

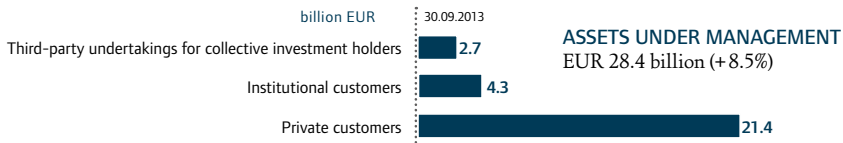
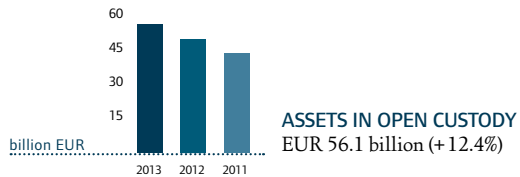
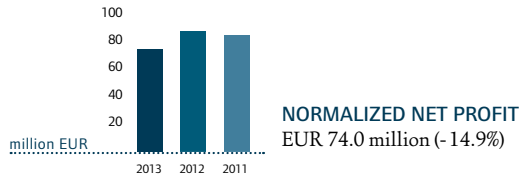
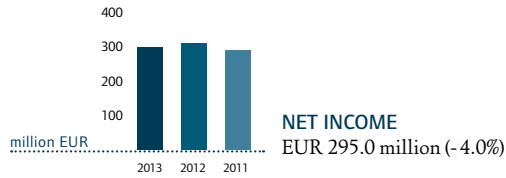
The year 2012-13 in brief

Bank Degroof is Belgium's premier independent private and investment bank, with an excellent reputation in each of its fields of activity.

For more than 140 years it has offered its private and institutional clients, along with business enterprises, a complete range of tailored solutions and services: asset management, financial markets, corporate finance, credit & structured finance, setup and administration of investment funds, real estate activities and financial analysis.

The Bank has a thousand employees managing their customers' future from offices in six countries.

KEY FIGURES



STATEMENT FROM THE BOARD OF DIRECTORS

The 2012-13 financial year was, financially and economically, a period of contrast. In an economically stagnant Eurozone, with two quarters of contraction followed by two quarters of slight improvement, fears and tensions in the financial market began to subside. In terms of public policy, a restrictive fiscal policy and stricter regulation of the financial sector contrasted with an extremely accommodating monetary policy. On the markets, falling profits for listed companies did not prevent a strong upturn on European stock exchanges.

In this context, Bank Degroof SA/NV performed well once again. The published net profit amounted to EUR 74 million compared to EUR 55.5 million for the previous financial year and the total comprehensive income amounted to EUR 97.4 million compared to EUR 87.7 million. This comprehensive income, calculated in compliance with the International Financial Reporting Standards, best reflects the economic performance for the year since it includes variations in unrealised capital gains and losses, recorded both through profit and loss and through equity. Net current profit amounted to EUR 57.3 million compared to EUR 71.4 million for the previous year.

Assets under management totalled EUR 28.4 billion compared to EUR 26.2 billion for the previous year, representing an increase of 8.5%.

The Bank's income decreased slightly this year, primarily due to the fall in income from transformation activity, which had been exceptionally high the year before, having benefitted from the drop in rates and credit spreads on sovereign risk. In contrast, we recorded a significant increase in income from asset management, credit and structuring, corporate finance and fund administration activities. Our current expenses have decreased slightly, thanks to our tight control over costs.

At 30 September 2013, the Bank's accounting equity stood at EUR 612.1 million after the dividend for the financial year. Its solvency ratio (CRD ratio), after the dividend was 16.30% and its Tier 1 ratio was 13.38%. Both figures largely exceed regulatory requirements.

During the past financial year, we finalised our plans for the merger of Degroof Banque Privée in Switzerland and Landolt & Cie, a private bank founded in 1780, by completing the merger of two institutions within Landolt & Cie, in which we hold a 25% stake. Furthermore, in order to offer an integrated service, which has proved its full worth in Belgium and the Grand Duchy of Luxembourg, the group's various activities in France have been consolidated into one location and into a single entity, Compagnie Financière Degroof, with three wholly-owned subsidiaries: Banque Degroof France, Aforge Degroof Family Office and Aforge Degroof Finance.

The beginning of the 2013-14 financial year was marked by an end to recession in most European countries and a more favourable trading climate which, in tandem with our sales efforts, should allow for an increase in our assets under management and, therefore, in the profitability of the asset management business.

This year, we again want to thank our clients for their loyalty and the confidence they have placed in us, and our personnel who have worked with professionalism and enthusiasm in the best interests of clients, in a climate which is becoming increasingly complex with every passing year.



Regnier Haegelsteen
Chairman of the executive committee



Alain Philippon
Chairman of the board of directors

CAPITAL STRUCTURE

	(in%)	
	BEFORE EXERCISE OF STOCK OPTIONS	AFTER EXERCISE OF STOCK OPTIONS
1. Acting in concert		
Cobepa SA/NV, CLdN Finance SA and the Philippson, Siaens, Schockert and Haegelsteen families	62.89	62.21
2. Management and staff		
other than heading 1	11.79	12.76
Total headings 1 and 2	74.68	74.97
3. Financial partners		
Parmafin SA/NV (Theo Maes family)	3.51	3.47
Marinvest SA/NV (Luc Waucquez family)	3.16	3.13
Other	12.46	12.31
Total heading 3	19.13	18.91
4. Own shares		
Total headings 1, 2, 3 and 4	100.00	100.00
Total number of shares	8 019 131	8 116 536

BOARD OF DIRECTORS

MANDATE EXPIRES		MANDATE EXPIRES	
Chairman of the board of directors		Directors	
Baron Philippson ¹	02/2015	Alain Siaens ¹	02/2015
Chairman of the executive committee – managing director		Damien Bachelot	02/2015
Regnier Haegelsteen ¹	02/2016	Christian Jacobs ² SPRL/BVBA (permanent representative: Christian Jacobs)	02/2015
Directors who are members of the executive committee – managing directors		Marina Maes	02/2019
Alain Schockert ¹	02/2016	W. Invest SA/NV (permanent representative: Gaëtan Waucquez)	02/2016
Pierre Paul De Schrevel	02/2016	Jean-Pierre de Buck van Overstraeten	02/2016
Patrick Keusters	02/2016	Jean-Marie Laurent Josi	02/2016
Gautier Bataille de Longprey	02/2016	Frank van Bellingen	02/2015
Jan Longeval	02/2016	Jacques-Martin Philippson	02/2016
Étienne de Callataÿ	02/2016		

¹ Directors and companies declaring that they act in concert. ² Independent directors.

KEY FIGURES

(in million EUR)

Breakdown of operating income	30.09.2013	30.09.2012	30.09.2011
Asset management	177.1	171.9 ³	188.2 ³
Corporate Finance and Credit & Structured Finance	38.8	37.3	34.1
Market activities	45.6	71.6	24.0
Normalized return on proprietary equity portfolio	16.6	15.5	23.2
Total	278.1	296.3	269.5

Consolidated key figures (IFRS)	30.09.2013	30.09.2012	30.09.2011
GROUP SHARE			
Stated profit (in thousands of EUR)	74 012	55 558	68 074
Provisions and exceptional items (in thousands of EUR)	11 601	8 463	9 149
Amortization of goodwill (in thousands of EUR)	1 800	1 784	2 657
Economic revaluation of interest rate positions ⁴ (in thousands of EUR)	(2 191)	10 988	(14 566)
Accounting profit in the Holding portfolio ⁵ (in thousands of EUR)	(27 892)	(5 387)	(4 915)
Net current profit (in thousands of EUR)	57 330	71 406	60 399
Normalized profit on Holding portfolio ⁶ (in thousands of EUR)	16 641	15 478	23 226
Normalized net profit (in thousands of EUR)	73 971	86 884	83 625
Number of shares	8 019 131	8 019 131	8 019 131
Number of shares adjusted for usage rights	8 019 131	8 019 131	8 019 131
Normalized net profit per share (in EUR)	9.22	10.83	10.43
Gross dividend per share ⁷ (in EUR)	5.65	5.50	5.25
Normalized ROE ⁸ (in%)	12.48	15.51	15.38
CRD ratio (in%)	16.30	15.66	15.57
Cost/income ratio ⁹ (in%)	74.06	71.13	63.42

³ Following the stake in the company Landolt & Cie by the contribution of our Swiss subsidiary, the figures of 2012 and 2011 have been restated by deducting the share of the latter (in 2012: - EUR 8.2 million, in 2011: - EUR 9.2 million) in order to make them comparable over the three financial years. ⁴ Net revaluation (unrecorded) relating to treasury balance sheet components for which there is a global hedge. ⁵ This amounts corresponds to the sum of the IFRS accounting results for the group Holding securities portfolio consisting of shares and other variable income securities after deducting administrative costs for the management of the portfolio in question. ⁶ For the 2011 financial year, the normalised return on the Holding Portfolio amounted to 8.5% of the estimated average annual value of the portfolio. For the 2012 and 2013 financial years, the return was decreased to 6%. ⁷ Dividend at 30.09.2013: subject to the approval of the shareholders' meeting of 24.02.2014. ⁸ Normalized group net profit divided by annual average recognized shareholders' equity (and including AFS reserves). ⁹ Cost/income ratio calculated on the basis of normalized net income, i. e. including the normalized return on the Holding portfolio. The cost/income ratio calculated on the accounting result of the portfolio Holding was 67.27% in 2011, 73.29% in 2012 and 70.86% in 2013.

HIGHLIGHTS

PRIVATE ASSET MANAGEMENT

- Significant new capital raised, surpassing the threshold of EUR 21.4 billion of managed capital for our private clients in Belgium.
- Excellent management performance in an environment that has remained extremely volatile, allowing a medium-risk portfolio to grow by 8.6%.
- Several client briefings regarding fiscal changes, and in particular regarding the new adjustments.
- Follow-up of investment offerings in unlisted assets (private bonds, real estate, private equity funds, etc.) for portfolios that can afford this type of risk.

INSTITUTIONAL PORTFOLIO MANAGEMENT

- Again a very strong growth of managed capital in institutional management mandates, which rose this financial year from EUR 3.80 billion to EUR 4.33 billion.
- Very strong asset management performance in 2012 and in the first nine months of 2013 across all asset categories without exception, and particularly in the mixed and share mandates.
- Strong asset management performance in 2013.
- Substantial increase in assets under management.
- Growth in the provision of asset management services to promoters, managers and third party consultants.
- Favourable regulatory changes that should encourage the development of risk management activities.

SICAV MANAGEMENT

- Successful launch of the Degroof Equities Emerging MSCI Index fund, with the objective of replicating the performance of the MSCI Emerging Market Total Return (Net) index. Starting capital has risen to almost EUR 300 million.
- Excellent performance from the behavioural value range which is clearly benefiting from the improvement in the economic and financial climate (particularly the reduction in risk aversion and political-monetary uncertainty in the eurozone).
- Creation of the Degroof bonds compartment
 - Corporate EUR Opportunities – which completes the obligatory range. The aim of this compartment is to benefit from market opportunities in the BBB/BB and non-rated segments. Two credit analysts have been recruited within the Degroof Fund Management Company specifically for this purpose.

SETUP AND ADMINISTRATION OF SICAVS

- EUR 25 billion of assets under administration for UCIs under Belgian and Luxembourg law, an increase of 14.34% over the year.
- Clients in 13 countries, including Hong Kong and New York, as well as all the countries in which the group is present.
- More than 300 compartments administered, covering most asset classes.

DEGROOF CORPORATE FINANCE

- Highly sustained activity level with 61 missions successfully completed in Belgium.
- Clear progression of study and advisory missions.
- Resurgence in M&A activity.
- Excellent activity level maintained in private placements (bonds and real estate).
- Increased collaboration between the Belgian and French teams.
- Several missions in progress and encouraging outlook for 2013-14 (both for M&A and capital market).

CREDIT & STRUCTURED FINANCE

- The stability of credits outstanding is masking a noticeable increase in loans granted to private clients and to our Family Business Owners clients, in the context of the restructuring of their company's shareholder base and the Sicafi, which have been compensated by reimbursements from a number of expired loans.
- Club deals: activity is intense due to the imminent maturity of a fund which is in an asset disposal phase (Optimmo I) and the acceleration of investments in the Green Fund II fund.

FINANCIAL ANALYSIS

- Participation in bpost's IPO and promotion within the ESN.
- Appointment of two experienced financial analysts in order to maintain high quality research and contacts with company managements.
- Increased participation of listed companies in investment roadshows in London, Frankfurt, Paris, Geneva and Luxembourg.

FINANCIAL MARKETS

- Institutional activity supported in Belgium.
- Acceleration of institutional development in France.
- Numerous asset and liability management (ALM) advisory assignments.
- Expansion of derivative brokerage activity to the OMX.
- Increase in the number of roadshows in Europe for listed Belgian companies.

CORPORATE SOCIAL RESPONSIBILITY

- Supporting the launch of the Teach for Belgium project.
- Organisation of two philanthropy forums and a special youth forum (in partnership with Solvay).
- First advisory mission with an impact investing company, created by Degroof Corporate Finance.
- New philanthropy advisory mission with a large Belgian industrial family.
- Participation in the launch of the Inbev-Baillet Latour Chair in social investment.

REAL ESTATE

- More than 20 missions completed during the year.
- Creation of Belgian Land and raising EUR 55 million of funds.
- Bond issues for Allfin, Atenor, Banimmo and the Montea Sicafi.
- Capital increase for the Aedifica and Montea Sicafi.
- Opening of the Bon Pasteur building financed by Degroof Social Immo.
- Very encouraging outlook for 2013-14.

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We would be pleased to welcome you to one of our offices.

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	BELGIUM	LUXEMBOURG	SWITZERLAND	FRANCE	SPAIN	HONG KONG
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Institutional asset management						
Investment fund management	
Institutional asset management	
Setup and administration of UCIs
Real estate activities	
Corporate Finance	
Credit & Structured Finance	
Financial markets	.	.				
Financial analysis	.					

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