,568**	**41,578**	**378,527**		**26,204**		**2,572,877**
Investment property			**945,488**				**945,488**
Participations accounted for using the equity method	**154,177**	**679,973**	**28,204**	**204,048**	**174,344**		**1,240,746**
Financial fixed assets	**167,868**	**818**	**75,144**		**29,740**	**-6,385**	**267,186**
Available for sale financial fixed assets	18,003		74,550		9,781		102,335
Receivables and warranties	149,865	818	594		19,959	-6,385	164,851
Non-current hedging instruments	**921**	**3,662**	**1,066**				**5,649**
Amounts receivable after one year	**7,737**	**138,029**	**23,024**		**8,319**		**177,109**
Trade receivables	2,418				4,540		6,958
Finance lease receivables		138,029	22,736				160,765
Other receivables	5,320		288		3,779		9,386
Deferred tax assets	**103,763**	**735**	**1,338**		**3,382**		**109,219**
Banks - receivables from credit institutions and clients after one year		**3,408,112**					**3,408,112**
II. Current assets	**1,843,121**	**1,828,829**	**371,492**	**424**	**169,859**	**-21,347**	**4,192,378**
Inventories	**148,260**		**180,744**		**396**		**329,400**
Amounts due from customers under construction contracts	**46,077**		**20,359**		**7,856**		**74,292**
Investments	**3**	**427,712**	**153**		**40,013**		**467,882**
Available for sale financial assets		427,712	153		40,013		467,879
Financial assets held for trading	3						3
Current hedging instruments	**4,154**	**399**					**4,553**
Amounts receivable within one year	**1,082,719**	**84,743**	**114,901**		**59,907**	**-20,857**	**1,321,413**
Trade debtors	1,007,332		46,560		14,750	-2,490	1,066,152
Finance lease receivables		54,568	571				55,139
Other receivables	75,387	30,175	67,770		45,156	-18,367	200,122
Current tax receivables	**13,783**		**4,411**	**22**	**813**		**19,030**
Banks - receivables from credit institutions and clients within one year		**1,304,957**					**1,304,957**
Banks - loans and advances to banks		88,863					88,863
Banks - loans and receivables (excl. finance leases)		908,056					908,056
Banks - cash balances with central banks		308,038					308,038
Cash and cash equivalents	**524,994**	**3,762**	**48,930**	**402**	**58,939**		**637,027**
Time deposits for less than three months	35,107	1	3		41		35,152
Cash	489,887	3,761	48,927	402	58,898		601,875
Deferred charges and accrued income	**23,131**	**7,256**	**1,993**		**1,935**	**-491**	**33,824**
III. Assets held for sale		**11,686**	**3,613**		**5,860**		**21,159**
Total assets	**4,682,340**	**6,250,598**	**1,941,021**	**204,472**	**418,314**	**-27,732**	**13,469,013**

(€ 1,000) Segment information - pro forma turnover	Segment 1 Marine Engineering & Contracting	Segment 2 Private Banking	Segment 3 Real Estate & Senior Care	Segment 4 Energy & Resources	Segment 5 AvH & Growth Capital	Eliminations between segments	Total 2017
Turnover EU member states	2,449,186	535,490	404,068	59,422	661,099	-2,262	4,107,003
Other European countries	39,925	309	3,792	18,897	69,074		131,997
Rest of the world	727,242			45,911	351,175		1,124,328
Total	**3,216,352**	**535,800**	**407,860**	**124,230**	**1,081,349**	**-2,262**	**5,363,329**

The pro forma turnover comprises the turnover of all participations held by the AvH group, and therefore deviates from the turnover as reported in the legal IFRS consolidation drawn up on the basis of the consolidation scope reported on page 145 to 151. In this pro forma presentation, all (exclusive) control interests are incorporated in full and the other interests proportionally.

Note 6: segment information - equity and liabilities 2017

(€ 1,000)	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5		
	Marine Engineering & Contracting	Private Banking	Real Estate & Senior Care	Energy & Resources	AvH & Growth Capital	Eliminations between segments	Total 2017
I. Total equity	1,626,817	1,351,777	707,868	204,466	304,344		4,195,272
Shareholders' equity - group share	981,360	1,095,291	389,692	204,466	301,400		2,972,208
Issued capital					113,907		113,907
Share capital					2,295		2,295
Share premium					111,612		111,612
Consolidated reserves	1,006,643	1,093,851	387,336	202,778	215,003		2,905,611
Revaluation reserves	-25,283	1,439	2,356	1,688	2,317		-17,482
Financial assets available for sale		1,860	8,804		12,916		23,579
Hedging reserves	-743	-183	-9,302	20	4		-10,204
Actuarial gains (losses) defined benefit pension plans	-15,262	33	-21	-644	810		-15,083
Translation differences	-9,278	-271	2,876	2,312	-11,412		-15,774
Treasury shares (-)					-29,828		-29,828
Minority interests	645,457	256,487	318,176		2,944		1,223,064
II. Non-current liabilities	928,196	684,166	867,427		3,882	-6,385	2,477,286
Provisions	76,843	4,572	3,545		1,421		86,381
Pension liabilities	53,149	3,995	790		200		58,134
Deferred tax liabilities	129,641	704	80,410		1,513		212,268
Financial debts	656,857		737,232		474	-6,385	1,388,177
Bank loans	366,402		511,068				877,470
Bonds	231,378		203,948				435,327
Subordinated loans	5,354						5,354
Finance leases	45,427		20,247		474		66,147
Other financial debts	8,296		1,969			-6,385	3,880
Non-current hedging instruments	7,209	8,572	34,616				50,397
Other amounts payable after one year	4,497	11,155	10,834		274		26,761
Banks - debts to credit institutions, clients & securities		655,168					655,168
Banks - deposits from credit institutions							0
Banks - deposits from clients		607,368					607,368
Banks - debt certificates including bonds							0
Banks - subordinated liabilities		47,800					47,800
III. Current liabilities	2,127,327	4,214,655	365,726	7	110,087	-21,347	6,796,455
Provisions	59,047	12	108				59,166
Pension liabilities		289					289
Financial debts	235,162		223,352		51,560	-10,607	499,467
Bank loans	116,042		47,791				163,833
Bonds	99,959						99,959
Finance leases	7,921		2,342		4,967		15,230
Other financial debts	11,241		173,218		46,593	-10,607	220,445
Current hedging instruments	7,445	800	160				8,405
Amounts due to customers under construction contracts	224,657				11,047		235,704
Other amounts payable within one year	1,491,839	13,252	100,206	3	46,411	-10,250	1,641,461
Trade payables	1,277,741	10	68,028	3	8,177	-1,213	1,352,745
Advances received			2,505				2,505
Amounts payable regarding remuneration and social security	152,612	8,177	17,565		7,669		186,022
Other amounts payable	61,487	5,065	12,108		30,565	-9,036	100,189
Current tax payables	42,538	3,437	18,429	4	283		64,691
Banks - debts to credit institutions, clients & securities		4,191,182					4,191,182
Banks - deposits from credit institutions		27,458					27,458
Banks - deposits from clients		3,898,145					3,898,145
Banks - debt certificates including bonds		253,114					253,114
Banks - subordinated liabilities		12,465					12,465
Accrued charges and deferred income	66,639	5,683	23,472		786	-491	96,089
IV. Liabilities held for sale							0
Total equity and liabilities	4,682,340	6,250,598	1,941,021	204,472	418,314	-27,732	13,469,013

Note 6: segment information - cash flow statement 2017

(€ 1,000)	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5		
	Marine Engineering & Contracting	Private Banking	Real Estate & Senior Care	Energy & Resources	AvH & Growth Capital	Eliminations between segments	**Total 2017**
I. Cash and cash equivalents -opening balance	**639,458**	**5,857**	**63,191**	**6,046**	**39,762**		**754,315**
Profit (loss) from operating activities	250,570	56,054	108,605	3,562	7,403	-201	425,993
Reclassification ‘Profit (loss) on disposal of assets’ to cash flow from divestments	-47,657	-1,484	2,758	-355	-37,103		-83,841
Dividends from participations accounted for using the equity method	7,863	46,594		375	7,561		62,392
Other non-operating income (expenses)	1,231	1,154					2,385
Income taxes	-35,180	-19,526	8,689	-1,035	-83		-47,135
Non-cash adjustments							
Depreciation	240,747	5,248	18,644	1,920	2,755		269,315
Impairment losses	-9,734	1,751	2,463		18,400		12,881
Share based payment		1,057	57		801		1,915
Profit (loss) on assets/liabilities designated at fair value through profit and loss			-31,960				-31,960
(Decrease) increase of provisions	9,641	1,615	-87		57		11,226
(Decrease) increase of deferred taxes	-5,112	3,281	-13,882	10	-379		-16,082
Other non-cash expenses (income)	-938	5,220	3	2	-101		4,186
Cash flow	**411,431**	**100,964**	**95,291**	**4,480**	**-689**	**-201**	**611,275**
Decrease (increase) of working capital	**152,296**	**-179,168**	**-6,217**	**22,657**	**-31,097**	**-21,163**	**-62,693**
Decrease (increase) of inventories and construction contracts	-34,321		1,790		805		-31,726
Decrease (increase) of amounts receivable	158,341	-45,296	-17,233	22,645	1,114	-25,611	93,961
Decrease (increase) of receivables from credit institutions and clients (banks)		-553,818	281				-553,537
Increase (decrease) of liabilities (other than financial debts)	29,543	3,260	5,071	-294	-32,407	4,448	9,621
Increase (decrease) of debts to credit institutions. clients & securities (banks)		419,257					419,257
Decrease (increase) other	-1,267	-2,571	3,874	305	-610		-268
Cash flow from operating activities	**563,727**	**-78,203**	**89,074**	**27,137**	**-31,787**	**-21,364**	**548,583**
Investments	**-687,533**	**-219,797**	**-204,727**	**-44,261**	**-8,779**		**-1,165,097**
Acquisition of intangible and tangible assets	-459,968	-4,531	-21,596	-3,837	-1,909		-491,841
Acquisition of investment property			-126,121				-126,121
Acquisition of financial fixed assets	-205,814		-51,286	-40,425	-6,488		-304,012
New amounts receivable	-21,751	-195	-5,724		-150		-27,820
Acquisition of investments		-215,071			-231		-215,302
Divestments	**92,430**	**357,989**	**213,067**	**10,578**	**50,039**		**724,102**
Disposal of intangible and tangible assets	19,402	6	1,001	3	47		20,459
Disposal of investment property	1,500		112,002				113,502
Disposal of financial fixed assets	58,528	4	97,574	10,574	48,308		214,987
Reimbursements of amounts receivable	13,001		95		248		13,344
Disposal of investments		357,979	2,395		1,435		361,809
Cash flow from investing activities	**-595,103**	**138,192**	**8,340**	**-33,683**	**41,260**		**-440,994**
Financial operations							
Interest received	7,878	13	2,681	9	1,000	-762	10,820
Interest paid	-30,330		-18,044	-88	-446	963	-47,945
Other financial income (costs)	-13,354		-10,140	4	-1,029		-24,519
Decrease (increase) of treasury shares					-6,993		-6,993
(Decrease) increase of financial debts	32,413		-54,150	-1,440	-7,730	21,163	-9,743
Distribution of profits					-67,638		-67,638
Dividends paid intra group	-43,932	-48,825	-166,544	-13,678	272,979		0
Dividends paid to minority interests	-21,554	-13,253	-17,073	-4,559	-109		-56,548
Cash flow from financial activities	**-68,879**	**-62,066**	**-263,269**	**-19,752**	**190,035**	**21,364**	**-202,566**
II. Net increase (decrease) in cash and cash equivalents	**-100,255**	**-2,078**	**-165,855**	**-26,299**	**199,508**		**-94,978**
Transfer between segments	-11,334		151,218	40,425	-180,309		0
Change in consolidation scope or method	-234	-18	-1,894	-19,744			-21,890
Capital increases (minorities)			150				150
Impact of exchange rate changes on cash and cash equivalents	-2,642		2,120	-25	-22		-570
III. Cash and cash equivalents - ending balance	**524,994**	**3,762**	**48,930**	**402**	**58,939**		**637,027**

Note 7: intangible assets

(€ 1,000)	Develop-ment costs	Concessions, patents & licences	Goodwill	Software	Other intangible assets	Advance payments	Total
Movements in intangible assets - financial year 2017							
Intangible assets, opening balance	**5**	**57,664**	**15,351**	**6,233**	**86,418**	**1,161**	**166,832**
Gross amount	3,347	73,607	17,802	29,056	93,443	1,161	218,416
Accumulated depreciation (-)	-3,342	-15,943	-2,451	-22,822	-7,025	0	-51,584
Investments	275	519	910	673	507	605	3,490
Additions through business combinations		10,573	6,465		727	6	17,772
Disposals (-)		-214		-8			-222
Disposals through business disposals (-)							0
Depreciations (-)	-70	-4,333		-3,107	-1,095		-8,604
Impairments (-)					-507		-507
Foreign currency exchange increase (decrease)		-12		5	1		-7
Transfer from (to) other items	651	9		783	154	-785	812
Other increase (decrease)				1		-1	0
Intangible assets, ending balance	**861**	**64,207**	**22,726**	**4,581**	**86,206**	**986**	**179,567**
Gross amount	4,207	85,814	22,726	30,200	94,992	986	238,925
Accumulated depreciation (-)	-3,346	-21,607	0	-25,618	-8,317	0	-58,889
Accumulated impairments (-)	0	0	0	0	-469	0	-469
Movements in intangible assets - financial year 2018							
Intangible assets, opening balance	**861**	**64,207**	**22,726**	**4,581**	**86,206**	**986**	**179,567**
Gross amount	4,207	85,814	22,726	30,200	94,992	986	238,925
Accumulated depreciation (-)	-3,346	-21,607	0	-25,618	-8,317	0	-58,889
Accumulated impairments (-)	0	0	0	0	-469	0	-469
Investments	285	1,126	184	809	66	576	3,039
Additions through business combinations							0
Disposals (-)		-9		-3			-3
Disposals through business disposals (-)		-82					-82
Depreciations (-)	-573	-3,084		-2,311	-223		-6,191
Impairments (-)							0
Foreign currency exchange increase (decrease)		-42		-3			-45
Transfer from (to) other items	139	176		1,319	19	-1,131	521
Other increase (decrease)	-2						-2
Intangible assets, ending balance	**709**	**62,293**	**22,911**	**4,393**	**86,067**	**430**	**176,802**
Gross amount	4,546	85,852	22,911	32,220	94,627	430	240,586
Accumulated depreciation (-)	-3,836	-23,560	0	-27,827	-8,561	0	-63,784
Accumulated impairments (-)	0	0	0	0	0	0	0

The intangible assets decreased by 2.8 million euros as a result of depreciation charges that exceed the (limited) investments of 2018.

Furthermore this item consists largely of intangible assets (15.2 million euros of trade names and 69.3 million euros of databases) which were reported in the consolidated balance sheet at year-end 2013 following the acquisition of control over DEME, of intangible assets arising from the acquisitions in previous years of Anima Care and HPA, and of software developments at Bank J.Van Breda & C°.

Note 8: goodwill

(€ 1,000)	2018	2017
Movements in goodwill		
Goodwill, opening balance	**349,523**	**342,539**
Gross amount - fully consolidated participations	370,213	361,870
Accumulated impairment losses - fully consolidated participations (-)	-20,690	-19,331
Additions through business combinations [1]	5,987	14,270
Impairments through profit and loss (-)	-5,987	-4,536
Other increase (decrease)	-9,785	-2,750
Goodwill, ending balance	**339,738**	**349,523**
Gross amount - fully consolidated participations	361,634	370,213
Accumulated impairment losses - fully consolidated participations (-)	-21,897	-20,690

[1] See Note 5 on Business Combinations for more details.

The acquisition through business combinations only relates to acquisitions by DEME:

- On September 3, 2018, DEME acquired additional economic rights from Middle East Dredging Company QSC "MEDCO", which increased the stake from 44.1% to 95%. The total unallocated goodwill generated by the transaction amounts to 5.3 million euros and was written off on December 31, 2018.
- The final accounting for A2Sea and G-TEC (business combinations from 2017) gave rise to goodwill of 0.7 million euros, which was subsequently written off.

The cancellation of the initial goodwill of 7.4 million euros on the provisional processing at the end of 2017 (A2Sea & G-TEC) is included in the 'other decrease' item.
For more information about both operations, we refer to Note 5. Business combinations.

On balance, the goodwill is mainly attributable to FinAx, DEME (following the acquisition of control at year-end 2013) and to the subsidiaries held by DEME, CFE, Anima Care and HPA. It should be pointed out that this does not include the goodwill (clients) of 228.8 million euros in the consolidated balance sheet of Delen Private Bank, as Delen Private Bank is recognized according to the equity method. This goodwill mainly results from the acquisition of Capital & Finance in 2007, JM Finn in 2011, and to a limited extent Oyens & Van Eeghen (end of 2015).

AvH subjects the goodwill on its balance sheet to an impairment test in case of impairment indications and at least annually. This means the goodwill that is reported as such in the consolidated balance sheet under the item 'Goodwill', as well as the goodwill that is contained in the item 'Participations accounted for using the equity method' on the assets side. Each group company of AvH is treated as a distinct cash generating unit (CGU). As part of the impairment test, a fair value is determined for each CGU on the basis of publicly available market valuations (broker reports / market price of listed companies). If after this first step on the basis of a fair value approach it turns out that additional justification is required, a value in use will also be determined from the perspective of AvH based on a discounted cash flow (DCF) model or market multiples. If, after this second step, still no adequate justification can be given for the goodwill in the balance sheet, an 'impairment' will be recognized.

With regard to the mandatory impairment test on goodwill, the value in use in one intangible case was calculated using a DCF methodology based on reasonable assumptions. In the other cases, the realizable value was assessed against the fair value.

Note 9: tangible assets

Significant investments (580.3 million euros, including the impact through business combinations), depreciation charges of 290.9 million euros and the sale by HPA of the real estate of 14 residences (-148.1 million euros) explain the evolution of the tangible assets, which increased by 138.2 million euros to 2,711.1 million euros.

DEME again made substantial investments in 2018 to a total amount of 441.3 million euros in the modernization and expansion of its fleet. In 2018, the Apollo and the Living Stone were brought into service, while building work continued on the Spartacus and the Orion. This investment volume far exceeds the 256.9 million euros worth of depreciation that was recognized.

Furthermore, in 2H2018 DEME acquired exclusive control over its Qatar-based MEDCO subsidiary, which is now fully consolidated instead of being accounted for using the equity method as before. As a result, the MEDCO vessels, which include the cutters Al Mahaar and Al Jarraf, now appear on the balance sheet of DEME (and therefore of AvH) where they represent an amount of 79.6 million euros.
The balance on the "additions through business combinations" item is explained by the final processing of A2Sea & G-TEC, with a 4.3 million euros higher valuation of the tangible fixed assets.

Anima Care and HPA spent 22.2 million euros and 18.7 million euros respectively on the expansion of their retirement home network, but at the same time sold companies owning the real estate of Anima Care's Kruyenberg care centre (sold to Baltisse) and 14 residences operated by Residalya (sold to Icade Santé):

- In Q3 2018, HPA proceeded to sell the real estate of 14 sites operated by Residalya to Icade Santé, an investor specialising in healthcare real estate. This transaction, in which the underlying real estate was valued at 189 million euros, provided HPA with a net capital gain of 29.8 million euros and eliminated 148.1 million euros in real estate assets from HPA's balance sheet.
- In 2018, for the first time, Anima Care sold the real estate ('disposal') of a well-functioning retirement home (Kruyenberg) and rented it back over the long term ('other increase'). This transaction only had a limited impact on the results of 2018 as the realised capital gain of 7.5 million euros will be recognised spread over 25 years.
- Both have also transferred a building to 'Held for sale'.

Note 9: tangible assets

(€ 1,000)	Land and buildings	Plant. machinery and equipment	Furniture and vehicles	Other tangible assets	Assets under construction & advance payments	Operating lease as lessor (IAS 17)	Total 2017
I. Movements in tangible assets - financial year 2017							
Tangible assets, opening balance	**475,433**	**1,488,867**	**31,411**	**4,364**	**134,301**	**263**	**2,134,639**
Gross amount	599,583	3,213,697	120,799	12,782	134,301	1,381	4,082,542
Accumulated depreciation (-)	-121,663	-1,724,829	-88,652	-8,418		-1,118	-1,944,681
Accumulated impairments (-)	-2,487		-736				-3,223
Investments	13,273	108,266	8,763	1,050	390,732	76	522,161
Additions through business combinations	20,360	188,563	825	281			210,028
Disposals (-)	-4,123	-4,420	-229	-7	-683		-9,462
Disposals through business disposals (-)	-5,371	-7,462	-136		-4,071		-17,041
Depreciations (-)	-21,261	-227,936	-10,454	-1,005		-56	-260,711
Impairments (-)	-220						-220
Foreign currency exchange increase (decrease)	-97	-3,217	-364		-81		-3,758
Transfer from (to) other items	1,728	73,144	-985	-7	-75,306		-1,426
Other increase (decrease)	-36	10	-9	37	-1,334		-1,332
Tangible assets, ending balance	**479,686**	**1,615,815**	**28,822**	**4,713**	**443,558**	**283**	**2,572,877**
Gross amount	614,612	3,452,446	128,765	14,547	443,558	1,457	4,655,385
Accumulated depreciation (-)	-132,227	-1,836,631	-99,207	-9,834		-1,174	-2,079,073
Accumulated impairments (-)	-2,699		-736				-3,435
II. Other information							
Finance leases							
Net carrying amount of tangible assets under finance lease	72,701	55,548	3,275				131,525
Tangible assets acquired under finance lease		5,103	597				5,700

(€ 1,000)	Land and buildings	Plant, machinery and equipment	Furniture and vehicles	Other tangible assets	Assets under construction & advance payments	Operating lease as lessor (IAS 17)	Total 2018
I. Movements in tangible assets - financial year 2018							
Tangible assets, opening balance	**479,686**	**1,615,815**	**28,822**	**4,713**	**443,558**	**283**	**2,572,877**
Gross amount	614,612	3,452,446	128,765	14,547	443,558	1,457	4,655,385
Accumulated depreciation (-)	-132,227	-1,836,631	-99,207	-9,834		-1,174	-2,079,073
Accumulated impairments (-)	-2,699		-736				-3,435
Investments	16,505	184,661	12,189	959	282,098		496,413
Additions through business combinations		83,421	424				83,845
Disposals (-)	-7,479	-1,568	-613		-5,725		-15,385
Disposals through business disposals (-)	-143,160	-196	-571		-4,436		-148,364
Depreciations (-)	-19,163	-259,221	-11,300	-1,162		-7	-290,853
Impairments (-)	-2,924						-2,924
Foreign currency exchange increase (decrease)	-303	856	7		24	-49	534
Transfer from (to) other items	7,095	240,721	412	8	-252,884	-227	-4,874
Other increase (decrease)	18,336	1,492	2				19,830
Tangible assets, ending balance	**348,592**	**1,865,980**	**29,372**	**4,518**	**462,635**	**0**	**2,711,097**
Gross amount	481,405	3,934,812	125,865	15,258	462,635		5,019,975
Accumulated depreciation (-)	-129,313	-2,068,832	-95,759	-10,740			-2,304,644
Accumulated impairments (-)	-3,499	0	-734				-4,234
II. Other information							
Finance leases							
Net carrying amount of tangible assets under finance lease	26,590	49,416	2,157				78,163
Tangible assets acquired under finance lease	75	2,825	711				3,611

Note 10: investment property at fair value

(€ 1,000)	Leased buildings	Operating lease as lessor - IAS 40	Development projects	Assets held for sale	Total
I. Movement in investment property at fair value - financial year 2017					
Investment property, opening balance	**806,432**	**0**	**204,322**	**56,466**	**1,067,220**
Gross amount	806,432	0	204,322	56,466	1,067,220
Investments	107,464		17,215	1,441	126,121
Additions through business combinations				113	113
Disposals (-)			-174,849	-117,141	-291,990
Gains (losses) from fair value adjustments	16,342		19,108	-1,658	33,792
Transfer from (to) other items	-52,849			64,392	11,543
Other increase (decrease)	2,303				2,303
Investment property, ending balance	**879,691**	**0**	**65,796**	**3,613**	**949,100**
Gross amount	879,691	0	65,796	3,613	949,100
I. Movement in investment property at fair value - financial year 2018					
Investment property, opening balance	**879,691**	**0**	**65,796**	**3,613**	**949,100**
Gross amount	879,691	0	65,796	3,613	949,100
Investments	115,597		67,111		182,707
Additions through business combinations					0
Disposals (-)				-3,613	-3,613
Gains (losses) from fair value adjustments	-700		152	1,278	730
Transfer from (to) other items	37,206		-32,617	18,489	23,078
Other increase (decrease)	5,296			-14	5,282
Investment property, ending balance	**1,037,089**	**0**	**100,442**	**19,753**	**1,157,285**
Gross amount	1,037,089	0	100,442	19,753	1,157,285

(€ 1,000)	Total 2018	Total 2017
Breakdown of real estate revenue in the income statement		
Sale of land parcels	5,350	70
Rental income	61,349	61,912
Other real estate revenue (a.o. real estate promotion revenues)	249,877	165,915
	316,576	**227,897**
Key figures - buildings in portfolio LRE (excluding development projects)		
Rental yield (%)	6.45%	6.44%
Occupancy rate (%)	94.26%	94.80%
Average duration of the leases till first break (# years)	4.34	4.74

With a real estate portfolio (excluding leasing) of 1,019.3 million euros, Leasinvest Real Estate is responsible for 88% of this balance sheet item. The balance comes from Extensa (133.3 million euros in real estate investments with, among other things, rented buildings on the Tour & Taxis site in Brussels) and two buildings held for sale from the retirement home segment.

Supported by the 84 million euros fresh funds contributed by the shareholders on the occasion of the public capital increase, **Leasinvest Real Estate (LRE)** invested 127.2 million euros in real estate assets in 2018, with the purchase of 2 office buildings in the EBBC complex in Luxembourg, the Hangar 26/27 building in Antwerp, and Montoyer 14 in Brussels as main investments.

Extensa, too, continued in 2018 to invest in the Tour & Taxis site: in 2018, those investments were primarily intended for the construction of a new underground car park and the refurbishment of the Gare Maritime.

Valuation of investment properties

Leasinvest Real Estate uses the following methods to define the fair value according to IFRS 13:

- **Net present value of estimated rental income**
  The fair value is the result of the yield applied on the estimated rental value (capitalisation method or market approach) corrected by the net present value of the difference between the current rent and the estimated rental value at the valuation date, and this, for the period till the next break possibility of the current rental contracts.
- **Discounted cash flow method**
  The DCF method consists in defining the present value of the future cash flows. The future rental income is estimated on the basis of the existing contractual rents and the real estate market outlook for each building in the following periods. Moreover, the future maintenance costs are also estimated and taken into account. The actualisation rate applied takes into account the risk premium for the object defined by the market. The obtained value is also compared to the market on the basis of the definition of the residual land value.
- **Residual valuation**
  Buildings to renovate or in the course of renovation, or planned projects are valued based on the value after renovation, under deduction of the amount for the remainder of the work to be carried out, including costs, interests, vacancy and risk premium.

Assets and liabilities valued at fair value after their initial booking can be presented in three levels (1-3), that each correspond to a different input level to observe the fair value:

- **Level 1** inputs are quoted prices in active markets for identical assets or liabilities
- **Level 2** inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. deducted from prices).
- **Level 3** inputs are unobservable inputs for the asset or liability based on valuations techniques comprising data for the asset or liability.

The investment properties fall under level 3. The valuations at the end of 2018 were carried out by external parties (including Cushman & Wakefield, Stadim, de Crombrugghe & Partners and Oerag).
This table provides an overview of the valuation techniques applied per asset class.

Asset class	Fair value 2018 (€ 1,000)	Fair value 2017 (€ 1,000)	Valuation technique	Important input data	31/12/2018 Min-Max (weighted average)	31/12/2017 Min-Max (weighted average)
Retail Grand Duchy of Luxembourg & Belgium	343,076	334,150	Actualization of estimated rental income	a) Estimated rental value spread b) Average weighted estimated rental value c) Capitalization rate spread d) Weighted average cap. rate e) Remaining duration f) Number m²	a) [9.34 €/m² - 18.77 € /m²] b) [12.85 € /m²] c) [5.70% - 7.02%] d) [6.59%] e) 3.74 years f) 153 245 m²	a) [8.35 €/m² - 19.93 € /m²] b) [13.17 € /m²] c) [5.60% - 7.15%] d) [6.22%] e) 5.50 years f) 153 245 m²
Retail Austria	106,530	102,650	DCF (discounted cash flow)	a) Average weighted estimated rental value b) Capitalization rate spread c) Capitalization rate calculation terminal value after 10y d) Remaining duration e) Number m²	a) [11.18 €/m²] b) [4.97% - 5.67%] c) [5.26%] d) 6.37 years e) 43 404 m²	a) [9.88 €/m²] b) [5.02% - 5.72%] c) [5.36%] d) 6.00 years e) 42 600 m²
Offces Grand Duchy of Luxembourg	241,860	205,350	Actualization of estimated rental income	a) Estimated rental value spread b) Average weighted estimated rental value c) Capitalization rate spread d) Weighted average cap. rate e) Remaining duration f) Number m²	a) [11.54 €/m² - 48.25 € /m²] b) [27.64 €/m²] c) [5.00% - 8.65%] d) [6.27%] e) 3.63 years f) 48 657 m²	a) [23.42 €/m² - 39.99 € /m²] b) [29.93 €/m²] c) [5.15% - 8.65%] d) [6.6%] e) 2.70 years f) 32 061 m²
Offces Belgium	268,467	218,272	Actualization of estimated rental income	a) Estimated rental value spread b) Average weighted estimated rental value c) Capitalization rate spread d) Weighted average cap. rate e) Remaining duration f) Number m²	a) [8.42 €/m² - 22.02 €/m²] b) [10.64 €/m²] c) [4.10% - 9.35%] d) [6.05%] e) 6.71 years f) 130 013 m²	a) [9.77 €/m² - 11.76 €/m²] b) [10.83 €/m²] c) [5.60% - 9.00%] d) [7.22%] e) 4.50 years f) 113 870 m²
Logistics	62,100	42,570	DCF (discounted cash flow or net present value of cash-flows at discount rate)	a) Estimated rental value spread b) Average weighted estimated rental value c) Average discount rate d) Economic life e) Remaining duration f) Number m²	a) [4.79 €/m² - 7.64 € /m²] b)[6.06 € /m²] c) 7.83% d) 30 years e) 3.25 years f) 33 979 m²	a) [3.35 €/m² - 16.88 € /m²] b)[4.82 € /m²] c) 7.32% d) 30 years e) 9.65 years f) 26 084 m²
Total (1)	**1,022,033**	**902,992**				

(1) Investment property including lease (State Archives building in Bruges - Note 16), while excluding assets held for sale.

Valuation of investment properties (continued)

The rented buildings of **Extensa** (Hôtel de la Poste, Hôtel des Douanes, Public Warehouse and underground car park) are valued in a similar way at fair value, based on the actualisation of the estimated rental income and the discounted cash-flow method (level 3).

(€ 1.000)	Country	2018	2017
Investment property Extensa			
Events (Hôtel de la Poste, Public Warehouse, solar panels)	Belgium	32,720	27,688
Parkings Tour&Taxis	Belgium	21,800	21,800
Developments (Hôtel des Douanes, Gare Maritime, Parking Maritime)	Belgium	77,615	8,669
Semi-industrial & other investment property	Belgium	1,159	2,180
Total		**133,295**	**60,336**

Note 11: participations accounted for using the equity method

(€ 1,000)	2018	2017
Participations accounted for using the equity method		
Marine Engineering & Contracting	194,547	154,177
Private Banking	585,540	679,973
Real Estate & Senior Care	32,765	28,204
Energy & Resources	221,606	204,048
AvH & Growth Capital	150,307	174,344
Total	**1,184,765**	**1,240,746**

(€ 1,000)	Equity value	Goodwill allocated	Total 2018	Total 2017
Movements in participations accounted for using the equity method				
Participations accounted for using the equity method: opening balance	**1,172,147**	**68,599**	**1,240,746**	**1,153,300**
Additions	26,494	232	26,726	68,751
Additions through business combinations			0	0
Disposals (-)	-35,211	-3,015	-38,226	-5,164
Disposals through business disposals (-)			0	-1,304
Share of profit (loss) from equity accounted investments	153,853		153,853	140,859
Impairments through profit and loss (-)			0	-4,017
Foreign currency exchange increase (decrease)	4,796		4,796	-24,978
Impact of dividends distributed by the participations (-)	-67,565		-67,565	-62,392
Transfers (to) from other items	-138,013		-138,013	-12,998
Other increase (decrease)	2,550	-101	2,449	-11,309
Participations accounted for using the equity method: ending balance	**1,119,050**	**65,715**	**1,184,765**	**1,240,746**

General evolution

The participations accounted for using the equity method represented a carrying value of 1,184.8 million euros at year-end 2018. The decrease in this item compared with the previous financial year is primarily explained by the simplification of the shareholder structure of Delen Private Bank and Bank J.Van Breda & C°. AvH now holds a direct 78.75% stake in both banks via its 100% subsidiary FinAx instead of previously via a joint holding structure Finaxis. The cooperation agreements with respect to the two banks as well as the shareholders'agreements remain unchanged, as does the consolidation method. With regard to the stake in Delen Private Bank, a direct shareholding (78.75%) is accounted for using the equity method as of 4Q2018 instead of 100% through Finaxis, adjusted for a minority interest of 21.25%.

In 2018, DEME and Green Offshore also **invested** in wind energy project companies (including Merkur (D) and Seamade (B)), and AvH increased its interest in SIPEF (31.6%). On the other hand, there was the **sale** by AvH of its stake in Atenor (10.53%), and Extensa sold the office building leased to Alter Domus on the Cloche d'Or site in Luxembourg to international investors.

The share of profit (loss) from equity accounted investments was 153.9 million euros, compared with 140.9 million euros in 2017.

- "Marine Engineering & Contracting" made a markedly higher contribution in 2018 thanks to the substantial improvement in the results of Rent-A-Port's operations in Vietnam, the first consolidation of the stake in the Rentel offshore wind farm by Green Offshore, and positive contributions from DEME and CFE.
- The contribution of "Private Banking" was impacted by changes in the consolidation scope: BDM-Asco was sold in 1H2018 and has therefore ceased to contribute as an equity accounted participation. Furthermore the 78.75% stake in Delen Private Bank is being held directly as of 4Q2018. The contribution from the 78.75% participation is now reported directly in profit and loss, instead of at 100% with a 21.25% adjustment for minority interests as was done in previous periods (up to 30/09/2018).
- The higher contribution to this item from "Real Estate & Senior Care" is explained by the increased development results on the office projects Deloitte Luxembourg and Alter Domus on the Cloche d'Or site in Luxembourg (Extensa 50%).
- The contribution from "Energy and Resources" turned out lower as a result of a decrease in the underlying results of SIPEF and Sagar, coupled with the exclusion of the

participation in NMP from this segment following its disposal. In this connection, we should recall the accounting impact of the remeasurement gain that was included in SIPEF's 2017 result following the acquisition of exclusive control over Agro Muko. AvH's share in that (exclusively accounting) remeasurement gain, which in 2017 was included in the contribution from equity accounted participations, amounted to 19.8 million euros.

- The slightly negative contribution from equity accounted participations in the "AvH & Growth Capital" segment is explained by negative contributions from Manuchar and in particular from Distriplus to the amount of 12.9 million euros over the first nine months of 2018, whereupon this participation was sold and deconsolidated. Positive contributions were made by a.o. Mediahuis (5.4 million euros), Turbo's Hoet Groep (5.0 million euros) and the Telemond Group (2.2 million euros).

The profit contributions of the participations in 2018 also easily exceeded the dividends distributed by them. The decrease in the value of the euro compared to, mainly, the USD translates into a positive exchange rate impact of 4.8 million euros.

The 'Other increase (decrease)' item reflects movements in the equity of participating interests, including the eliminations of results on sales of treasury shares, the impact of the buy-out of minority interests, as well as the impact of the valuation of the purchase obligation resting on certain shares.

Directly held participations accounted for using the equity method

AvH applies the equity method to the jointly controlled subsidiaries Delen Private Bank (78.75%), SIPEF (31.6%), Amsteldijk Beheer (50%), Manuchar (30.0%), Turbo's Hoet Groep (50%), Consortium Telemond (50%) and GIB (50%). This balance sheet item also comprises the associated interests in Sagar Cements (17.6%), Axe Investments (48.3%), Financière EMG (22.5%) and Mediahuis (13.3%). For a more detailed description of the changes in the scope, see p. 153 'Segment reporting'.

Some of the group companies mentioned above are listed on the stock market. If the interests in SIPEF and Sagar Cements were to be valued at the market price at year-end 2018, those companies would represent stock market values of 163.1 million euros and 30.7 million euros respectively. If the stock market value at the end of the year was lower than the consolidated equity method value, an assessment as to whether an impairment was necessary was made based on other elements. This was not the case at the end of 2018.

Indirectly held participations accounted for using the equity method

The full consolidation of CFE, DEME, Rent-A-Port and Green Offshore gives rise to the recognition of their jointly controlled subsidiaries and associated companies for a total amount of 194.5 million euros. DEME's main interests are in C-Power (6.5%), Rentel (18.9%) and GEM/EMW as well as the real estate and PPP projects set up by CFE together with partners and the development of the industrial zone of Dinh Vu (Vietnam) by Rent-A-Port.

Note 12: financial assets

1. Financial assets and liabilities per category

(€ 1,000)	Fair value		Book value	
	2018	2017	2018	2017
Financial assets				
Available for sale financial assets		570,213		570,213
Financial assets held for trading		3		3
Financial assets : shares - Fair value through P/L (FVPL)	150,817		150,817	
Financial assets : bonds - Fair value through OCI (FVOCI)	456,813		456,813	
Financial assets : shares - Fair value through OCI (FVOCI)	316		316	
Financial assets - at amortised cost	0		0	
Receivables and cash				
Financial fixed assets - receivables and warranties	182,941	164,851	182,941	164,851
Finance lease receivables	259,573	231,389	243,339	215,904
Other receivables	253,008	209,508	253,008	209,508
Trade debtors	1,138,482	1,073,110	1,138,482	1,073,110
Time deposits for less than three months	56,661	35,152	56,661	35,152
Cash	456,927	601,875	456,927	601,875
Banks - receivables from credit institutions & clients	5,367,928	5,030,849	5,050,668	4,713,069
Hedging instruments	2,451	10,202	2,451	10,202

(€ 1,000)	Fair value		Book value	
	2018	2017	2018	2017
Financial liabilities				
Financial liabilities valued at amortised cost				
Financial debts				
Bank loans	1,349,576	1,055,117	1,335,169	1,041,303
Bonds	419,759	544,537	419,182	535,285
Surbordinated loans	23,934	5,354	23,497	5,354
Finance leases	66,585	84,481	63,851	81,377
Other financial debts	171,424	224,325	171,424	224,325
Other debts				
Trade payables	1,487,232	1,352,745	1,487,232	1,352,745
Advances received	1,270	2,505	1,270	2,505
Amounts payable regarding remuneration and social security	189,210	186,022	189,210	186,022
Other amounts payable	89,102	126,950	89,102	126,950
Banks - debts to credit institutions, clients & securities	5,256,744	4,874,548	5,220,161	4,846,350
Hedging instruments	71,772	58,802	71,772	58,802

(€ 1,000)	2018			2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Available for sale financial assets				538,264		31,949
Financial assets of the trading portfolio						3
Financial assets : shares - Fair value through P/L (FVPL)	136,960		13,857			
Financial assets : bonds - Fair value through OCI (FVOCI)	456,813					
Financial assets : shares - Fair value through OCI (FVOCI)			316			
Financial assets - at amortised cost						
Receivables and cash						
Finance lease receivables			259,573			231,389
Banks - receivables from credit institutions & clients		487,511	4,880,417		396,918	4,633,931
Hedging instruments		2,451			10,202	
Financial liabilities						
Financial debts						
Bank loans		1,349,576			1,055,117	
Bonds	350,761	68,998		490,352	54,185	
Surbordinated loans		23,934			5,354	
Finance leases		66,585			84,481	
Banks - debts to credit institutions, clients & securities		5,256,744			4,874,548	
Hedging instruments		71,772			58,802	

The fair values must be classified in three levels according to the valuation hierarchy of IFRS 13, depending on the type of input used for the valuation of financial instruments. The specific effect of this for **Bank J.Van Breda & C°** is:

- Parameters for **Level 1 instruments** are unadjusted quoted prices in active markets for identical assets and liabilities. No valuation technique (model) is used.
  In level 1, we find all financial assets valued at fair value, with incorporation of value changes in the unrealised results (up to and including 2017 "securities available for sale") with a public listing in an active market.
- Parameters for **level 2 instruments** are prices quoted for similar assets and liabilities in active markets, or data based on or supported by observable market data. A valuation technique (model) is used, based on observable parameters such as:
  - the actual value of the future cashflows (discounted cashflow model)
  - the comparison with the current or recent fair value from another similar instrument
  - the determination of prices by third parties, provided that the price is in line with alternative observable parameters.

  We find the following financial assets and liabilities in level 2:
  - Cash and assets with central banks: because these assets have a very short term, the fair value is equated with the book value.
  - Receivables from credit institutions and financial liabilities valued at amortised cost: the fair value of the above financial instruments is determined as the current value of future cash flows based on the applicable swap interest rate and the assumptions below:
    - Commercial margins are taken into account when repricing;
    - No account is taken of a percentage of credit losses.
  - Derivatives held for trading purposes and for hedging purposes: the fair value of these instruments is also determined as the current value of future cash flows based on the applicable swap interest rate.
- Parameters for **level 3 instruments** are non-observable data for determining the fair value of an asset or liability. In this case, use is made of a valuation technique (model) with (partly) non-observable parameters.
  We find the following financial assets in level 3:
  - Some financial assets valued at fair value with value changes included in the unrealised results (up to and including 2017 "securities available for sale") for which no public listing is available.
  - Loans and advances to customers, valued at amortised cost: the fair value thereof is determined as the current value of future cash flows based on the applicable swap interest rate and the assumptions below:
    - Commercial margins are taken into account when repricing;
    - A percentage of early repayments and cap options is taken into account;
    - No account is taken of a percentage of credit losses.

The fair value of the securities in the **other investment portfolio** of the Group is determined on the basis of the listing on the public market (level 1). The same applies to the **public bonds issued** by DEME, CFE, Leasinvest Real Estate and Extensa. The **private** bonds issued by BPI and Leasinvest Real Estate are reported under level 2.

(€ 1,000)	Realised gains (losses)	Interest income (expense)	Realised gains (losses)	Interest income (expense)
		2018		2017
Available for sale financial assets			16,564	1,869
Financial assets - Fair value or at amortised cost	1,365	1,146		
Other financial assets	41,545		59,207	
Receivables and cash		28,511		27,105
Hedging instruments		30		30
Banks - receivables from credit institutions & clients		93,950		95,664
Financial liabilities valued at amortised cost		-36,295		-42,237
Hedging instruments		-8,508		-6,115
Banks - debts to credit institutions, clients & securities		-16,333		-19,754

2. Credit risk

Both **CFE** and **DEME** have set up procedures to limit the risk of their trade receivables. A large part of the consolidated turnover is realized through public or semi-public sector customers. The level of counterparty risk is limited by the large number of customers. To limit the credit risk, both participations constantly monitor their outstanding trade receivables and adjust their positions if necessary. For the purposes of major foreign contracts, for instance, DEME regularly uses the services of the Credendo Group (former national delcredere office) insofar as the country concerned qualifies for this service and the risk can be covered by credit insurance. For large-scale contracts, DEME is dependent on the ability of customers to obtain financing and can, if necessary, help to organize its own project financing. Although the credit risk cannot be ruled out altogether, it is still limited. Moreover, as a worldwide player, DEME is exposed to political risks and negative developments that may manifest themselves at the macroeconomic level. At year-end 2017, the CFE group still had a net claim of around 60 million euros against the Chadian government. Following payments received in July 2018, the outstanding receivables decreased by 7.5 million euros. No further payments have been received since July 2018. Moreover, the sums received locally have not yet been converted into euros. The terms and conditions for the refinancing of the receivables relating to the Grand Hotel have been formally approved by the Chadian authorities, and have yet to be validated by the board of directors of the Afrexim Bank.

Rent-A-Port has a limited number of customers and counterparties due to the very nature of the activities in which the group operates. As a result, it is exposed to a higher credit (concentration) risk. The group is able to adequately curtail this risk by providing sufficient contractual safeguards. Since Rent-A-Port has operations in countries such as Oman, Qatar, Vietnam and Nigeria, it is also exposed to political risks. A strong local network is an important risk management factor.

For the credit risk regarding the lease portfolio of **Bank J.Van Breda & C°** we refer to the credit risk policy as described in note 13.

Leasinvest Real Estate aims at a good spread both in terms of the number of tenants and the sectors in which these tenants are active in order to limit the number of bad debts and bankruptcies by tenants. Furthermore, the solvency of the tenants is screened on a regular basis by an external rating agency, and long-term lease agreements are sought to ensure a recurrent rental income flow and increase the duration of the lease agreements.

Extensa Group is mainly active in the development of real estate projects. Prior to the signing of a new project, an extensive analysis of the related technical, legal and financial risks is made.

Anima Care and **HPA** have a limited credit risk. Most residents pay by direct debit. Rents are billed in advance and debtors are closely monitored. Government grants are an important source of income.

Agidens manages its debtor risk in accordance with the relevant policy, procedures and checks that have been set out by the group. Outstanding receivables are periodically monitored, and large-scale projects are generally covered by bank or other similar guarantees.

In the **AvH & Growth Capital** segment the group invests for the long term in a limited number of companies with international growth potential. The diversified character of these investments contributes to a balanced spread of the economic and financial risks. Furthermore, AvH usually finances these investments with shareholders' equity.

(€ 1,000)	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5			
	Marine Engineering & Contracting	Private Banking	Real Estate & Senior Care	Energy & Resources	AvH & Growth Capital	Eliminations between segments	Total 2017	
Financial fixed assets - receivables and warranties	149,865	818	594		19,959	-6,385	**164,851**	
Finance lease receivables		192,597	23,307				**215,904**	
Other receivables	80,707	30,175	68,058		48,935	-18,367	**209,508**	
Trade debtors	1,009,749		46,560		19,290	-2,490	**1,073,110**	
Total (net - accumulated impairments included)	**1,240,321**	**223,590**	**138,520**	**0**	**88,184**	**-27,242**	**1,663,373**	
%	**75%**	**13%**	**8%**	**0%**	**5%**	**-1%**	**100%**	
not expired	909,362	216,580	123,779		85,501	-27,242	**1,307,980**	79%
expired < 30 d	47,436	4,824	8,769		1,989		**63,018**	4%
expired < 60 d	33,794	1,643	516		398		**36,351**	2%
expired < 120 d	13,422	230	504		163		**14,320**	1%
expired > 120 d	236,306	313	4,952		134		**241,705**	15%
Total (net - accumulated impairments included)	**1,240,321**	**223,590**	**138,520**	**0**	**88,184**	**-27,242**	**1,663,373**	100%
%	**75%**	**13%**	**8%**	**0%**	**5%**	**-1%**	**100%**	
Accumulated impairments								
Financial fixed assets - receivables and warranties (impairments)	-4,819				-5,000		**-9,819**	
Finance lease receivables (impairments)		-3,641					**-3,641**	
Other receivables (impairments)	-152		-521		-8,711		**-9,383**	
Trade debtors (impairments)	-15,498		-1,496				**-16,994**	
	-20,468	**-3,641**	**-2,017**	**0**	**-13,711**	**0**	**-39,837**	

(€ 1,000)	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5			
	Marine Engineering & Contracting	Private Banking	Real Estate & Senior Care	Energy & Resources	AvH & Growth Capital	Eliminations between segments	Total 2018	
Financial fixed assets - receivables and warranties	177,880	1,054	3,335		18,077	-17,405	**182,941**	
Finance lease receivables		220,557	22,782				**243,339**	
Other receivables	108,909	29,584	83,619		38,581	-7,685	**253,008**	
Trade debtors	1,093,581		30,895		15,123	-1,116	**1,138,482**	
Total (net - accumulated impairments included)	**1,380,370**	**251,195**	**140,631**	**0**	**71,781**	**-26,207**	**1,817,770**	
%	**76%**	**14%**	**8%**	**0%**	**4%**	**-2%**	**100%**	
not expired	1,053,414	244,024	134,680		69,800	-26,207	**1,475,711**	81%
expired < 30 d	65,934	5,477	2,798		1,288		**75,497**	4%
expired < 60 d	31,796	1,178	959		526		**34,459**	2%
expired < 120 d	96,317	117	988		129		**97,550**	5%
expired > 120 d	132,909	399	1,206		38		**134,553**	7%
Total (net - accumulated impairments included)	**1,380,370**	**251,195**	**140,631**	**0**	**71,781**	**-26,207**	**1,817,770**	100%
%	**76%**	**14%**	**8%**	**0%**	**4%**	**-2%**	**100%**	
Accumulated impairments								
Financial fixed assets - receivables and warranties (impairments)	-4,819						-4,819	
Finance lease receivables (impairments)		-4,683					-4,683	
Other receivables (impairments)	-152		-37		-8,711		-8,900	
Trade debtors (impairments)	-44,602		-1,865				-46,467	
	-49,573	**-4,683**	**-1,902**	**0**	**-8,711**	**0**	**-64,870**	

The impairments recognised in 2017 are in accordance with IAS 39 (incurred loss), while the impairments in 2018 are valued in accordance with IFRS 9 (expected loss).

Marine Engineering & Contracting

- Loans granted to participating interests include financing granted by DEME and Green Offshore to their respective participating interests active in the development/operation of the Rentel, Merkur, Seamade wind farms, and by CFE to real estate project companies.
- Other receivables: VAT to be reclaimed, advances provided by Rent-A-Port with regard to its Vietnamese activities.
- Trade receivables in this segment account for 96% of total trade receivables.

Overdue receivables in contracting mainly relate to settlements and additional charges, but which still have to be included in the budgets or are to be covered by an overall agreement. CFE and DEME have a number of negotiations and/or lawsuits pending. Expected losses on construction contracts are adequately provided for through impairments on construction contracts, recorded in the balance sheet item 'Construction contracts' (Note 14).

In application of the new accounting standard IFRS 9 - Expected Credit Loss, CFE has recorded in the opening balance per 01.01.2018 an impairment loss of 12 million euros with regard to Chad and has added an additional 10 million euros expected credit loss provision to the 2018 profit and loss account. The evaluation of CFE's financial assets considers the present value of expected losses if the borrower defaults on its obligations. Expected credit losses are calculated based on a weighted average of expected credit losses arising from multiple scenario's.

Private Banking

- The credit risk of the lease activity of Bank J.Van Breda & C° is dealt with in Note 16, Lease.

Real Estate & Senior Care

- the lease activity consists of the long-term lease by Leasinvest Real Estate of the State

Archives (Rijksarchief) in Bruges to the Public Buildings Agency and a limited number of real estate leases at Extensa.

- the other receivables relate to the advances that Extensa grants to its real estate project companies.
- Referring to the above description of the credit risk management, the impairments on trade receivables are limited at both Leasinvest Real Estate and Extensa. The application of a simplified 'Expected credit loss' model by Leasinvest Real Estate led to the setting up of a general provision of 4 thousand euros.
- Most residents pay by direct debit at Anima Care and HPA, which justifies not setting up a simplified expected credit loss model.

AvH & Growth Capital and Intercompany eliminations

- the full consolidation of Agidens
- financing provided by AvH & subholdings to, among others, Green Offshore in the context of the development of the Rentel and Seamade wind farms has been eliminated in the consolidation.

3. Exchange rate risk

Given the international character of its business operations and the execution of contracts in foreign currency, **DEME** is exposed to currency risks and value fluctuations in those currencies. DEME usually hedges those risks by using financial hedges and futures contracts. In the case of **CFE**, most operations take place within the eurozone; nevertheless, exposure to foreign currency fluctuations is limited as much as possible.

Rent-A-Port is primarily active in countries outside the eurozone and is mainly exposed to the USD as most business contracts are concluded in USD.

The exchange rate risk at **Extensa Group** is very limited because most operations are situated in Belgium and Luxembourg, with the exception of Extensa's limited operations in Turkey (risk linked to the Turkish lira) and in Romania (risk linked to the RON).

Leasinvest Real Estate operates in Belgium, Luxembourg and Austria, and is therefore not subject to exchange risks.

The exchange rate risk of **Bank J.Van Breda & C°** is limited, as the bank only operates in Belgium and the nature of its clients is such that it does not hold any significant own currency position.

Agidens, with its worldwide operations, has a (limited) exchange rate exposure to the US dollar and Swiss franc, and hedges its currency risk by using the same currency as much as possible for the income and expenses of the group company in question (natural hedging). If necessary, a currency swap is concluded with approved and reputable counterparties. The strategy of **AvH** to look towards emerging markets resulted in investments in Indian rupees (17.6% participation in Sagar Cements and in the fund Healthquad). This risk is not hedged as it concerns long term investments.

The remaining fully consolidated participations are not subject to significant exchange rate risks since they mainly operate in the eurozone.

Various non-fully consolidated participations such as Delen Private Bank and SIPEF, as well as Manuchar, Telemond Group, Turbo's Hoet Groep and others, operate to a significant extent outside the eurozone. The exchange rate risk in each of these cases is followed up and controlled at the level of the participation itself.

The exchange rate risk at **Delen Private Bank** is limited to the foreign currency subsidiaries (JM Finn and to a lesser extent Delen Suisse). The net exposure to the British Pound is currently limited as the impact of any exchange rate fluctuation on the JM Finn equity is neutralized by an opposite impact on the liquidity obligation on the remaining 9% in JM Finn. At **SIPEF** the majority of the costs are incurred abroad (in Indonesia and Papua New Guinea), whereas sales are realised in USD. This is a structural risk that is not hedged by the company and is therefore considered as a general business risk. Transactional risks are generally limited by short payment terms, and translation differences are limited by making the functional currency and reporting currency the same as much as possible. **Manuchar** is exposed to exchange rate risk between the USD and local currencies of the countries in which the distribution activities take place. To hedge these risks, the positions are monitored and, if necessary, macro hedges are set up. At **Telemond Group**, production takes place in Poland while the sales are realised in the eurozone. The exchange rate risk that is run by this is not hedged and is considered as a general business risk. **Turbo's Hoet Groep**, finally has developed a significant level of activity in Eastern Europe, more specifically in Bulgaria, Romania, Russia and Belarus. Turbo's Hoet Groep realizes its turnover in those markets on the basis of local currency. Although Turbo's Hoet Groep tries to pass on any depreciations in those local currencies to the final customer, market conditions do not always allow it.

Some of the main exchange rates that have been used to convert the balance sheets and results of the foreign entities into euro:

1 euro = x foreign currency	Closing rate	Average rate
Australian Dollar	1.62	1.58
British Pound	0.90	0.89
Bulgarian Lev	1.96	1.96
CFA Franc	655.96	655.96
Hungarian Forint	320.98	318.89
Indian Rupee	80.00	80.65
Moroccan Dirham	10.94	11.08
Nigerian Naira	416.29	425.60
Polish Zloty	4.30	4.26

	Closing rate	Average rate
Qatari Rial	4.17	4.30
Romanian Leu	4.66	4.65
Russian Ruble	79.37	73.53
Singapore Dollar	1.56	1.59
Tunesian Dinar	3.43	3.11
Turkish Lira	6.06	5.71
US Dollar	1.15	1.18
Vietnamese Dong	28,464.57	27,115.75

4. Financial assets : at fair value through OCI or through P/L

(€ 1,000)	Financial fixed assets	Investments
Available for sale financial assets - financial year 2017		
Financial assets: opening balance at fair value	**113,043**	**621,408**
Financial assets - carrying amount	81,170	598,036
Financial assets - adjustment to fair value	31,873	18,598
Financial assets - accrued interest		4,775
Additions	12,818	215,302
Additions through business combinations		2,222
Actuarial return		-3,294
Disposals (-)	-5,826	-361,767
Increase (decrease) through changes in fair value	1,612	-431
Impairment losses recognized in the income statement (-)	-375	
Impairment losses reversed in the income statement (-)		9
Foreign currency exchange increase (decrease)		-3,253
Transfer from (to) other items	-18,937	
Other increase (decrease)		-2,315
Financial assets: ending balance at fair value	**102,335**	**467,882**
Financial assets - carrying amount	79,268	449,705
Financial assets - adjustment to fair value	23,067	15,717
Financial assets - accrued interest		2,460

(€ 1,000)	Financial fixed assets	Investments
Financial assets : at fair value through OCI or through P/L - financial year 2018		
Financial assets: opening balance at fair value	**102,335**	**467,882**
Financial assets - carrying amount (available for sale)	79,268	449,705
Financial assets - adjustment to fair value	23,067	15,717
Financial assets - accrued interest		2,460
Additions	22,834	380,329
Additions through business combinations		
Actuarial return		-1,568
Disposals (-)	-4,041	-349,106
Increase (decrease) through changes in fair value (FVPL)	6,077	-3,098
Increase (decrease) through changes in fair value (FVOCI)		487
Impairment losses recognized in the income statement (-)		
Foreign currency exchange increase (decrease)		960
Transfer from (to) other items	-13,688	
Other increase (decrease)	9	-1,466
Financial assets: ending balance at fair value	**113,526**	**494,420**
Financial assets - carrying amount (including accumulated fair value adjustments through P/L - FVPL)	113,526	490,665
Financial assets - adjustment to fair value (FVOCI)		2,805
Financial assets - accrued interest		950

The participation of Leasinvest Real Estate in the capital increase at Retail Estates to the amount of 12.9 million euros and the acquisition of a 2.45% interest in EVS (7.4 million euros) by AvH at the end of 2018 were the main investments in non-consolidated participations.

The sale of real estate certificates (Axxess Business Park) by Leasinvest Real Estate and of an additional tranche of 3% of Koffie Rombouts by AvH explain the divestments.

The positive fair value adjustment is almost entirely due to the 10% interest in Retail Estates, which, with a stock market value of 91.8 million euros, amounted to almost 80% of the total non-consolidated participations of AvH.

The 'transfer' item is the consequence of the first consolidation of the participation in the Rentel offshore wind park by Green Offshore.

The investments consist of (€ 1,000):	Number of shares	Fair value
Investments portfolio Bank J.Van Breda & C°		457,129
Funds managed by Delen Private Bank		25,447
Ageas	278,284	10,937
Other		908
		494,420

The additions and disposals are largely attributable to Bank J.Van Breda & C°, and relate to transactions realized as part of its Asset & Liability management (ALM).

The breakdown per segment of the fair value of the investments is as follows (€ 1,000):	Fair value
Private Banking (Bank J.Van Breda & C°)	457,129
AvH & Growth Capital	37,175
Real Estate & Senior Care	113
Marine Engineering & Contracting	3
Energy & Resources	0
	494,420

Credit risk of the investment portfolio Bank J.Van Breda & C°

The risk profile of the investment portfolio has for years now deliberately been kept very low. The consolidated investment portfolio at year-end 2018 contains 94% government bonds (including government-guaranteed bonds) with a minimum Aa3 rating (Moody's rating), 5% corporate bonds (including commercial paper) and less than 1% shares and private equity. The investment portfolio contains no government bonds of Portugal, Italy, Ireland, Greece, Spain or Turkey.

The investment framework that is submitted annually for the approval of the board of directors of Bank J.Van Breda & C° determines which investments can be made and the limits that apply. The following table shows the composition of the consolidated investment portfolio by rating and maturity.

Composition of the investment portfolio 31/12/2018	Rating	Remaining duration	
Government bonds Aaa	42.5%	2019	15.1%
Government bonds Aa1	30.7%	2020	21.8%
Government bonds Aa2	12.6%	2021	10.5%
Government bonds Aa3	8.5%	2022	14.6%
Corporate bonds and commercial paper & other	5.7%	2023	17.4%
		>2024	20.4%
		indefinite	0.2%

Note 13: banks - receivables from credit institutions and clients

(€ 1,000)	Fair value		Book value	
	2018	2017	2018	2017
I. Claims on credit institutions				
Domestic credit institutions	50,397	44,355	50,296	44,338
Foreign credit institutions	77,431	44,525	77,397	44,525
Total credit institutions	**127,828**	**88,880**	**127,693**	**88,863**
II. Loans and advances to clients				
Bills and own acceptances	0	0	0	0
Investment credits and financing	2,446,104	2,367,784	2,262,000	2,176,117
Fair value adjustment of hedged loans (FV hedge)	12,085	3,952	12,085	3,952
Mortgage loans	2,019,029	1,863,902	1,887,991	1,739,078
Operating appropriations	394,151	385,637	392,176	384,371
Other	9,048	12,656	9,040	12,650
Total clients	**4,880,417**	**4,633,931**	**4,563,292**	**4,316,168**
III. Cash balances with central banks				
Cash balances with central banks	359,683	308,038	359,683	308,038
Total cash balances with central banks	**359,683**	**308,038**	**359,683**	**308,038**
Total receivables from credit institutions and clients	**5,367,928**	**5,030,849**	**5,050,668**	**4,713,069**

The full consolidation of Bank J.Van Breda & C° results in the inclusion of the specific banking receivables and debts in the balance sheet of AvH. These items have been grouped in order to keep the balance sheet as transparent as possible.

The loans and advances to clients comprise the following:

- loans granted to family entrepreneurs and the liberal professions at Bank J.Van Breda & C° and to individual or self-employed clients at the division Bank de Kremer. The many entrepreneurs and practitioners of liberal professions who have become clients in previous years entrust an ever increasing share of their banking business to the bank;
- car financing provided by Van Breda Car Finance, a division of the bank.

The strong performance of the bank explains the significant increase of loans and advances to clients.

Credit risk

The credit portfolio of Bank J.Van Breda & C° is very widely spread throughout the local economic fabric of family businesses and liberal professions. The division Bank de Kremer focuses on individuals. The bank applies concentration limits per sector and maximum credit amounts per client. The credit portfolio of the Van Breda Car Finance division consists of car loans and car finance leases, and is very widely spread. Constant fine-tuning of the acceptance criteria and proactive debtor monitoring also give this portfolio a low risk profile.

The credit portfolio is divided into risk categories, each of which is monitored in its own specific way. The board of directors of Bank J.Van Breda C° periodically receives a report on credit facilities in the highest risk category.

Debts which become doubtful are transferred to the Litigation department. There are specific criteria for mandatory transfer when specific events arise with clients, borrowers or guarantors. For credit facilities in the highest risk category and for debts that become doubtful, it will be determined whether impairments are required.

Internal rating per category - loans and advances to clients

(€ 1,000)	Stage 1		Stage 2		Stage 3	Total 2018	Total 2017
	Individual	Collective	Individual	Collective			
Performing							
Low risk	1,515,561		27,820	4,611		1,547,992	1,447,552
Medium risk	1,908,896		313,221	12,898		2,235,015	2,101,857
High risk	355,159		321,546	2,090		678,795	676,938
Overdue	34,240		24,487			58,727	48,487
Non-performing							
Submitted to write off					42,763	42,763	41,334
Total	**3,813,856**	**0**	**687,074**	**19,599**	**42,763**	**4,563,292**	**4,316,168**

Loans and advances to clients - evolution in 2018

(€ 1.000)	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
01/01/18	**3,571,815**	**5,463**	**687,451**	**10,105**	**41,334**	**4,316,168**
Recognition	1,135,046		148,571	4,384	6,095	1,294,096
Derecognition	-608,908	-217	-114,176		-8,680	-731,981
Repayments	-248,492		-56,801	-135	-9,289	-314,717
Transfers to stage 1	180,768		-180,600		-168	0
Transfers to stage 2	-209,946	-5,246	211,578	5,246	-1,631	1
Transfers to stage 3	-6,408		-8,736		15,144	0
Modifications	-18		-214		-43	-275
31/12/18	**3,813,856**	**0**	**687,074**	**19,599**	**42,763**	**4,563,292**

Accumulated impairments - loans and advances to clients, off balance & FVOCI

(€ 1,000)	Stage 1		Stage 2		Stage 3	Total		
	Individual	Collective	Individual	Collective		Loans to clients	Finance lease (p. 183)	Total
01/01/2018	**2,079**	**5**	**1,664**	**58**	**23,867**	**27,673**	**4,186**	**31,859**
Recognition	2,555	6	1,050		1,916	5,527	429	5,956
Derecognition	-1,667		-866		-1,787	-4,320	-603	-4,923
Repayments	-568	-2	-411	-4		-985	-191	-1,176
Transfers to Stage 1	1,009		-1,000		-8	1		1
Transfers to Stage 2	-143	-9	373	9	-229	1		1
Transfers to Stage 3	-11		-106		118	1		1
Impact ECL by Stage Transfer	-746		981	50	2,741	3,026	1,289	4,315
Other credit risk	-90		84	-11	-849	-866	-385	-1,251
Modifications					-80	-80		-80
Model changes	7		39			46	-42	4
Write-offs					-1,233	-1,233		-1,233
Other adjustments								0
31/12/2018	**2,425**	**0**	**1,808**	**102**	**24,456**	**28,791**	**4,683**	**33,474**

(1) The limited impact of 'Expected credit loss' on the off-balance and the FVOCI investment portfolio of Bank J.Van Breda & C° allows it to be integrated into the above table.

Impairments recorded in the income statement 2018 (including finance lease)

(€ 1.000)	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
Investment portfolio (FVOCI)	3					3
Loans to clients and Finance lease	-488	5	-100	-34	-2,365	-2,982
Off balance	2		-18	-10	-5	-31
Total	**-483**	**5**	**-118**	**-44**	**-2,370**	**-3,011**

Note 14: inventories and construction contracts

(€ 1,000)	2018	2017
I. Inventories, net amount	**332,385**	**329,400**
Gross carrying amount	**335,694**	**334,859**
Raw materials and consumables	42,443	41,423
Finished products	0	0
Goods purchased for sale	558	454
Immovable property acquired or constructed for resale	240,132	280,157
Prepayments	52,562	12,824
Depreciation and impairments (-)	**-3,310**	**-5,458**
Impairment on inventory through income statement during the financial year	-1,756	-401
Impairment on inventory reversed in the income statement during the financial year	166	731
II. Construction contracts		
Amounts due from (to) customers under construction contracts, net	**175,083**	**102,003**
Amounts due from customers (including trade receivables)	465,516	290,058
Amounts due to customers (including trade debts) (-)	-290,433	-188,055
Construction contracts on closing date		
Amount of contract costs incurred and recognized profits less losses	6,558,239	6,105,590
Amount of contract revenue	-6,383,157	-6,003,586
Prepayments received (CFE-DEME)	**-179,358**	**-122,064**
Amounts withheld (CFE-DEME)	**3,320**	**3,156**

The 'Immovable property acquired or constructed for resale' item mainly consists of Extensa's land portfolio and CFE's real estate projects.

The construction & project contracts of CFE, DEME and Agidens are valued according to the 'Percentage of Completion'-method, whereby results are recognized in accordance with the progress of the work. Expected losses are immediately recognized as an expense though in the income statement. The current construction contracts of CFE-DEME will generate a turnover of 2,611 million euros in the next years.

Extensa's real estate development projects (primarily Tour&Taxis and Cloche d'Or Luxembourg) are also contained in this balance sheet item, as the results of the pre-sold entities that are still under construction are also recognized according to the 'Percentage of Completion' method.

The progress of the work is defined based on the expenditures versus the estimated cost price of the entire project.

Note 15: Minorities

(€ 1,000)	Minority %		Minority share in the AvH balance sheet		Minority share in the profit for the period	
	2018	2017	2018	2017	2018	2017
I. Marine Engineering & Contracting						
CFE - DEME [1]	39.55%	39.60%	676,810	642,595	69,849	71,686
II. Private Banking						
Finaxis [2]		21.25%		54,517		-252
Bank J.Van Breda & C°	21.25%	21.25%	116,096	81,215	9,055	8,378
Delen Investments [2]	21.25%	21.25%		120,755	18,578	24,879
III. Real Estate & Senior Care						
Leasinvest Real Estate	69.99%	69.99%	333,035	267,518	26,734	33,278
HPA	28.28%	28.28%	25,648	26,506	7,789	2,347
IV. AvH & Growth Capital						
Agidens	13.75%	13.75%	2,300	2,942	-689	-57
Other [3]			27,659	27,016	20,818	12,868
Total			**1,181,549**	**1,223,064**	**152,134**	**153,128**

[1] The acquisition of 12,000 CFE shares (0.05%) on the stock market at the end of 2018 explains the slight decrease of the minority interest in CFE - DEME. The share of the minority interest in the profit of the financial year is calculated on the basis of the minority interest of 39.60%, while the minority interest of December 31, 2018 of 39.55% is used for the balance sheet.

[2] In 2018 the shareholder structure of Delen Private Bank and Bank J.Van Breda & C° was simplified. AvH now holds, via the 100%-affiliate FinAx, a direct stake of 78.75% in Delen Private Bank, equity accounted directly as of 4Q18 instead of 100% via Finaxis, adjusted for a minority interest of 21.25%.

[3] The successful residential project development at Cloche d'Or Luxembourg (Extensa 50%) explains the balance of the minority interest share in the profit, which was largely paid out in 2018.

Summarized income statement - 2018

(€ 1,000)	CFE	Bank J. Van Breda & C°	Delen Investments	Leasinvest Real Estate	HPA	Agidens
Revenue	3,640,627	143,759		56,209	120,284	82,550
Profit (loss) from operating activities	213,075	53,004		43,147	36,066	-4,169
Finance result	-8,488			-4,634	-4,273	-462
Profit (loss) before tax	218,756	53,724		38,513	31,792	-4,631
Profit (loss) of the period	169,207	42,260		38,194	29,278	-5,012
At the level of the individual company	**169,207**	**42,260**		**38,194**	**29,278**	**-5,012**
- Minority interests	-2,323	95			-682	
- Share of the group	171,530	42,165		38,194	29,960	-5,012
At the level of AvH [1]	**179,921**	**42,260**		**38,606**	**29,278**	**-5,012**
- Minority interests	69,849	9,055		26,734	7,789	-689
- Share of the group	110,072	33,205		11,873	21,489	-4,323

[1] Including a limited number of consolidation adjustments

Summarized income statement - 2017

(€ 1,000)	CFE	Bank J. Van Breda & C°	Delen Investments	Leasinvest Real Estate	HPA	Agidens
Revenue	3,066,525	141,380	366,912	56,892	114,114	71,255
Profit (loss) from operating activities	267,157	56,128	152,478	60,115	9,047	-160
Finance result	-22,266			-11,963	-5,627	-360
Profit (loss) before tax	227,181	57,640	152,478	48,152	3,421	-520
Profit (loss) of the period	178,751	39,154	108,220	47,545	7,445	-414
At the level of the individual company	**178,751**	**39,154**	**108,220**	**47,545**	**7,445**	**-414**
- Minority interests	-1,691	73	2,384		395	
- Share of the group	180,442	39,081	105,836	47,545	7,051	-414
At the level of AvH [1]	**183,599**	**39,154**	**108,220**	**48,168**	**7,445**	**-414**
- Minority interests	71,686	8,378	24,879	33,278	2,347	-57
- Share of the group	111,913	30,776	83,341	14,889	5,098	-357

[1] Including a limited number of consolidation adjustments

Summarized statement of comprehensive income - 2018

(€ 1,000)	CFE	Bank J. Van Breda & C°	Delen Investments	Leasinvest Real Estate	HPA	Agidens
At the level of the individual company	**164,768**	**42,265**		**35,981**	**28,854**	**-4,664**
Profit (loss) of the period	169,207	42,260		38,194	29,278	-5,012
- Minority interests	-2,323	95		0	-682	0
- Share of the group	171,530	42,165		38,194	29,960	-5,012
Other comprehensive income	-4,439	5		-2,213	-424	348
- Minority interests	-188				0	
- Share of the group	-4,251	5		-2,213	-424	348
At the level of AvH	**175,482**	**42,265**		**36,393**	**28,854**	**-4,664**
Profit (loss) of the period	179,921	42,260		38,606	29,278	-5,012
- Minority interests	69,849	9,055		26,734	7,789	-689
- Share of the group	110,072	33,205		11,873	21,489	-4,323
Other comprehensive income	-4,439	5		-2,213	-424	348
- Minority interests	-1,849	1		-1,549	-120	48
- Share of the group	-2,590	4		-664	-304	300

Summarized statement of comprehensive income - 2017

(€ 1,000)	CFE	Bank J. Van Breda & C°	Delen Investments	Leasinvest Real Estate	HPA	Agidens
At the level of the individual company	**173,268**	**36,671**	**106,570**	**51,344**	**7,717**	**-742**
Profit (loss) of the period	178,751	39,154	108,220	47,545	7,445	-414
- Minority interests	-1,691	73	2,384	0	395	0
- Share of the group	180,442	39,081	105,836	47,545	7,051	-414
Other comprehensive income	-5,483	-2,483	-1,650	3,799	272	-328
- Minority interests	188				0	
- Share of the group	-5,671	-2,483	-1,650	3,799	272	-328
At the level of AvH	**178,116**	**36,671**	**106,570**	**51,967**	**7,717**	**-742**
Profit (loss) of the period	183,599	39,154	108,220	48,168	7,445	-414
- Minority interests	71,686	8,378	24,879	33,278	2,347	-57
- Share of the group	111,913	30,776	83,341	14,889	5,098	-357
Other comprehensive income	-5,483	-2,483	-1,650	3,799	272	-328
- Minority interests	-2,053	-528	-351	2,662	76	-45
- Share of the group	-3,430	-1,955	-1,300	1,138	196	-283

Summarized balance sheet - 2018

(€ 1,000)	CFE	Bank J. Van Breda & C°	Delen Investments	Leasinvest Real Estate	HPA	Agidens
Non-current assets	3,089,849	3,834,929		1,116,270	189,304	20,188
Current assets	1,859,102	1,985,090		39,837	50,781	27,751
Non-current liabilities	913,562	695,779		385,013	110,496	7,026
Current liabilities	2,300,538	4,574,298		295,283	46,541	24,189
Equity	1,734,851	549,942		475,811	83,048	16,725
- Group share	1,720,878	549,800		475,811	80,029	16,725
- Minority interests	13,973	142		0	3,019	
Dividend distributed to minority interests	-24,060	-5,815		-17,284	-298	0

Summarized balance sheet - 2017

(€ 1,000)	CFE	Bank J. Van Breda & C°	Delen Investments	Leasinvest Real Estate	HPA	Agidens
Non-current assets	2,815,451	3,597,084	325,167	979,104	331,884	19,114
Current assets	1,831,442	1,827,555	2,275,910	20,189	20,775	32,779
Non-current liabilities	875,532	672,307	114,475	384,626	225,755	1,820
Current liabilities	2,115,036	4,213,494	1,806,919	232,461	42,964	28,594
Equity	1,656,325	538,838	679,683	382,206	83,940	21,480
- Group share	1,641,904	538,718	678,792	382,206	80,076	21,480
- Minority interests	14,421	120	891	0	3,864	
Dividend distributed to minority interests	-21,554	-3,729	-9,860	-16,938	-135	-109

Note 16: lease

(€ 1,000)	< 1 year	1 year < < 5 years	> 5 years	Total 2018	< 1 year	1 year < < 5 years	> 5 years	Total 2017
				Remaining term				Remaining term
I. Lessor - finance lease								
Total gross investment	69,965	174,410	32,684	**277,059**	60,470	155,537	38,101	**254,107**
Present value of minimum lease payments receivables	62,311	160,199	18,773	**241,283**	53,411	141,275	19,490	**214,176**
Unearned finance income				**35,776**				**39,931**
Accumulated allowance for uncollectible minimum lease payments				**4,028**				**3,641**
Lease debtors	2,056			**2,056**	1,728			**1,728**

Bank J.Van Breda & C° is active in the sector of car finance and finance leasing of cars via its division Van Breda Car Finance. In accordance with IFRS 9 Financial Instruments, you will find additional information below about 'Expected credit loss'. Extensa also has a limited number of real estate leases in its portfolio and the long-term lease of Leasinvest Real Estate of the State Archives building in Bruges to the Public Buildings Agency is contained in this balance sheet item as well..

Finance lease Bank J.Van Breda & C° - Internal rating per category

(€ 1,000)	Stage 1		Stage 2		Stage 3	Total 2018	Total 2017
	Individual	Collective	Individual	Collective			
Performing							
Low risk	211,854					211,854	184,571
Medium risk						0	0
High risk	970					970	708
Overdue	5,420		1,231			6,651	6,629
Non-performing							
Submitted to write off					1,082	1,082	689
Total	**218,244**	**0**	**1,231**	**0**	**1,082**	**220,557**	**192,597**

Finance lease Bank J.Van Breda & C°- evolution in 2018

(€ 1,000)	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
01/01/18	**190,043**	**0**	**1,865**	**0**	**689**	**192,597**
Recognition	93,326		427		331	94,084
Derecognition	-24,830		-529		-243	-25,602
Repayments	-37,538		-304		-2,680	-40,522
Transfers to stage 1	664		-648		-16	0
Transfers to stage 2	-796		796			0
Transfers to stage 3	-2,624		-377		3,001	0
Modifications						0
31/12/18	**218,244**	**0**	**1,231**	**0**	**1,082**	**220,557**

Finance lease Bank J.Van Breda & C° - accumulated impairments

(€ 1,000)	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
01/01/2018	**440**	**0**	**105**	**0**	**3,641**	**4,186**
Recognition	337		16		76	429
Derecognition	-32		-8		-563	-603
Repayments	-176		-15			-191
Transfers to Stage 1	199		-146		-53	0
Transfers to Stage 2	-9		9			0
Transfers to Stage 3	-7		-77		84	0
Impact ECL by Stage Transfer	-184		199		1,274	1,289
Other credit risk	45		1		-431	-385
Modifications						0
Model changes	-37		-5			-42
Write-offs						0
Other adjustments						0
31/12/2018	**576**	**0**	**79**	**0**	**4,028**	**4,683**

We refer to Note 13. Banks: receivables from credit institutes and clients and the table (on pages 178-179) with the accumulated impairments of Bank J.Van Breda & C°, in which the above-mentioned table regarding financial lease is reflected. You will also find the link with the impairments charged to the 2018 income statement.

(€ 1,000)	< 1 year	1 year < < 5 years	> 5 years	Total 2018	< 1 year	1 year < < 5 years	> 5 years	Total 2017
				Remaining term				Remaining term
II. Lessee - finance lease								
Minimum lease payments payable - gross	11,253	32,493	28,497	**72,243**	17,323	59,894	18,004	**95,221**
Minimum lease payments payable - interest (-)	-1,328	-3,660	-3,403	**-8,391**	-2,093	-10,738	-1,013	**-13,844**
Present value of minimum lease payments payable	**9,925**	**28,833**	**25,094**	**63,851**	**15,230**	**49,156**	**16,991**	**81,377**
Lease-payments payable for each class of tangible assets: Land and buildings				24,654				35,092
Plant, machinery and equipment				37,623				44,848
Furniture and vehicles				1,575				1,438

(€ 1,000)	< 1 year	1 year < < 5 years	> 5 years	Total 2018	< 1 year	1 year < < 5 years	> 5 years	Total 2017
				Remaining term				Remaining term
III. Lessee- operating lease								
Future minimum lease payments under non-cancellable operating leases	27,126	52,729	53,027	**132,882**	12,689	15,487	10,326	**38,502**
Contingent rents recognized in the income statement				**44,158**				**15,092**

The finance lease debts are mainly attributable to vessels of DEME (Charlemagne and Victor Horta) and buildings at CFE and Patrimoine & Santé Expansion. The sale by HPA of a part of its real estate explains the decrease in financial lease debt.

Note 17: provisions

(€ 1,000)	Warranty provisions	Legal proceeding provisions	Environmental provisions	Provisions for restructuring	Provisions for contractual obligations	Other provisions	Total
Provisions - financial year 2017							
Provisions, opening balance	**19,801**	**14,182**	**0**	**3,952**	**245**	**105,674**	**143,854**
Additional provisions	2,255	12,141		395		19,747	**34,538**
Increase of existing provisions	598	1			120	869	**1,588**
Increase through business combinations (-)		46				779	**825**
Amounts of provisions used (-)	-6,401	-7,318		-2,847		-12,207	**-28,772**
Reversal of unused amounts of provisions (-)	-41	10				-2,351	**-2,382**
Decrease through business disposals (-)							**0**
Foreign currency exchange increase (decrease)	-32	-89				132	**11**
Transfer from (to) other items	-126			-1,018		-3,339	**-4,483**
Other increase (decrease)	369						**369**
Provisions, ending balance	**16,423**	**18,975**	**0**	**481**	**365**	**109,304**	**145,547**

(€ 1,000)	Warranty provisions	Legal proceeding provisions	Environmental provisions	Provisions for restructuring	Provisions for contractual obligations	Other provisions	Total
Provisions - financial year 2018							
Provisions, opening balance	**16,423**	**18,975**	**0**	**481**	**365**	**109,304**	**145,547**
Additional provisions	2,521	1,727		27	2,278	623	**7,176**
Increase of existing provisions	43	17		-220	99	720	**659**
Increase through business combinations (-)						406	**406**
Amounts of provisions used (-)	-1,800	-9,561		-1,260	-192	-3,346	**-16,158**
Reversal of unused amounts of provisions (-)		-68			-173	-15,425	**-15,665**
Decrease through business disposals (-)		-50					**-50**
Foreign currency exchange increase (decrease)	-88	-139				-87	**-313**
Transfer from (to) other items	-2	-3,985		2,573	6,550	3,265	**8,401**
Other increase (decrease)	473					331	**804**
Provisions, ending balance	**17,570**	**6,917**	**0**	**1,601**	**8,927**	**95,792**	**130,807**

The acquisition of control over CFE at year-end 2013 gave rise to the recognition of a contingent liability for risks of 60.3 million euros in connection with CFE's construction and real estate development activities. In the course of 2014-2017, 16.0 million euros (group share 9.7 million euros) was reversed because the risks in question at CFE were either no longer present or were reported in CFE's own financial statements. This amount was further reduced in 2018 by 15.4 million euros (group share 9.3 million euros).

The other evolutions are largely attributable to variations within CFE's accounts.

The 'Other provisions' furthermore consist of provisions for negative equity method consolidation values to the amount of 25.1 million euros.

Note 18: financial debts

(€ 1,000)	< 1 year	1 year < < 5 year	> 5 year	Total 2018	< 1 year	1 year < < 5 year	> 5 year	Total 2017
	Remaining term				Remaining term			
I. Financial debts								
Bank loans	214,864	987,221	133,083	**1,335,169**	163,833	686,887	190,583	**1,041,303**
Bonds	275,826	79,325	64,031	**419,182**	99,959	399,655	35,672	**535,285**
Subordinated loans	4,580	18,916	0	**23,497**	0	5,354	0	**5,354**
Finance leases	9,924	31,085	22,842	**63,851**	15,230	38,297	27,850	**81,377**
Other financial debts	167,724	2,058	1,642	**171,424**	220,445	1,911	1,969	**224,325**
Total	**672,919**	**1,118,606**	**221,598**	**2,013,123**	**499,467**	**1,132,103**	**256,074**	**1,887,644**

Liquidity risk

The financial debts, after intercompany elimination, relate to the following segments:

	ST	LT
Marine Engineering & Contracting	357,997	703,997
Real Estate & Senior Care	296,612	647,804
Energy & Resources	0	0
AvH & Growth Capital	25,679	5,808
Intercompany	-7,367	-17,405
Total	**672,919**	**1,340,204**

DEME's liquidity risk is limited by spreading the financing over several banks and by preference over the long term. DEME has major credit and guarantee lines with a whole string of international banks. Certain ratios (covenants) were agreed in the loan agreements with the relevant banks which DEME must observe. This was the case in 2018. In addition, it has a commercial paper programme to cover short-term financial needs. DEME predominantly invests in equipment with a long life which is written off over several years. For that reason, DEME seeks to schedule a substantial part of its debts over a long term. In order to diversify the funding over several sources, DEME issued a retail bond of 200 million euros in January 2013. This was placed with a diversified group of (mainly private) investors. DEME repaid the entire loan on the maturity date in February 2019.

On 21 June 2012, **CFE** also issued a retail bond for an amount of 100 million euros. CFE redeemed its 100 million euros bond that had reached maturity on 21 June 2018. Refinancing was done by setting up a total of 160 million euros worth of confirmed bilateral credit lines (maturing in 2023), of which 130 million euros was drawn down at 31 December 2018. At the year-end, CFE set up a Multi-Term treasury Notes programme of 50 million euros. The first issues took place at the beginning of 2019.

The **Rent-A-Port** group is financed primarily by equity and shareholder loans. Infra Asia Investment Fund, a 50%-participation accounted for using the equity method, issued in 2016 a (non-recourse) bond worth 29.2 million euros + 1.8 million USD to finance the activities in Vietnam. The bond has a seven-year maturity.

Leasinvest Real Estate and **Extensa Group** have the necessary long term credit facilities and backup lines for their commercial paper with their banks to cover the existing and future investment needs. The financing risk is covered by these credit facilities and backup lines. The liquidity risk is limited by spreading the financing over several financial counterparties and by tapping various sources of funding, as well as by diversifying the maturity dates of the credit facilities. This tapping of various sources of funding was put into practice already in 2013 with the successful launch by Leasinvest Real Estate of a public bond offering for 75 million euros with six-year maturity and a private bond offering for 20 million euros with seven-year maturity. The average duration of financing at Leasinvest Real Estate was 3.1 years at year-end 2018 (compared to 3.3 years at year-end 2017).

In 2017, **Extensa** issued a bond of 75 million euros maturing in 2020 and 2022, thereby further reducing the dependence on bank financing.

The expansion of **Anima Care** by the acquisition of existing residences and the construction of new retirement homes is financed by a capital increase and/or by external funding. The cash drain in the start-up phase is taken into account in the financing of the projects. **Residalya** has bilateral credit lines for financing operations and investments. The real estate operations of **Patrimoine & Santé Expansion** are financed with long-term loans over 15 to 25 years. The net financial debt of HPA was more than halved thanks to the sale of the properties of 14 residences to Icade Santé, and despite a capital reduction of 30 million euros.

The financial debts reported by the AvH & Growth Capital segment are attributable to the debt of **Agidens** for the main building and the short term financial debts of **AvH & subholdings,** mainly corresponding to the commercial paper issued by AvH. AvH disposes of confirmed credit lines, spread over different banks, which largely exceed the existing commercial paper liabilities.
Several fully consolidated companies have agreed on certain ratios (covenants) in their credit agreements and these were respected on 31 December 2018.

(€ 1,000)	2018	2017
II. Amounts payable (or the portion thereof), which are guaranteed by real guarantees given or irrevocably promised on the assets of the enterprises included in the consolidation		
Bank loans	273,123	343,392
Finance leases	0	0
Other financial debts	0	0
Total	**273,123**	**343,392**

Note 19: banks - debts to credit institutions, clients and securities

(€ 1,000)	Fair value		Book value	
	2018	2017	2018	2017
I. Debts to credit institutions				
Current accounts / overnight deposits	10,258	9,866	10,258	9,866
Deposits with agreed maturity	17,342	17,336	17,317	17,309
Repurchase agreements				
Other deposits		243		243
Accrued interests	59	40	59	40
Total	**27,659**	**27,485**	**27,634**	**27,458**
II. Debts to clients				
Current accounts / overnight deposits	2,565,151	2,345,161	2,565,151	2,345,161
Deposits with agreed maturity	1,340,514	1,334,314	1,322,504	1,311,918
Special deposits	46,529	44,915	46,529	44,915
Regulated deposits	875,571	778,623	875,571	778,623
Other deposits	10,877	15,869	10,874	15,864
Deposit guarantee system				
Accrued interests	6,445	9,032	6,445	9,032
Total	**4,845,087**	**4,527,914**	**4,827,074**	**4,505,513**
III. Securities including bonds				
Certificates of deposits	275,467	253,324	275,208	253,114
Customer saving certificates				
Non-convertible securities				
Accrued interests				
Total	**275,467**	**253,324**	**275,208**	**253,114**
IV. Subordinated liabilities				
Subordinated liabilities	107,351	64,675	89,065	59,115
Accrued interests	1,180	1,150	1,180	1,150
Total	**108,531**	**65,825**	**90,245**	**60,265**
Total debts to credit institutions, clients and securities	**5,256,744**	**4,874,548**	**5,220,161**	**4,846,350**

The full consolidation of Bank J.Van Breda & C° results in the recording of specific bank receivables and debts in the balance sheet of AvH. These items were grouped for maximum transparency of the balance sheet.

Liquidity risk Bank J.Van Breda & C°

Liquidity risk is the risk that the bank has insufficient funds available, or is unable to release funds quickly enough and at a reasonable cost to meet its short-term commitments. The commercial banking activities are the main source of liquidity risk. A bank's sources of funding traditionally have a shorter maturity than the financed assets, resulting in a maturity mismatch. The liquidity management of Bank J.Van Breda & C° constantly monitors this mismatch and works out a financing strategy to confine it within the guidelines that are set out in a liquidity control framework. In this area, too, the bank pursues a deliberately low risk profile. Bank J.Van Breda & C° maintains a solid and high-quality liquidity buffer to absorb fluctuations in the treasury position. This buffer stands at 891 million euros and consists primarily of cash, placed at the ECB, and a highly liquid portfolio of bonds.

The bank's financing mix is very stable, with the deposits of the core clients as the main source of funding. The core clients use the bank for their investments and everyday banking transactions. The bank also closely watches the loan-to-deposit ratio and applies strict limits to this ratio between client credit portfolio and client deposits, which at year-end 2018 stood at 98.6%. Dependence on external institutional financing is kept to a minimum and in 2018 accounted for only 5.9% of total assets. A subordinated bond was placed within the bank's EMTN programme in November 2018. An amount of 40 million euros was raised, with the aim of diversifying prudential equity.

Two new liquidity ratios were introduced in the Basel III regulations and the CRR/CRD IV directive:

- The LCR (Liquidity Coverage Ratio) is a criterion for the liquidity position under an acute stress scenario over 30 days. It requires financial institutions to hold sufficient high-quality liquid assets. The regulator imposes a limit of at least 100%.
- The NSFR (Net Stable Funding Ratio) contrasts the available amount of stable funding with the required amount of stable funding over a one-year period. The regulator imposes a limit of at least 100% as from 2018. There is currently no European implementation, however.

At year-end 2018, those ratios stood at 146% and 124% respectively. Both ratios are well above the lower limit of 100% that is imposed by the regulatory authority.

The bank's liquidity risk is monitored constantly by means of proactive treasury management, within the lines defined by the Asset & Liability Management and the investment framework. For its liquidity management, the bank uses, among other things, liquidity gap reports, ratio analysis and short- and long-term volume prognoses.

In the below table the assets and liabilities are grouped by maturity period.

(€ 1,000)	≤ 1 month	1-3 months	3-12 months	1-5 years	5-10 years	> 10 years	Indefinite
31/12/2018							
Assets	816,000	173,000	686,000	2,256,000	1,252,000	558,000	46,000
Liabilities	-230,000	-189,000	-2,114,000	-2,650,000	-56,000	0	-51,000
Derivatives	-1,000	-1,000	-6,000	-15,000	8,000	2,000	0
Liquidity Gap	**585,000**	**-17,000**	**-1,434,000**	**-409,000**	**1,204,000**	**560,000**	**-5,000**
31/12/2017							
Assets	797,000	170,000	632,000	2,123,000	1,140,000	492,000	37,000
Liabilities	-218,000	-263,000	-1,913,000	-2,449,000	-23,000	0	-50,000
Derivatives	-1,000	-1,000	-5,000	-9,000	8,000	2,000	0
Liquidity Gap	**578,000**	**-94,000**	**-1,286,000**	**-335,000**	**1,125,000**	**494,000**	**-13,000**

The table above takes into account internal assumptions for deposits without maturity date.

Note 20: financial instruments

Interest rate risk Bank J.Van Breda & C°

Interest rate risk can be defined as the extent to which the results or value of a financial transaction are affected by a change in market interest rates. Applied to a financial institution, interest rate risk is the extent to which the (interest) earnings and/or fair value of this institution is liable to be adversely affected by a change in market interest rates.

The bank opts to keep the interest rate risk at a relatively low level:

- The bank uses hedging instruments to correct the mismatch. This is done with a combination of interest rate swaps (which convert variable interest rate commitments into fixed rate commitments) and options (which provide protection against a rise in interest rates above given levels).
- Equity value sensitivity is the exposure of the company's economic value to unfavourable interest rate fluctuations. Earnings sensitivity is the exposure of the bank's (interest) earnings to those same unfavourable interest rate fluctuations. Its intensity can be seen in the duration gap. By this is meant the difference in duration of all assets and duration of all liabilities (mismatch), the duration being the weighted average of the maturities of a set of fixed-interest securities.

Equity value sensitivity and earnings sensitivity are monitored by means of scenario analyses that take account of changing market conditions, enabling the impact of stress scenarios to be analysed. This equity value and earnings sensitivity is measured using the Basis Point Value (BPV) methodology which shows the value change of the portfolio being analyzed when confronted with an increase in interest rates over the entire curve. For the interest rate sensitivity of products without maturity, the assumptions described by the National Bank of Belgium (NBB) are used. Those assumptions are periodically reviewed. The assumptions have not changed in comparison with 2017.

All interest rate risk limits were more than adequately observed during 2018.

(€ 1,000)	Earnings sensitivity	Equity value sensitivity
Rate non-sensitive current accounts	60 months	
Rate sensitive current accounts	1 day	
Rate semi-sensitive current accounts	6 months	2 years
Regulated savings accounts	6 months	2 years

Impact of an immediate increase of the yield curve with 100 base points (1%) on:	2018	2017
The interest result (earnings sensitivity)	355	-680
The fair value of the equity (equity value sensitivity) (= BPV)	-17,600	-22,975

For the interest gap analysis both balance sheet and off balance sheet products are grouped together per period of maturity. In this way the mismatch structure of the group becomes visible.

(€ 1,000)	≤ 1 month	1-3 months	3-12 months	1-5 years	5-10 years	> 10 years	Indefinite
31/12/2018							
Assets	932,000	422,000	942,000	2,293,000	769,000	375,000	52,000
Liabilities	-220,000	-188,000	-3,523,000	-1,291,000	-16,000	0	-39,000
Derivatives	280,000	520,000	-20,000	-215,000	-415,000	-150,000	0
Interest Gap	**992,000**	**754,000**	**-2,601,000**	**787,000**	**338,000**	**225,000**	**13,000**
31/12/2017							
Assets	908,000	422,000	836,000	2,159,000	693,000	323,000	47,000
Liabilities	-203,000	-261,000	-3,201,000	-1,167,000	-23,000	0	-42,000
Derivatives	232,000	409,000	-10,000	-185,000	-325,000	-120,000	0
Interest Gap	**937,000**	**570,000**	**-2,375,000**	**807,000**	**345,000**	**203,000**	**5,000**

Interest rate risk other fully consolidated participations

The interest rate risk within the **CFE** group is managed according to the type of activity. The Contracting activities are characterized by an excess of cash which partially compensates the property commitments. Cash management is mainly centralized through the cash pooling. **DEME** faces substantial financing levels for the acquisition of dredging vessels. DEME uses interest rate swaps to achieve the best possible balance between financing costs and the volatility of the financial results.

Since the **Rent-A-Port** group is financed primarily by equity and shareholder loans, the interest rate risk has, by definition, no material impact on the consolidated financial statements of AvH. Infra Asia Investment Fund, a 50%-participation accounted for using the equity method, issued in 2016 a (non-recourse) bond worth 29.2 million euros + 1.8 million USD to finance the activities in Vietnam. The bond has a seven-year maturity and a fixed interest rate. A cross-currency swap, which qualifies as a cash flow hedging instrument, was concluded to cover the exchange risk (USD) on both the capital and interest flows.

The hedging policy of **Leasinvest Real Estate** is to ringfence the interest rate risks for approximately 75% of the financial debt for a period of 4-5 years and approximately 50% for the following 5 years. As Leasinvest Real Estate's debt financing is based on a variable interest rate, there is a risk of an increase in financial costs if interest rates escalate. This interest rate risk is covered by financial instruments such as interest rate swaps. The expiration dates of the interest rate coverage fall between 2019 and 2027. The duration amounted to 5.35 years at the end of 2018 (2017: 5.15 years).

The 50% hedging policy by **Extensa** was respected in 2018, partly by means of the 75 million euro bond that Extensa issued (in 2017).

Anima Care covers its interest rate risk by borrowing against a fixed interest rate to the maximum extent. At the end of 2018, the outstanding balance in loans with a variable interest rate represented 12% of the total financial debt. Of **Residalya's** financial debts, the majority is at fixed interest rates or hedged. **Patrimoine & Santé Expansions's** financial debts, are partly at fixed interest rates or hedged and partly at interest rates based on Livret A (set by the State), and are therefore very stable.

The financial debts of the **AvH & Growth Capital** segment consist of the commercial paper issued by AvH (24.0 million euros) and the debt entered into by **Agidens** for the acquisition of the head office. No interest hedging contracts were outstanding at the 2018 year end.

Sensitivity analysis for the interest rate risk

If Euribor rises by 50 base points this will mean an interest charge increase of 5.2 million euros (CFE-DEME), 0.3 million euros (Extensa), 0.6 million euros (Leasinvest Real Estate), 0.1 million euros (Anima Care), 0.2 million euros (HPA) and 0.1 million euros (AvH & subholdings). However, this does not take into account the impact we would observe on the assets.

(€ 1,000)	Notional amount 2018	Book value 2018	Notional amount 2017	Book value 2017
I. Interest rate hedges				
Assets				
Fair value hedges - Bank J.Van Breda & C°	50,000	1,281	275,000	3,650
Cash flow hedges	0	0	0	0
Hedging instruments that do not meet the requirements of cash flow hedging	35,000	696	95,000	1,078
Accrued interest	0	0	0	1
Total		**1,977**		**4,729**
Liabilities				
Fair value hedges - Bank J.Van Breda & C°	760,000	-14,184	353,273	-8,625
Cash flow hedges	1,229,860	-43,507	1,063,998	-43,115
Hedging instruments that do not meet the requirements of cash flow hedging	273,700	-1,638	21,200	-363
Accrued interest	0	-787	0	-621
Total		**-60,117**		**-52,724**
II. Currency hedges				
Assets	87,439	474	58,135	5,370
Liabilities	291,996	-5,350	211,949	-657
		-4,877		**4,713**
III. Commodity risks				
Assets		0		103
Liabilities		-6,305		-5,421
		-6,305		**-5,318**
Reconciliation with consolidated balance sheet		**Asset side**		**Asset side**
Non-current hedging instruments		2,000		5,649
Current hedging instruments		451		4,553
		2,451		**10,202**
		Liability side		**Liability side**
Non-current hedging instruments		-59,203		-50,397
Current hedging instruments		-12,569		-8,405
		-71,772		**-58,802**

The **interest rate risk** of Bank J.Van Breda & C° and the other fully consolidated participations is discussed on page 188.

See page 175 for a description of the **currency risk**. The financial instruments to hedge this risk are used primarily by the fully consolidated participations DEME and Bank J.Van Breda & C°. The currency positions which Bank J.Van Breda & C° holds through forward exchange transactions arise from the activities of its clients. The bank hedges outstanding positions on an interbank basis so that no material exchange rate risk can arise.

The table below gives an overview of the relevant financial instruments used at DEME:

(€ 1,000)	Notional value						Fair value					
	USD	SGD Singapore Dollar	AUD Australian Dollar	PLN Polish Zloty	Other	Total	USD	SGD Singapore Dollar	AUD Australian Dollar	PLN Polish Zloty	Other	Total
Term purchases	44,551	16,275	12,953	0	7,599	**81,378**	-41	54	-34	0	-15	**-36**
Term sales	169,927	19,682	0	72,293	7,755	**269,657**	-4,139	-329	0	-4	64	**-4,408**

Commodity risks are also linked to DEME, which hedges against oil price fluctuations by entering into forward contracts.

Note 21: taxes

1. Recognized deferred tax assets and liabilities

(€ 1,000)	Assets 2018	Liabilities 2018	Net 2018	Assets 2017	Liabilities 2017	Net 2017
Intangible assets	22	38,982	-38,960	38	39,028	-38,990
Tangible assets	22,675	77,180	-54,505	12,586	109,726	-97,140
Investment property	75	18,796	-18,721	22	6,882	-6,860
Investments	-766	0	-766	-713	0	-713
Employee benefits	13,570	709	12,861	11,824	539	11,284
Provisions	4,249	22,260	-18,011	-551	22,616	-23,167
Financial derivative instruments	2,752	5	2,747	2,823	423	2,401
Working capital items	32,794	82,142	-49,348	43,592	73,926	-30,333
Tax losses and tax credits / deduction for investment	79,828	-1,189	81,018	79,333	-1,136	80,469
Set-off	-46,902	-46,902	0	-39,736	-39,736	0
Total	**108,297**	**191,983**	**-83,685**	**109,219**	**212,268**	**-103,050**

Deferred taxes are mainly due to the revaluation of assets and liabilities as a result of business combinations. The item 'Set-off' reflects the set-off between deferred tax assets and liabilities per entity at DEME.

2. Unrecognized deferred tax assets

(€ 1,000)	2018	2017
Unrecognized receivables following tax losses	108,207	95,281
Other unrecognized deferred tax assets (1)	974	11,707
Total	**109,181**	**106,988**

(1) The other unrecognized deferred tax assets principally concern amounts whose recuperation is restricted in time and dependent upon the extent to which taxable results can be achieved within this period. Claims which stem from the reclamation of unapplied taxable fixed income surplus are not mentioned in this overview.

3. Current and deferred tax expenses (income)

(€ 1,000)	2018	2017
Current income tax expense, net		
Current period tax expense	-82,384	-73,469
Adjustments to current tax of prior periods	3,736	365
Total	**-78,647**	**-73,104**
Deferred taxes, net		
Origination and reversal of temporary differences	6,925	13,861
Additions (use) of tax losses	12	3,448
Other deferred taxes	-485	-1,227
Total	**6,452**	**16,082**
Total current and deferred tax (expenses) income	**-72,195**	**-57,022**

4. Reconciliation of statutory tax to effective tax

Profit (loss) before taxes	513,968	512,680
Profit (loss) of participations accounted for using the equity method (-)	-153,853	-140,859
Profit (loss) before taxes, excluding result from participations accounted for using the equity method	360,115	371,820
Statutory tax rate (%)	29.58%	33.99%
Tax expense using the statutory tax rate	**-106,522**	**-126,382**
Tax effect of rates in other jurisdictions	2,737	20,969
Tax effect of tax-exempt revenues	73,471	68,741
Tax effect of non-deductible expenses	-36,310	-20,070
Tax effect of tax losses	-5,230	-16,082
Tax effect from (under) or over provisions in prior periods	8,920	-5,311
Other increase (decrease)	-9,261	21,113
Tax expense using the effective tax rate	**-72,195**	**-57,022**
Profit (loss) before taxes	513,968	512,680
Profit (loss) of participations accounted for using the equity method (-)	-153,853	-140,859
Profit (loss) before taxes, excluding result from participations accounted for using the equity method	360,115	371,820
Effective tax rate (%)	**20.05%**	**15.34%**

The **income taxes** increased in 2018 by 15.2 million euros to 72.2 million euros. Adjusted for the profit from the equity accounted companies, which is recognized after tax, this amounts to a tax cost of 20.0%.

The tax-exempt revenues mainly relate to (exempt) capital gains and dividends. Capital losses and impairments not deductible for tax purposes explain the non-deductible expenses.

Note 22: share based payment

1. Equity settled stock option plan AvH as of 31 December 2018

Grant date	Number options granted	Number options exercised	Number options expired	Balance	Exercise price (€)	Exercise period
2007	45,000	-33,500		11,500	62.12	01/01/2011 - 08/01/2015 + 5y
2008	46,500	-10,000	-2,000	34,500	66.05	01/01/2012 - 02/01/2016 + 5y
2009	49,500	-47,500	-2,000	0	37.02	01/01/2013 - 05/01/2017
2010	49,000	-47,000	-2,000	0	52.05	01/01/2014 - 04/01/2018
2011	49,000	-46,500	-2,500	0	60.81	01/01/2015 - 04/01/2019
2012	47,000	-25,000		22,000	56.11	01/01/2016 - 03/01/2020
2013	49,500	-15,000		34,500	61.71	01/01/2017 - 03/01/2021
2014	49,500	-1,000		48,500	82.32	01/01/2018 - 02/01/2022
2015	50,500			50,500	100.23	01/01/2019 - 05/01/2023
2016	40,500			40,500	130.95	01/01/2020 - 03/01/2024
2017	46,000			46,000	128.30	01/01/2021 - 12/01/2025
2018	46,000			46,000	148.64	01/01/2022 - 11/01/2026
	568,000	**-225,500**	**-8,500**	**334,000**		

AvH's stock option plan, which was approved in March 1999, is intended to provide long-term motivation for executive directors, members of the executive committee and management whose activities are essential to the success of the group. The options give them the right to acquire a corresponding number of shares in Ackermans & van Haaren.

The remuneration committee is responsible for monitoring this plan and selecting the beneficiaries. The options are provided free of charge and their exercise period is 8 years.

Within the limits of the Economic Recovery law of 27 March 2009, the company took advantage of the possibility to extend by at most 5 years and at no additional cost the exercise period of the options it had offered between 2 November 2002 and 31 August 2008.

The total value of the outstanding options of 2007-2018 (measured at the fair value when granted) amounts to 6.5 million euros and is calculated by an external party according to an adjusted Black & Scholes model of which the main components are:

Year of grant	Share price (€)	Dividend yield	Volatility	Interest rate	Estimated expected lifetime	Black & Scholes Value (€)
2007	66.90	1.35%	22.05%	4.04%	5.75	21.74
2008	65.85	1.75%	20.24%	4.34%	5.90	17.78
2009	37.02	2.66%	42.84%	3.39%	6.50	15.47
2010	52.23	2.66%	34.34%	3.28%	7.29	16.53
2011	63.80	2.26%	23.42%	2.82%	7.22	15.77
2012	58.99	3.26%	31.65%	2.14%	7.40	15.13
2013	63.62	3.26%	25.00%	1.27%	7.84	11.26
2014	83.69	2.27%	21.00%	1.78%	7.79	15.35
2015	101.35	2.19%	19.00%	0.47%	7.79	13.76
2016	131.95	1.28%	23.00%	0.59%	7.79	27.72
2017	129.40	1.40%	23.00%	0.34%	7.79	25.70
2018	149.20	1.30%	20.00%	0.68%	7.79	27.32

In 2018, 46,000 new stock options were granted with an exercise price of 148.64 euros per share. The fair value when granted was fixed at 1.3 million euros and is recorded in the profit and loss account over the vesting period of 4 years. To hedge those obligations, AvH had a total of 334,000 shares in portfolio at the end of 2018.

2. Cash settled stock option plans at consolidated subsidiaries of AvH

The beneficiaries of the option plans of Delen Private Bank, Bank J.Van Breda & C°, Anima Care, Agidens and Turbo's Hoet Groep have a put option on the respective parent companies FinAx/Promofi, AvH and Sofinim (these companies have call options and a pre-emption right to prevent the shares from being transferred to third parties).

These option plans concern shares which are not listed on a stock exchange and whose value is determined in the option plan. The valuation of the option price is (depending on the option plan) based on the growth of the equity, a multiple on the growth of the consolidated profit or a market valuation of the company.
In conformity with IFRS 2, the impact of these option plans are included in the debts based on the best possible assessment. These debts are reviewed as a result of an exercise, a regranting or modification of the parameters. These in- or decreases of the debt result respectively in a loss or profit in the income statement.

The total debt of the option plans of the fully consolidated subsidiaries as of 31 December 2018 amounts to 13.6 million euros, included in the other long-term debts.

3. Treasury shares

In 2018 AvH didn't buy any treasury shares to hedge stock option obligations to its staff. During that same period, beneficiaries of the stock option plan exercised options on 23,000 AvH shares. As at December 31, 2018, options are granted on a total of 334,000 AvH shares. To hedge that obligation, AvH had exactly a total 334,000 treasury shares in portfolio on that same date.

In addition, 304,867 shares were purchased and 300,709 shares sold in 2018 as part of the agreement that AvH has concluded with Kepler Cheuvreux to support the liquidity of the AvH share. Kepler Cheuvreux acts entirely autonomously in those transactions, but as they are carried out on behalf of AvH, the net purchase of 4,158 AvH shares in this context has an impact on AvH's equity. This net purchase of 4,158 shares in 2018 puts the total number of shares held by AvH as part of this liquidity agreement at 9,415.

Treasury shares as part of the stock option plan	2018	2017
Opening balance	**357,000**	**352,000**
Acquisition of treasury shares		71,000
Disposal of treasury shares	-23,000	-66,000
Ending balance	**334,000**	**357,000**

Treasury shares as part of the liquidity agreement	2018	2017
Opening balance	**5,257**	**2,278**
Acquisition of treasury shares	304,867	120,338
Disposal of treasury shares	-300,709	-117,359
Ending balance	**9,415**	**5,257**

Note 23: rights and commitments not reflected in the balance sheet

1. Rights and commitments not reflected in the balance sheet, excluding CFE-DEME

(€ 1,000)	2018	2017
Amount of personal guarantees, given or irrevocably promised by the enterprises included in the consolidation, as security for debts or commitments	194,951	169,516
Amount of real guarantees, given or irrevocably promised by the enterprises included in the consolidation on their own assets, as security for debts and commitments of enterprises included in the consolidation	459,135	461,285
Goods and values, not disclosed in the balance sheet, held by third parties in their own name but at risk to and for the benefit of the enterprise	0	0
Commitments to acquire fixed assets	133,780	138,150
Commitments to dispose of fixed assets	135,058	131,537
Rights and commitments not reflected in the balance sheet of banks (Bank J.Van Breda & C°)		
- Loan commitments	391,011	420,947
- Financial guarantees	54,726	73,879
- Repo transactions + collateral	22,850	57,970

The personal guarantees in 2018 are represented by 22.0 million euros in guarantees for Extensa real estate projects, 4.7 million euros in guarantees for Agidens projects and 6.3 million euros in the scope of Rent-A-Port development projects. The balance of 161.9 million euros mainly concerns guarantees entered into by AvH & sub-holdings relating to the sale of participations.

The real guarantees concern 63.8 million euros in guarantees put up by Extensa in relation to its activities in land and real estate development. In addition, there are 304.6 million euros in guarantees from Anima Care and 76.8 million euros from HPA (Patrimoine & Santé Expansion) for real estate financing and 5.6 million euros from Agidens (acquisition headquarter). Green Offshore allocated collateral of 8.3 million euros for the financing of the Rentel and Seamade wind farms.

The commitments to acquire fixed assets concern options as part of stock option plans or options as part of shareholders' agreements (133.8 million euros in total).

The comments to dispose of fixed assets are for call options (including conditional options) on the assets of AvH & Growth Capital for the amount of 135.1 million euros.

2. Rights and commitments not reflected in the balance sheet CFE-DEME

(€ 1,000)	2018	2017
Commitments		
Performance guarantees and performance bonds (1)	1,273,793	997,687
Bid bonds (2)	13,110	16,902
Repayment of advance payments (3)	1,206	2,683
Retentions (4)	17,491	12,300
Deferred payments to subcontractors and suppliers (5)	64,999	51,317
Other commitments given - including 77,249 thousand euros of corporate guarantees at DEME	80,315	87,550
Amount of real guarantees, given or irrevocably promised by the enterprises included in the consolidation on their own assets, as security for debts and commitments of enterprises included in the consolidation (6)	51,319	88,112
Total	**1,502,233**	**1,256,551**
Rights		
Performance guarantees and performance bonds	512,354	393,592
Other commitments received	3,154	2,515
Total	**515,508**	**396,107**

(1) Guarantees given in relation to the performance of works contracts. If the construction entity fails to perform, the bank (or insurance company) undertakes to compensate the customer to the extent of the guarantee.

(2) Guarantees provided as part of tenders.

(3) Guarantees provided by a bank to a customer guaranteeing the repayment of advance payments in relation to contracts (mainly at DEME).

(4) Security provided by a bank to a client to replace the use of retention money.

(5) Guarantee covering the settlement of a liability to a supplier or subcontractor.

(6) Collateral security worth 51.3 million euros at DEME as part of the financing for the fleet.

Note 24: employment

1. Average number of persons employed

	2018	2017
Employees	7,852	7,421
Workers	4,602	4,931

2. Personnel charges

(€ 1,000)	2018	2017
Remuneration and social charges	-824,259	-746,546
Pension expenses (defined contribution and defined benefit plans)	-17,160	-16,871
Share based payment	-652	-2,484
Total	**-842,070**	**-765,902**

The increase in headcount is primarily attributable to DEME. At the headquarters of Ackermans & van Haaren 32 persons are employed. A pro forma headcount of 22,709 is cited in the section '2018 at a glance' (page 9). This pro forma figure comprises the staff of all participations held by the AvH group, and therefore deviates from the average headcount reported above based on the IFRS consolidation, which was drawn up on the basis of the consolidation scope reported on pages 145 to 151. In this pro forma presentation, all (exclusive) control interests are incorporated in full and the other interests proportionally.

Note 25: pension liabilities

(€ 1,000)	2018	2017
Defined benefit pension plans	-55,468	-52,309
Other pension obligations (early retirement)	-7,794	-6,114
Total pension obligations	**-63,262**	**-58,423**
Total pension assets	**2,809**	**2,253**

1. Defined benefit pension plans

(€ 1,000)	2018	2017
1. Amounts as recorded in the balance sheet		
Net funded defined benefit plan (obligation) asset	-52,659	-50,056
Present value of wholly or partially funded obligations (-)	*-277,659*	*-264,356*
Fair value of plan assets	*225,000*	*214,300*
Defined benefit plan (obligation) asset, total	**-52,659**	**-50,056**
Liabilities (-)	-55,468	-52,309
Assets	2,809	2,253
Movements in plan assets (obligations) as recorded in the balance sheet		
Net defined benefit plan asset (obligation) recorded in the balance sheet, opening balance	-50,056	-48,424
Increase (decrease) from business combinations/disposals	0	388
Net defined benefit cost recorded in the income statement	-13,881	-13,691
Net defined benefit cost recorded in 'Other Comprehensive Income'	-478	-2,812
Contributions from employer / employee	14,163	14,455
Other increase (decrease)	-2,408	30
Net defined benefit plan asset (obligation) recorded in the balance sheet, ending balance	-52,659	-50,056
2a. Net cost recorded in the income statement	**-13,881**	**-13,691**
Current service cost	-13,316	-13,191
Interest cost	-4,296	-3,301
Interest income on plan assets (-)	3,637	2,743
Past service cost	94	58
2b. Net cost recorded in 'Other Comprehensive Income'	**-478**	**-2,812**
Actuarial gains/(losses) recognised in 'Other Comprehensive Income'	-2,113	6,263
Return on plan assets, excluding interest income (-)	1,102	-8,591
Exchange differences	-39	0
Other	572	-484

(€ 1,000)	2018	2017
3a. Movements in defined benefit plan obligations		
Defined benefit plan obligations recorded in the balance sheet, opening balance	-264,356	-262,347
Decrease through business disposals	0	1,493
Current service cost	-13,316	-13,191
Interest cost	-4,296	-3,301
Contributions from employee	-892	-956
Benefit payments (-)	18,296	7,058
Remeasurement (gains)/losses (net)	-2,113	6,263
of which: actuarial (gains)/losses on DBO arising from changes in demographic assumptions	*0*	*0*
of which: actuarial (gains)/losses on DBO arising from changes in financial assumptions	*55*	*11,835*
of which: actuarial (gains)/losses on DBO arising from experience	*-2,168*	*-5,573*
Past service cost	0	-71
Other increase (decrease)	-10,983	697
Defined benefit plan obligations recorded in the balance sheet, ending balance	-277,659	-264,356
3b. Movements in plan assets		
Fair value of the plan assets, opening balance	214,300	213,924
Decrease through business disposals	0	-1,106
Return on plan assets excluding interest income	1,102	-8,591
Interest income on plan assets	3,637	2,743
Contributions from employer / employee	14,715	14,888
Benefit payments (-)	-18,296	-6,928
Other increase (decrease)	9,541	-630
Fair value of the plan assets, ending balance	225,000	214,300
4. Principal actuarial assumptions		
Discount rate used	1.6%	1.5%
Expected rate of salary increase	3.2%	2.7%
Inflation	1.8%	1.8%
Mortality tables	MR/FR	MR/FR
5. Other information		
Term (in years)	14.55	14.99
Average actual return on plan assets	2.08%	-2.50%
Expected contribution in next financial year	12,767	12,806
6. Sensitivity analysis		
Discount rate		
25 base point increase	-3.4%	-3.3%
25 base point decrease	+4.4%	+3.7%
Expected rate of salary increase		
25 base point increase	+2.3%	+2.3%
25 base point decrease	-1.4%	-1.8%

AvH took out 'defined benefit' as well as 'defined contribution' pension plans. These plans are underwritten by insurers in class 21 (life insurance policies with guaranteed interest rate).

Belgian law requires that employers guarantee a minimum yield of 3.25% on their own contributions to defined contribution plans; this applies to all payments made up to 31/12/2015 and until retirement age. On January 1, 2016, the Act of December 18, 2015 came into effect which stipulates that the WAP (Law on Supplementary Pensions) yield guaranteed by the employer shall be a 'variable' interest rate, linked to the yield on the bond market which will be defined each year as of January 1 on the basis of a formula specified in the Law on Supplementary Pensions. For 2017 and 2018, the guaranteed yield was 1.75%.

The guarantee which the employer offers under the Law on Supplementary Pensions is a secondary guarantee: the employer only has to make up the difference if the yield guaranteed by the insurer on plan assets is lower than the legally guaranteed yield.

For that reason, AvH has commissioned, in accordance with IAS 19R, a yearly actuarial calculation for the material defined contribution plans. For the non-material defined contribution plans, it will be annually verified whether the accumulated (mathematical) reserves are in line with the legally guaranteed minimum reserves. The accumulated reserves were more than sufficient at the end of 2018.

In accordance with IAS 19R, an actuarial calculation is carried out according to the Projected Unit Credit method for the defined benefit plans. The plan assets are measured at the discounted value of the reserves, taking into account the interest rates guaranteed by the insurers. Actuarial gains and losses are reported as other comprehensive income in the equity (see the item 'Actuarial gains and losses on defined benefit pension plans' in the statement of changes in consolidated equity).

Note 26: related parties

1. Related parties, excluding CFE - DEME

(€ 1,000)	Financial year 2018				Financial year 2017			
	Subsidiaries	Associated participations	Other related parties	TOTAL 2018	Subsidiaries	Associated participations	Other related parties	TOTAL 2017
I. Assets with related parties - balance sheet								
Financial fixed assets	**0**	**30,654**	**0**	**30,654**	**13,281**	**18,722**	**0**	**32,003**
Receivables and warranties: gross amount		30,654		30,654	18,281	18,722		37,003
Receivables and warranties: impairments				0	-5,000			-5,000
Amounts receivable	**74,000**	**14,199**	**0**	**88,198**	**68,401**	**10,894**	**0**	**79,295**
Trade debtors	486	305		792	603	541		1,144
Other receivables: gross amount	80,243	15,874		96,117	74,529	12,333		86,862
Other receivables: impairments	-6,730	-1,981		-8,711	-6,730	-1,981		-8,711
Banks - receivables from credit institutions & clients	**4,274**	**1,403**	**0**	**5,677**	**2,633**	**1,734**	**0**	**4,367**
Deferred charges & accrued income	**3,695**	**569**	**0**	**4,264**	**3,578**	**67**	**0**	**3,645**
Total	**81,969**	**46,824**	**0**	**128,793**	**87,893**	**31,417**	**0**	**119,310**
II. Liabilities with related parties - balance sheet								
Financial debts	**0**	**0**	**0**	**0**	**230**	**0**	**0**	**230**
Subordinated loans				0				0
Other financial debts				0	230			230
Other debts	**314**	**1,537**	**0**	**1,850**	**296**	**506**	**0**	**802**
Trade payables	314	140		454	296			296
Other amounts payable		1,396		1,396		506		506
Banks - debts to credit institutions, clients & securities	**124,221**	**157**	**0**	**124,378**	**125,087**	**3,324**	**0**	**128,411**
Accrued charges and deferred income	**0**	**4**	**0**	**4**	**6**	**37**	**0**	**43**
Total	**124,535**	**1,698**	**0**	**126,232**	**125,619**	**3,867**	**0**	**129,486**
III. Transactions with related parties - income statement								
Revenue	**36,774**	**639**	**3**	**37,416**	**82,545**	**499**	**3**	**83,047**
Rendering of services	805	512	3	1,320	1,605	370	3	1,978
Real estate revenue	285			285	175			175
Interest income of banking activities		28		28	15	37		52
Commissions receivable of banking activities	35,684			35,684	31,430	-48		31,382
Revenue from construction contracts		99		99	49,321	140		49,460
Other operating revenue				0				0
Other operating income	**120**	**1,896**	**0**	**2,016**	**111**	**1,874**	**0**	**1,985**
Interest on financial fixed assets - receivables	120	1,866		1,986	74	1,627		1,701
Dividends				0				0
Other operating income		30		31	38	247		284
Operating expenses (-)	**-13,863**	**-3,678**	**0**	**-17,541**	**-5,129**	**-4,491**	**0**	**-9,620**
Interest expenses Bank J.Van Breda & C° (-)				0		-314		-314
Impairment losses (-)	-13,281			-13,281	-5,000			-5,000
Other operating expenses (-)	-582	-3,678		-4,260	-129	-4,177		-4,306
Finance income	**2,824**	**614**	**0**	**3,438**	**3,189**	**78**	**0**	**3,267**
Interest income	2,824	614		3,438	3,189	78		3,267
Other finance income				0				0
Finance costs (-)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Interest expenses				0				0

The loans that AvH and subholdings have granted to participations that are not fully consolidated are included in the above table. The interest rate charged for these intra-group loans is at arm's length. The same applies for financing loans that Extensa, Rent-A-Port and Green Offshore grant to its equity-method subsidiaries.

Through the full consolidation of Bank J.Van Breda & C° and the inclusion of Delen Private Bank using the equity method, the commercial paper of Bank J.Van Breda & C° held by Delen Private Bank (120.1 million euros) and the time deposits (4.6 million euros) are reported as a debt of Bank J.Van Breda & C° to a related party.

The construction activities by Van Laere (heading 'Revenue from construction contracts') are included in the next Note "Transactions with related parties - CFE-DEME" af of 2018.

2. Transactions with related parties - CFE - DEME

- Ackermans & van Haaren (AvH) owns 15,301,521 shares of CFE and as a result is the primary shareholder of CFE with 60.45% of the total number of shares.
- Under the service contracts which DEME and CFE concluded with AvH (in 2001 and 2015 respectively), amounts were paid of 1.2 million euros and 0.7 million euros respectively.
- Transactions with related parties concerned mainly transactions with companies in which CFE and DEME have a joint control or a significative influence. These transactions are concluded at arm's length. In 2018, for example, CFE carried out construction activities for Extensa (on Tour & Taxis), Leasinvest Real Estate (Treesquare centre Brussels) and Anima Care (Erasmus Anderlecht).
- The turnover with related parties decreased significantly as a result of the completion of the construction of the windparks Merkur and Rentel.

(€ 1,000)	2018	2017
Assets with related parties CFE-DEME	**237,937**	**445,634**
Non current financial assets	170,380	143,203
Trade and other receivables	50,072	281,761
Other current assets	17,485	20,670
Liabilities with related parties CFE-DEME	**37,646**	**106,555**
Other non current liabilities	1,309	3,542
Trade and other liabilities	36,337	103,013

(€ 1,000)	2018	2017
Revenues and expenses with related parties CFE-DEME	**354,762**	**629,089**
Revenue and revenue from auxiliary activities	369,154	642,173
Purchases and other operating expenses	-23,616	-23,441
Net financial income/(expense)	9,224	10,357

3. Remuneration

(€ 1,000)	2018	2017
Remuneration of the directors		
Tantièmes at the expense of AvH	590	655
Remuneration of the members of the executive committee		
Fixed remuneration	2,618	2,507
Variable remuneration	2,395	2,469
Share based payment	609	505
Group and hospitalisation insurance	474	469
Benefits in kind (company car)	36	34

4. The auditor Ernst & Young received following fees related to:

(€ 1,000)	AvH	Subsidiaries (1)	Total 2018	AvH	Subsidiaries (1)	Total 2017
The statutory mandate	62	1,258	1,320	56	1,261	1,317
Special missions						
- other control missions	10	141	151		242	242
- tax advice	5	273	278	5	301	306
- other missions than statutory	2	10	12		290	290
Total	**79**	**1,683**	**1,762**	**61**	**2,094**	**2,155**

(1) Including jointly controlled subsidiaries accounted for using the equity method.

Note 27: earnings per share

1. Continued and discontinued operations

(€ 1,000)	2018	2017
Net consolidated profit, share of the group (€ 1,000)	289,639	302,530
Weighted average number of shares [1]	33,144,068	33,138,637
Basic earnings per share (€)	**8.74**	**9.13**
Net consolidated profit, share of the group (€ 1,000)	289,639	302,530
Weighted average number of shares [1]	33,144,068	33,138,637
Impact stock options	96,122	125,089
Adjusted weighted average number of shares	33,240,190	33,263,725
Diluted earnings per share (€)	**8.71**	**9.09**

2. Continued activities

(€ 1,000)	2018	2017
Net consolidated profit from continued activities, share of the group (€ 1,000)	289,639	302,530
Weighted average number of shares [1]	33,144,068	33,138,637
Basic earnings per share (€)	**8.74**	**9.13**
Net consolidated profit from continued activities, share of the group (€ 1,000)	289,639	302,530
Weighted average number of shares [1]	33,144,068	33,138,637
Impact stock options	96,122	125,089
Adjusted weighted average number of shares	33,240,190	33,263,725
Diluted earnings per share (€)	**8.71**	**9.09**

[1] Based on number of shares issued, adjusted for treasury shares in portfolio.

Note 28: proposed and distributed dividends

1. Determined and paid out during the year

(€ 1,000)	2018	2017
Dividend on ordinary shares:		
- Final dividend 2017: 2.20 euros per share (2016: 2.04 euros per share) [1]	-73,019	-67,638

2. Proposed for approval by the general meeting of May 27, 2019

(€ 1,000)	
Dividend on ordinary shares:	
- Final dividend 2018: 2.32 euros per share [1]	-76,916

3. Dividend per share (€)

	2018	2017
Gross	2.3200	2.2000
Net (withholding tax 30%)	1.6240	1.5400

[1] Excluding dividend payment to treasury shares held by AvH & subholdings.

Note 29: Major events after balance sheet date

At the **end of February 2019**, AvH acquired a 60% participation in **Biolectric** alongside the founder and CEO, Philippe Jans. Biolectric, founded in 2011, is the market leader in the production and sale of compact biogas installations (< 100kW) intended for cattle and pig farms and water purifcation stations. Thanks to the anaerobic digestion technique, methane gas from manure is converted into usable energy (electricity and heat), avoiding the emission of harmful greenhouse gases. Biolectric's activity hence contributes to a climate-efficient agricultural production, which is totally in line with AvH's 'Partners for Sustainable Growth' mission.

March 14, 2019, AvH reaches an agreement in principle on the sale of **HPA** to DomusVi. AvH together with Hervé Hardy, founder and CEO, have entered into exclusive negotiations with DomusVi on the sale of 100% of the share capital of HPA, the parent company of Residalya. After information-consultation of the personnel representatives of Residalya, the transaction could be closed in the second quarter of 2019, subject however to the approval by the French competition authorities.
At the closing of the transaction, AvH shall be entitled to a cash proceed of approximately 165 million euros and realize an estimated capital gain of 105 million euros.

Statutory auditor's report

Independent auditor's report to the general meeting of Ackermans & van Haaren NV for the year ended 31 December 2018

As required by law and the Company's articles of association, we report to you as statutory auditor of Ackermans & van Haaren NV (the "Company") and its subsidiaries (together the "Group"). This report includes our opinion on the consolidated statement of the financial position as at 31 December 2018, the consolidated statement of the realized and un-realized results, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 31 December 2018 and the disclosures (all elements together the "Consolidated Financial Statements") and includes as well our report on other legal and regulatory requirements. These two reports are considered as one report and are inseparable.

We have been appointed as statutory auditor by the shareholders meeting of 23 May 2016, in accordance with the proposition by the Board of Directors, following recommendation of the Audit Committee. Our mandate expires at the shareholders meeting that will deliberate on the annual accounts for the year ending 31 December 2018. We performed the audit of the Consolidated Financial Statements of the Group during 18 consecutive years.

Report on the audit of the Consolidated Financial Statements 2018

Unqualified opinion

We have audited the Consolidated Financial Statements of Ackermans & van Haaren NV, which consists of the consolidated statement of the financial position as at 31 December 2018, the consolidated statement of the realized and un-realized results, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 31 December 2018 and the disclosures, which show a consolidated balance sheet total of € 14.165.464.(000) and of which the consolidated income statement shows a profit for the year (attributable to the owners of the Company) of € 289.639.(000)

In our opinion the Consolidated Financial Statements of the Group give a true and fair view of the consolidated net equity and financial position as at 31 December 2018, as well as its consolidated results and its consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRS") and with applicable legal and regulatory requirements in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the consolidated financial statements" section of our report.
We have complied with all ethical requirements that are relevant to our audit of the Consolidated Financial Statements in Belgium, including those with respect of independence. We have obtained from the Board of Directors and the officials of the Company the explanations and information necessary for the performance of our audit and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current reporting period.
These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon, and consequently we do not provide a separate opinion on these matters.

1. Revenue recognition and contract accounting (Marine Engineering & Contracting)

Companies concerned: CFE and DEME

Description of the key audit matter
For the majority of its contracts, the Group recognizes revenue and profit on the stage of completion based on the proportion of contract costs incurred for the work performed to the balance sheet date, relative to the estimated total costs of the contract at completion. The recognition of revenue and profit therefore relies on estimates in relation to the forecast total costs on each contract. Cost contingencies may also be included in these estimates to take account of specific uncertain risks, or disputed claims against the Group, arising within each contract. The revenue on contracts may also include variations and claims, which are recognized on a contract-by-contract basis when the additional contract revenue can be measured reliably.
This often involves a high degree of judgment due to the complexity of projects, uncertainty about costs to complete and uncertainty about the outcome of discussions with clients on variation orders and claims. Therefor there is a high degree of risk and associated management judgement in estimating the amount of revenue and associated profit (recognized based on percentage of completion) or loss (recognized in full) by the Group up to the balance sheet date and changes to these estimates could give rise to material variances.
Contract accounting for the Group also involves a significant accounting analysis when it comes to bundling or unbundling of contract. The (un)bundling of one or multiple contracts can significantly impact the revenues and results recognized in the accounting period.

Summary of audit procedures performed
- Project review: using a variety of quantitative and qualitative criteria, a sample of contracts has been selectedto challenge the most significant and complex contract estimates. An understanding of the current condition and history of the projects was obtained and the judgements inherent to these projects were challenged with senior executive and financial management. Additionally, differences with prior project estimates were analyzed and assessed consistent with the developments during the year.
- Determination of the proper calculation of the percentage of completion and the related revenue and margin recognized for a selection of projects, obtaining an

understanding of the procedures relating to accounting for costs to complete the project and considering the design and implementation of the related controls and processes.
- Historical comparisons: evaluating the financial performance of contracts against budget and historical trends.
- Site visits: completing site visits for certain higher risk or larger value contracts, observation of the stage of completion of individual projects and identifying areas of complexity through discussion with site personnel.
- Benchmarking assumptions: challenging the Group's judgement in respect of forecasted contract out-turn, contingencies, settlements, and the recoverability of contract balances by means of agreement to third party certifications or confirmations and with reference to our own assessments and to historical outcomes.
- Customer correspondence scrutiny: analyzing correspondence with customers around variations and claims and considering whether this information is consistent with the estimates made by the Group.
- Inspecting selected contracts for key clauses: identifying relevant contractual mechanisms impacting the (un)bundling of contracts, and others such as delay penalties, bonuses or success fees and assessing whether these key clauses have been appropriately reflected in the amounts recognized in the financial statements.

Reference to information or notes in the Consolidated Financial statements
The methodology applied in recognizing revenue and contract accounting is set out in note 1 (Valuation rules) and note 14 (Inventories and construction contracts) to the Consolidated Financial Statements.

2. Uncertain tax positions (Marine Engineering & Contracting)

Company concerned: DEME

Description of the key audit matter
DEME operates in a range of countries subject to different tax regimes. The taxation of the operations can be subject to judgements and might result in disputes with local tax authorities. If management considers it probable that such disputes will lead to an outflow of resources, accruals have been recorded accordingly. Therefore, there is a high degree of risk and associated management judgement related to estimating the amount of accruals for uncertain tax positions to be recognized by the Group up to the balance sheet date and changes to these estimates could give rise to material variances.

Summary of audit procedures performed
- In order to audit the adequacy of the recorded tax accrual, the audit procedures included an analysis of the estimated probability of the tax risk, of management's estimate of the potential outflows and a review of the supporting documentation.
- Involvement of experts: involving tax specialists to review the assumptions supporting the estimates and to challenge the appropriateness of these assumptions in view of local tax regulations.
- Obtaining understanding of the procedures relating to accounting for (deferred) taxes and considered design and implementation of the related controls and processes.
- Assessing the appropriateness of the disclosures relating to (deferred) taxes in the group's Consolidated Financial Statements.

Reference to information or notes in the Consolidated Financial statements
Refer to note 1 (Valuation rules) and note 21 (Taxes).

3. Revenue recognition and valuation of inventories and construction contracts (Marine Engineering & Contracting, Real Estate & Senior Care)

Companies concerned: CFE and Extensa

Description of the key audit matter
The valuation of the land positions and the incurred constructions costs for residential property developments are based on the historical cost or lower net realizable value. The assessment of the net realizable values involves assumptions relating to future market developments, decisions of governmental bodies, discount rates and future changes in costs and selling prices. These estimates involve various terms and are sensitive to scenarios and assumptions used and involve as such significant management judgement. Risk exists that potential impairments of inventories are not appropriately accounted for.
Revenues and results are recognized to the extent that components (housing units) have been sold and based on the percentage of completion of the development. The recognition of revenue and profit therefore relies on estimates in relation to the forecasted total costs on each project.
This often involves a high degree of judgement due to the complexity of projects and uncertainty about costs to complete. Therefore, there is a high degree of risk associated with estimating the amount of revenue and associated profit to be recognized by the Group up to the balance sheet date and changes to these estimates could give rise to material variances.

Summary of audit procedures performed
- A sample of project developments have been tested by verifying the costs incurred to date, relating to land and work in progress as well as recalculating the percentage of completion at the balance sheet date. A selection of these schemes have been reviewed with a sample of costs agreed to third party surveyors' certificates, total sales values agreed to contracts, and the accuracy of the recognition formula has been verified.
- Assessment of the calculations of net realizable values and challenging the reasonableness and consistency of the assumptions and model used by management.
- Evaluating the financial performance of specific projects against budget and historical trends, specifically in view of assessing the reasonableness of the costs to complete.

Reference to information or notes in the Consolidated Financial statements
Refer to note 1 (Valuation rules) and note 14 (inventories and construction contracts)

4. Specific allowances for loans and advances to customers (Private banking)

Company concerned: Bank J.Van Breda & C°

Description of the key audit matter
The net portfolio of loans and advances to customers amounted to € 4.797 million as at 31 December 2018. Loans and advances to customers are measured at amortized cost, net of the allowance for loan losses (€ 33,4 million).
Certain aspects of the accounting for allowance for loan losses require significant judgement by management, such as the identification of loans and advances to customers that are deteriorating, the assessment of objective evidence for impairment, the value of collateral and the estimation of the recoverable amount.
The use of different modeling techniques and assumptions can lead to considerably different estimates of impairments for credit losses.
Due to the significance of loans and advances to customers advances to customers and the related estimation uncertainty, the valuation of loans and advances to customers is considered as a key audit matter.

Summary of audit procedures performed
The following audit procedures were performed, amongst others:
- Assessing the design and evaluation of the operating effectiveness of controls around the valuation and accuracy of loans and advances and collateral data, the determination of risk ratings and the process for identifying arrears and the management thereof.
- Performing risk assessment aimed at identifying higher risk deteriorating, the assessment of objective evidence for portfolios, including an assessment of management's own portfolio stress tests and risk mitigation actions to identify areas of focus.
- Credit file reviews on a sample basis to test the recoverability of loans and advances to customers; by doing so, challenging the probability of realization, and valuation of collateral and other possible sources of repayment.
- Evaluation of the most important input variables and assumptions for the models

used for the determination of impairment of loans and advances to customers calculated on a collective basis and testing of the arithmetic accuracy of the models.
- Comparing Management's key assumptions against the understanding of the relevant industries and business environments.
- Assessing whether disclosures appropriately reflected the exposure to credit risk, including controls over identification and disclosure of forborne loans, collateral valuation and sensitivity of key assumptions.

Reference to information or notes in the Consolidated Financial statements
Refer to note 1 (Valuation rules) and note 13 (Banks – receivables from credit institutions and clients)

5. Valuation of the investment properties (Real Estate & Senior Care)

Companies concerned: LRE en Extensa

Description of the key audit matter
As per 31 December 2018 the Group presents Investment property for a total amount of € 1.138 million on its balance sheet.
In accordance with the accounting policies and IAS 40 standard "Investment property", investment property is valued at fair value, and the changes in the fair value of investment property are recognized in the income statement. The fair value of investment properties belongs to the level 3 of the fair value hierarchy defined within the IFRS 13 standard "Fair Value Measurement", some parameters used for valuation purposes are based on unobservable data (discount rate, future occupancy rate, …). For these reasons, we consider the valuation of the investment properties as a key audit matter.

Summary of audit procedures performed
The group uses external appraisers to make an estimate of the fair value of the investment properties of the Group, with the support of internal real estate valuation specialists, the valuation reports were evaluated. More precisely:
- assessment of the objectivity, the independence and the competence of the external appraisers,
- testing of the integrity of source data (contractual rentals, maturities of the rental contracts, …) used in their calculations,
- review of the models, assumptions and parameters used in their reports (the most important ones being discount rates, future occupancy rates, …).

Assessment of the appropriateness of the information on the fair value of the investment properties disclosed in note 1 (Valuation rules) and note 10 (Investment property at fair value) of the Consolidated Financial Statements.

6. Valuation of financial instruments (multiple segments)

Description of the key audit matter
Different companies within the group use interest rate swaps (IRS) to hedge its interest rate risk on its variable rate debts. The measurement of the derivatives at fair value is an important source of volatility of the result and/or the shareholders' equity. As a matter of fact, in accordance with IFRS 9 "Financial Instruments: Recognition and Measurement", these derivatives are valued at fair value (considered to belong to the level 2 of the fair value hierarchy defined by IFRS 13 "Fair Value Measurement"). The changes in fair value are recognized in the income statements except for those IRS for which the Company applies hedge accounting ("cash-flow hedging"), which allows to record most of the changes in fair value in the caption of the shareholders' equity ("Reserve for the balance of changes in fair value of authorized hedging instruments qualifying for hedge accounting as defined under IFRS"). The audit risk appears on the one hand in the valuation of these derivatives and on the other hand in the application of hedge accounting. For these reasons, this is considered as a key audit matter.

Summary of audit procedures performed
- Comparing the fair values of the derivatives with the values communicated by the counterparties and the credit risk adjustments calculated by an external specialist.
- Assessment of the most important assumptions and the calculations performed by this external specialist.
- Reviewing the effectiveness tests performed by the external specialist involved by the Group with regard to the correct application of hedge accounting
- Comparing the volume of derivatives subject to hedge accounting with the volume of the variable rate debts projected on the future accounting years in order to identify any potential over hedging which could potentially jeopardize the application of hedge accounting.
- Assessment of the appropriateness of the information on the financial instruments disclosed in note 20 (Financial instruments) to the Consolidated Financial Statements.

7. Goodwill

Description of the key audit matter
As per 31 December 2018 the Group presents goodwill for a total amount of € 340 million on its balance sheet.
The impairment analysis is yearly performed by management based on different factors such as (i) stock exchange share prices, (ii) equity values, (iii) discounted cash flow analysis ("DCF analysis") of the underlying participations based on forecasts approved by the board of directors of the companies en (iv) sales prices based on ongoing negotiations. This requires assessment and valuation of the assumptions used by management, such as the underlying recoverable value of the participation. The determination of the future cash flows of the cash generating units ("CGU") and of the used discount rate is complex and subjective. Changes in these assumptions can result in material deviations in the value-in-use calculations, which influences the potential impairment loss to be recorded on goodwill.

Summary of audit procedures performed
- Review of management's process to identify the impairment indicators.
- Assessing management's method to determine the recoverable value of each of the investments, along with the intercompany positions and the related goodwill to ensure this follows the IFRS guidelines.
- Assessing the appropriateness of the assumptions used by management to determine the recoverable value (with the help of internal specialists).
- Comparison of the operational cash flows with historical figures and trends.
- Assessing the reasonableness of future cash flows used in the valuation exercise on goodwill based on the historical results, the business plan available and the evaluation of the historical accuracy of the assumptions used by management.
- Checking whether the future cash flows were based on a business plan approved by the board of directors.
- Performing of mathematical accuracy checks of the valuation model.
- Assessment of the sensitivity analysis performed by management.
- Assessment of the appropriateness of the information on the financial instruments disclosed in note 1 (Valuation rules – principles of consolidation) and note 8 (Goodwill) to the Consolidated Financial Statements.

8. Risks of the companies accounted for under the equity method

Description of the key audit matter
A large number of companies are accounted for using the equity method in the Consolidated Financial Statements of the Group. Per 31 December 2018 this amounts to € 1.185 million in the balance sheet and they contribute for € 154 million in the consolidated result of the year. The information on participations accounted for using the equity method is included in note 11 to the Consolidated Financial Statements.
The risks exists that key audit matters are related to those companies which are significant to the Consolidated Financial Statements of the Group.
Delen Private Bank has acquired clientele, as a result of several acquisitions, which are included under intangible fixed assets, the majority of the purchased clientele

is considered as intangible assets with an indefinite useful life. The statistical data from the past show that only a limited part of the purchased clientele has a definite useful life. With each acquisition of clientele, on the basis of the statistics, it is determined how much of the purchased clientele is to be considered as an intangible fixed asset with a certain useful life, which is amortized pro rata over this useful life. The remainder is not amortized. Management conducts an annual impairment analysis on the basis of its own developed model for both clientele with a definite and indefinite useful life, whereby the purchased clientele is subdivided per group office. The valuation of the purchased clientele is complex and requires estimates from the management. The valuation of the clientele is based on the assets entrusted by the clientele (Assets under management, hereinafter "AuMs") that represents the purchased clientele on which a factor is applied.
A change in these parameters or the use of erroneous data would have a material impact on the valuation of the purchased clientele.
For these reasons, the valuation of the activated, acquired clientele is a key audit matter of our audit.

Summary of audit procedures performed
With regard to the valuation of the activated, acquired clientele, the following audit procedures were carried out:

- Assessment of the division of the existing clientele within the group per office and discussion of any changes in relation to previous periods.
- Assessment of the parameters used (such as AuMs and factors), the methodology and the model used in accordance with IAS 36.
- Analysis of the breakdown of purchased customers per office.
- Verification of the factors used in the model with market data and reconciliation of the AuMs with the accounting inventories and of the applied market value with the market data.
- Sensitivity analysis on the most important assumptions, which is mainly the cost-income ratio.
- Recalculation of the recorded depreciation on the clientele with a certain useful life.
- Assessment of the adequacy and completeness of note 11 (companies accounted for using the equity method) of the Consolidated Financial Statements.

With respect to the key audit matters in the balance sheets of the companies accounted for using the equity method, the following audit procedures were performed, amongst others:

- Communication of clear audit instructions to the component auditors indicating the possible key audit matters, specific audit risks, audit procedures to be performed according to the materiality levels determined.
- Detailed review of the reported deliverables by the component auditors.
- Critical evaluation of the used audit approach in accordance with the international auditing standards.
- Discussion on the key audit matters with the component auditor and assessment of the reported clarifications.
- Assessment of the adequacy and completeness of note 11 (companies accounted for using the equity method) of the Consolidated Financial Statements.

Responsibilities of the Board of Directors for the preparation of the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the Consolidated Financial Statements that give a true and fair view in accordance with IFRS and with applicable legal and regulatory requirements in Belgium as well as internal controls relevant to the preparation of the Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.
As part of the preparation of the Consolidated Financial Statements, the Board of Directors is responsible for assessing the Company s ability to continue as a going concern, and provide, if applicable, information on matters impacting going concern. The Board of Directors should prepare the financial statements using the going concern basis of accounting, unless the Board of Directors either intends to liquidate the Company or to cease business operations, or has no realistic alternative but to do so.

Our responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement, whether due to fraud or error, to express an opinion on these Consolidated Financial Statements based on our audit. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit, in accordance with ISAs, we exercise professional judgment and we maintain professional skepticism throughout the audit. We also perform the following tasks:

- Identification and assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, the planning and execution of audit procedures to respond to these risks and obtain audit evidence which is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatements is larger when these misstatements are due to fraud, since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtaining insight in the system of internal controls that are relevant for the audit and with the objective to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- Evaluating the selected and applied accounting policies, and evaluating the reasonability of the accounting estimates and related disclosures made by the Board of Directors as well as the underlying information given by the Board of Directors;
- Conclude on the appropriateness of Board of Director's use of the going-concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to event or conditions that may cast significant doubt on the Company or Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company or Group to cease to continue as a going-concern;
- Evaluating the overall presentation, structure and content of the Consolidated Financial Statements, and of whether these financial statements reflect the underlying transactions and events in a true and fair view.

We communicate with the Audit Committee within the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the audits of the subsidiaries. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities.
We provide the Audit Committee within the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
From the matters communicated with the Audit Committee within the Board of Directors, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our report, unless the law or regulations prohibit this.

Report on other legal and regulatory requirements

Responsibilities of the Board of Directors
The Board of Directors is responsible for the preparation and the content of the Board of Director's report and other information included in the annual report.

Responsibilities of the auditor
In the context of our mandate and in accordance with the additional standard to the ISA's applicable in Belgium, it is our responsibility to verify, in all material respects, the Board of Director's report and other information included in the annual report, and to report any matters.

Aspects relating to Board of Director's report and other information included in the annual report
In our opinion, after carrying out specific procedures on the Board of Director's report, the Board of Director's report is consistent with the Consolidated Financial Statements and has been prepared in accordance with article 119 of the Belgian Companies Code.
In the context of our audit of the Consolidated Financial Statements, we are also responsible to consider whether, based on the information that we became aware of during the performance of our audit, the Board of Director's report and other information included in the annual report, being:
- 2018 at a glance - page 8
- Activity report - page 68
- Key figures 2018 - appendix

contain any material inconsistencies or contains information that is inaccurate or otherwise misleading. In light of the work performed, we do not need to report any material inconsistencies. In addition, we do not express any form of reasonable assurance regarding the individual elements included in the annual report.
The non–financial information required by article 119 §2 of the Belgian Companies Code has been included in the Board of Director's report on the Consolidated Financial Statements.
The Group has partially based the non-financial information on the Global Reporting Initiative ("GRI") Standards. We do not comment on whether this non-financial information has been prepared, in all material respects, in accordance with the GRI Standards. We do not express any form of assurance regarding the individual elements included in this non-financial information.

Independence matters
Our auditor's office and our network has not performed any services that are not compatible with the statutory audit of the Annual Accounts and has remained independent of the Company during the course of our mandate.
The fees related to additional services which are compatible with the statutory audit of the Annual Accounts as referred to in article 134 of the Belgian Companies Code were duly itemized and valued in the notes to the Annual Accounts.

Other communications
- This report is consistent with our supplementary declaration to the Audit Committee as specified in article 11 of the regulation (EU) nr. 537/2014.

Diegem, 28 March 2019

Ernst & Young Bedrijfsrevisoren CVBA
Statutory auditor, Represented by
Patrick Rottiers - Partner * Wim Van Gasse - Partner *

** Acting on behalf of a BVBA/SPRL*

Statutory annual accounts

In accordance with article 105 of the Company Law, the statutory annual accounts of Ackermans & van Haaren, are presented in short form. In accordance with article 98 and 100 of the Company Law, the full annual accounts, the annual report of the board of directors and the report of the statutory auditor are filed with the National Bank of Belgium.

The statutory auditor has given an unqualified opinion regarding the statutory accounts.

The annual accounts, the annual report of the board of directors and the report of the statutory auditor are available at the registered office of the company upon simple request. The statutory annual accounts are prepared in accordance with the Belgian General Accounting Principles.

Address: Begijnenvest 113 - 2000 Antwerp, Belgium
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Balance sheet

(€ 1,000)	Note	2018	2017	2016
Assets				
Fixed assets		**1,926,399**	**2,628,386**	**2,467,325**
I. Formation expenses				
II. Intangible assets		**0**	**0**	**1**
III. Tangible assets	(1)	**9,800**	**10,134**	**10,598**
A. Land and buildings		6,438	6,733	7,037
C. Furniture and vehicles		1,307	1,248	1,310
D. Leasing and other similar rights		0	0	0
E. Other tangible assets		2,054	2,153	2,252
F. Assets under construction and advanced payments				
IV. Financial assets		**1,916,599**	**2,618,252**	**2,456,726**
A. Affiliated enterprises	(2)	1,684,656	2,401,174	2,275,420
1. Participating interests		1,667,248	2,394,789	2,269,084
2. Amounts receivable		17,409	6,385	6,336
B. Other enterprises linked by participating interests	(3)	217,955	210,547	174,016
1. Participating interests		217,955	210,547	174,016
2. Amounts receivable		0	0	0
C. Other financial assets		13,988	6,531	7,289
1. Shares		13,980	6,524	7,282
2. Amounts receivable and cash guarantees		8	8	8
Current assets		**83,553**	**107,041**	**69,720**
V. Amounts receivable after more than one year		**745**	**6,066**	**2,346**
A. Trade receivables				
B. Other amounts receivable		745	6,066	2,346
VI. Stocks and contracts in progress				
A. Stocks				
1. Raw materials and consumables				
2. Work in progress				
3. Finished goods				
4. Goods purchased for sale				
5. Immovable property acquired or constructed for resale				
6. Advance payments				
B. Contracts in progress				
VII. Amounts receivable within one year		**23,819**	**4,304**	**10,533**
A. Trade receivables		1,206	2,073	1,672
B. Other amounts receivable	(4)	22,613	2,231	8,861
VIII. Investments	(5)	**48,773**	**49,216**	**52,137**
A. Treasury shares		35,100	36,954	24,400
B. Other investments and deposits		13,673	12,262	27,737
IX. Cash at bank and in hand		**8,153**	**46,906**	**4,206**
X. Deferred charges and accrued income		**2,063**	**549**	**498**
Total assets		**2,009,952**	**2,735,427**	**2,537,045**

Balance sheet

(€ 1,000)	Note	2018	2017	2016
Liabilities				
Equity	(6)	**1,853,043**	**1,868,915**	**1,679,714**
I. Capital		**2,295**	**2,295**	**2,295**
A. Issued capital		2,295	2,295	2,295
B. Uncalled capital (-)				
II. Share premium account		**111,612**	**111,612**	**111,612**
III. Revaluation surplus				
IV. Reserves		**100,775**	**100,159**	**81,703**
A. Legal reserve		248	248	248
B. Reserves not available for distribution		35,280	36,997	24,435
1. Own shares		35,246	36,962	24,400
2. Other		35	35	35
C. Untaxed reserves				
D. Reserves available for distribution		65,246	62,915	57,020
V. Profit carried forward		**1,638,361**	**1,654,848**	**1,484,103**
Loss carried forward (-)				
VI. Investment grants				
Provisions and deferred taxation		**0**	**0**	**0**
VII. A. Provisions for liabilities and charges		**0**	**0**	**0**
1. Pensions and similar obligations		0	0	0
2. Taxation				
3. Major repairs and maintenance				
4. Other liabilities and charges				
B. Deferred taxation				
Creditors		**156,908**	**866,513**	**857,331**
VIII. Amounts payable after more than one year	(7)	**0**	**0**	**28,000**
A. Financial debts		0	0	0
B. Trade debts				
C. Advances received on contracts in progress				
D. Other amounts payable		0	0	28,000
IX. Amounts payable within one year		**156,741**	**866,255**	**829,088**
A. Current portion of amounts payable after more than one year		0	0	0
B. Financial debts	(7)	23,999	759,928	728,209
1. Credit institutions				
2. Other loans		23,999	759,928	728,209
C. Trade debts		175	397	442
1. Suppliers		175	397	442
E. Taxes, remuneration and social security		2,766	3,115	2,914
1. Taxes		123	160	158
2. Remuneration and social security		2,643	2,955	2,756
F. Other amounts payable	(8)	129,801	102,815	97,523
X. Accrued charges and deferred income		**168**	**258**	**243**
Total liabilities		**2,009,952**	**2,735,427**	**2,537,045**

Income statement

(€ 1,000)	Note	2018	2017	2016
Charges				
A. Interests and other debt charges		1,372	3,010	3,905
B. Other financial charges		848	803	879
C. Services and other goods		8,196	8,022	8,006
D. Remuneration, social security costs and pensions		1,779	1,919	1,876
E. Other operating charges		197	913	927
F. Depreciation of and other amounts written off on formation expenses, intangible and tangible assets		564	592	695
G. Amounts written off	(9)	75,287	13,001	36,118
1. Financial assets		74,625	6,186	15,170
2. Current assets		662	6,815	20,948
H. Provisions for liabilities and charges		0	0	0
I. Loss on disposal of		2,044	3,960	3,195
1. Intangible and tangible assets		10	0	0
2. Financial assets		914	1,817	2,292
3. Current assets		1,119	2,143	903
J. Extraordinary charges		0	0	0
K. Income taxes		9	106	126
L. Profit for the period		62,580	263,484	322,518
M. Transfer to the untaxed reserves				
N. Profit for the period available for appropriation		62,580	263,484	322,518
Appropriation account				
A. Profit to be appropriated		1,717,428	1,747,587	1,555,079
1. Profit for the period available for appropriation		62,580	263,484	322,518
2. Profit brought forward		1,654,848	1,484,103	1,232,562
Total		**1,717,428**	**1,747,587**	**1,555,079**

Income statement

(€ 1,000)	Note	2018	2017	2016
Income				
A, Income from financial assets		122,059	263,872	343,761
1, Dividends	(10)	120,362	262,279	342,293
2, Interests		723	201	120
3, Tantièmes		974	1,392	1,348
B, Income from current assets		1,484	1,647	1,221
C, Other financial income		0	1	9
D, Income from services rendered		1,209	3,148	2,596
E, Other operating income		318	364	370
F, Write back to depreciation of and to other amounts written off intangible and tangible assets				
G, Write back to amounts written off		3,357	1,016	261
1, Financial assets		3,357	102	62
2, Current assets		0	914	200
H, Write back to provisions for liabilities and charges		0	0	0
I, Gain on disposal of	(11)	24,450	25,762	30,028
1, Tangible and intangible assets		20	20	23
2, Financial assets		24,252	23,041	29,636
3, Current assets		177	2,701	369
J, Extraordinary income		0	0	0
K, Regularisation of income taxes and write back to tax provisions				
L, Loss for the period		0	0	0
M, Transfer from untaxed reserves				
N, Loss for the period available for appropriation		0	0	0
Appropriation account				
C, Transfers to capital and reserves		615	18,456	1,988
3, To other reserves		615	18,456	1,988
D, Result to be carried forward		1,638,361	1,654,848	1,484,103
1, Profit to be carried forward		1,638,361	1,654,848	1,484,103
F, Distribution of profit		78,452	74,283	68,989
1, Dividends		77,713	73,693	68,334
2, Tantièmes		588	590	655
3, Profit premium for employees		151		
Total		**1,717,428**	**1,747,587**	**1,555,079**

Balance sheet

Assets

1. Tangible assets: the composition of this item has remained largely unchanged in relation to previous years, and mainly comprises the buildings and furnishing of the real estate located in Antwerp at Begijnenvest 113 and at Schermersstraat 44, where Ackermans & van Haaren has its registered office. The building at Schermersstraat 42, which is leased to the subsidiary Leasinvest Real Estate, is reported under 'Other tangible assets'.

2. Financial fixed assets - Affiliated enterprises: The decrease in financial fixed assets by 727.5 million euros compared to 2017 is mainly the result of simplifications of the group structure.
   - The AvH Coordination Center, which was fully owned by AvH, directly (75%) and indirectly (Brinvest 25%), was liquidated in the course of 2018. As a result, this participation disappeared from the financial fixed assets, and the short-term financial debt (714.9 million euros at the end of 2017) that Ackermans & van Haaren had outstanding with regard to the AvH Coordination Center also disappeared.
   - The 100% subsidiaries Brinvest and Sofinim paid out substantial non-recurrent dividends, which were partly deducted from the participation value and partly gave rise to impairment losses in order to balance the participation value with the underlying shareholder's equity.
   - The 100% subsidiary Anfima also carried out a capital reduction after the sale of its participation in Van Laere in 2017.
   - The associated investment in Leasinvest Real Esate of 25.2 million euros, the sale of the participations in BDM and Asco, and the capital reduction of HPA are the major changes in the operating participations.

3. Financial fixed assets - Other enterprises linked by participating interests: In 2018, 7.4 million euros were invested in increasing the participation in SIPEF to 31.59%. The movement in the other financial fixed assets consists of the subscription to the capital increase of EVS for 2.45%.

4. The other receivables payable within one year consist of recoverable taxes, the net carrying value of the advances that were granted to GIB, and the 7.7 million euros loan to Green Offshore, the vehicle through which Ackermans & van Haaren and CFE jointly invest in the Belgian offshore wind farms of Rentel (operational) and SeaMade (still under development).

5. The movements in the cash investments item mainly arise from booked impairments on the cash investments and from the purchase and sale of treasury shares to support the liquidity of the AvH share. The 'Treasury shares' item amounted to 35.1 million euros at year-end 2018. As a result of the above-mentioned transactions, both under the liquidity agreement and as part of the stock option plan and its hedging, AvH acquired 4,158 treasury shares on balance in 2018. For a more detailed explanation of the movements in the treasury shares, see the notes on pages 191-192 of this report.

Liabilities

6. AvH's shareholder's equity decreased by 15.9 million euros compared to year-end 2017 (both figures include the dividend proposed to the general meeting of shareholders). This decrease is due to the fact that the dividend of 2.32 euros per share that which will be proposed to the shareholders, making a total amount of 77.7 million euros, has already been included. This is higher than the single result for the financial year, which amounts to 62.6 million euros.

7. AvH only had short-term financial debts in the form of commercial paper amounting to 24.0 million euros on December 31, 2018. The debts with respect to the subsidiary AvH Coordination Center, which centralises the group's financial resources (see remark 2), have disappeared from the balance sheet following the dissolution of this company.

8. The amount of 'other debts' of 129.8 million euros as of December 31, 2018 includes the dividend payment proposed to the general meeting of shareholders. This dividend has increased by 5.5% compared to the end of 2017. In September 2018, the last tier of 28 million euros was paid for the 2016 acquisition of the 26% minority interest in Growth Capital subsidiary Sofinim.

Income statement

Charges

9. The impairments predominantly relate to the participation in Sofinim in 2018, after the payment of substantial dividends for the financial years 2017 and 2018, which brought the book value in line with the value of Sofinim's equity.

Income

10. AvH has received 120.4 million euros in dividends from its direct participations. In 2017, an extraordinary dividend from Extensa, amounting to 156.8 million euros was also received, as well as a dividend of 12.4 million euros from the Nationale Maatschappij der Pijpleidingen, a participation that was sold at the end of 2017.

11. AvH realised capital gains on the sale of Asco and the dissolution of AvH Coordination Center in 2018.

General information regarding the company and the capital

General information regarding the company

Registered office

Begijnenvest 113, 2000 Antwerp, Belgium
VAT BE 0404.616.494
RPR Antwerp - Department Antwerp

Incorporation date, last amended bylaws

The company was incorporated on 30 December 1924 by notarial deed, published in full in the Annexes to the Belgian Official Gazette of 15 January 1925 under number 566. The by-laws have been modified several times and for the last time by notarial deed of 13 November 2017, published by excerpt in the Annexes to the Belgian Official Gazette of 13 December 2017, under number 17175234.

Duration of the company

Indefinite

Legal form, applicable law

Limited liability company under Belgian law, making or having made a public offering of securities within the meaning of article 438 of the Company Code.

Statutory purpose

The statutory purpose of the company includes the following:

(a) the project study, supervision and management of all kinds of public and private works, mainly in the field of construction in general, as well as the organization and administration of all companies or businesses and assistance to them in all forms;

(b) the contracting of all sea- and land based public or private works in the area of construction and, in particular, all kinds of sea- and river-based works, major irrigation activities and the canalization of waterways, major dewatering and pumping works, dredging, drilling, sounding, wellsinking, drainage, the building of permanent structures, digging, and the general contracting of construction works, as well as the re-floating of boats and ships;

(c) sea- and land-based prospecting for industrial extraction, mainly of crude oil or natural gas, as well as mineral products in general;

(d) the operation, production, processing, distribution, purchase, sale and transport of all products derived from industrial extraction;

(e) the acquisition, operation, development and transfer of land, real estate and any property entitlement;

(f) the acquisition, the operation and the realization, in any form whatever, of intellectual property rights, licenses and concessions;

(g) the acquisition of a participation, by way of subscription, contribution, merger, cooperation, financial intervention or in any other way, in any company, enterprise, operation or association in Belgium or abroad, already existing or still to be incorporated;

(h) the management, development and realization of these participations;

(i) involvement, directly or indirectly, in the management, control or dissolution of any company, enterprise, business or association in which it has a participation;

(j) providing assistance to the board of directors or to management or support in all possible management matters of companies, businesses or associations in which it has a participation, and in general, performing all acts constituting entirely or partially, directly or indirectly, holding activities.

The company may carry out all civil, commercial, industrial and financial activities as well as activities relating to real and movable property that are linked, directly or indirectly, to its statutory purpose or that may enhance the realization thereof. The company may provide securities or guarantee in favor of companies, enterprises, businesses or associations in which it has a participation, act as representative or agent, provide advances, credit facilities and mortgages or other securities. The company's activities may be carried out both abroad and in Belgium.

Consultation of documents regarding the company

The statutory and consolidated annual accounts of the company are deposited with the National Bank of Belgium. A coordinated version of the company bylaws can be consulted with the clerk of the Commercial Court of Antwerp - Department Antwerp. The annual financial report is sent to the registered shareholders and to anyone who so requests. The coordinated version of the company bylaws and the annual financial report are also available on the company's website (www.avh.be).

General information regarding the company's capital

Subscribed capital

The subscribed capital is 2,295,277.90 euros. The capital is fully paid-up and is represented by 33,496,904 shares without nominal value.

Capital increases

The most recent capital increase was decided upon on 11 October 1999, as part of the merger through acquisition of Belcofi NV by Ackermans & van Haaren NV.

Authorized capital

In accordance with the decision of the extraordinary general meeting dated 13 November 2017, the Board of Directors shall be entitled to increase the registered capital, in the specific cases stipulated in the extraordinary report, in one or more instalments of maximum 500,000 euro during a period of 5 years, starting on 13 December 2017.

The board of directors can also make use of the authorized capital, in case of a public take-over bid on securities issued by the company, in accordance with the provisions and within the limits of article 607 of the Company Code. The board of directors is allowed to use this authorization in case the notification of a public takeover bid by the Financial Services and Markets Authority (FSMA) to the company is given not later than three years as from 13 November 2017.

The capital increases decided by virtue of these authorizations may be carried out in accordance with the terms and conditions set by the board of directors, with or without the issue of new shares, by the issue of subordinated or unsubordinated convertible bonds or of warrants or other securities, whether or not attached to other securities of the company.

The authorization empowers the board of directors to proceed to:

(i) capital increases or issues of convertible bonds or warrants where the preferential right of the shareholders is limited or excluded;

(ii) capital increases or issues of convertible bonds where the preferential right of the shareholders is limited or excluded in favour of one or several specific persons, other than staff members of the company or its subsidiaries; and

(iii) capital increases involving capitalization of reserves.

The authorizations may be renewed in accordance with the law.

Nature of the shares

The fully paid shares as well as other securities of the company may exist as registered, bearer or dematerialized securities. Each holder may, at any time and at his own expenses, request the conversion of its paid in securities into another form, within the limits of the law and without prejudice to the provisions of the third paragraph of article 9 of the by-laws.

The securities are indivisible vis-à-vis the company which can suspend the rights of any share regarding which disputes would arise as to the ownership, usufruct or naked ownership. Co-owners, usufructuaries and bare-owners must be represented by a joint trustee and notify the company accordingly. In case of usufruct, the naked owner of the share shall be represented vis-à-vis the company by the holder of the right of usufruct, unless the parties decide otherwise.

Bearer shares

As from 1 January 2008, the company may no longer issue bearer shares and registered shares can no longer be converted into bearer shares.

Bearer shares that had not been converted into registered shares or dematerialized shares by December 31, 2013 were automatically converted into dematerialized shares on January 1, 2014.

Those shares have been entered in a securities account in the name of Ackermans & van Haaren. The rights attached to those shares (voting right, dividend right, etc) have been suspended. As of January 1, 2015, Ackermans & van Haaren is entitled to publicly sell shares of which the owner has not made himself known, after a notice to that effect has been published. In accordance with the legal procedure, Ackermans & van Haaren has publicly sold 10,872 shares in the course of 2015 and deposited the proceeds of the sale with the Deposito- en Consignatiekas.

Lexicon

- **Cost-income ratio:** The relative cost efficiency (cost versus income) of the banking activities.
- **Core Tier1 capital ratio:** A capital ratio of the liquidity buffers held by banks to offset any losses, seen from the regulator's perspective. The equity of a bank consists of share capital and undistributed profits. This equity is necessary to offset losses on loans.
- **EBIT:** Earnings before interest and taxes.
- **EBITDA:** EBIT plus depreciation and amortisation on fixed assets.
- **EBITDAR:** EBITDA plus rent cost.
- **Net financial position:** Cash & cash equivalents and investments minus short and long term financial debt.
- **REBITDA** (Recurring Earnings Before Interest Taxes Depreciation and Amortisation): EBITDA purged from any non-recurrent elements.
- **Rental yield based on fair value:** Rental yield is only calculated on buildings in operation, excluding the projects and the assets held for sale.
- **Return on equity (ROE):** The relative profitability of the group, more particularly the amount of net income returned as a percentage of shareholders' equity.

Contact

Questions can be asked by phone on +32 3 231 87 70
or by e-mail dirsec@avh.be to the attention of Jan Suykens
or Tom Bamelis.

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Ce rapport annuel est également disponible en français.
Dit jaarverslag is ook verkrijgbaar in het Nederlands.
The Dutch version of this document should be considered as the official version.

Concept and design

FBD nv (www.fbd.be)

Financial calendar

May 23, 2019	Interim statement Q1 2019
May 27, 2019	General meeting
August 30, 2019	Half-year results 2019
November 22, 2019	Interim statement Q3 2019
February 28, 2020	Annual results 2019

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