Regulated information within the meaning of the Royal Decree of 14 November 2007

Antwerp,
February 28, 2019

Press release

Annual results 2018

Ackermans & van Haaren

- **The focus of Ackermans & van Haaren on the strengthening of its core segments results in a significant increase of their results to 312.4 million euros (2017: 277.0 million euros).**
- **The net profit over the full year amounts to 289.6 million euros. The decrease compared to last year (302.5 million euros) is explained by lower capital gains and non-recurring elements.**
- **An increase of the dividend per share to 2.32 euros (+5.5%) will be proposed to the shareholders.**

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

We have made strategic choices within the portfolio throughout the year, and have sold our participations in Atenor, BDM-Asco and Distriplus. This has freed up people and resources for new initiatives aiming at sustainable growth of Ackermans & van Haaren, both within the current portfolio as through new investments, such as the recently announced new participation in Biolectric."

Jan Suykens, CEO - Chairman of the executive committee

- 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.

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

(€ million)	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

- 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).

- 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.

General comments on the figures

- The shareholder's equity of AvH (group share) increased to 3,176.5 million euros on 31 December 2018, which, after correction for own shares in the portfolio, corresponds to 95.81 euros per share. As of 31 December 2017, shareholder's equity amounted to 2,972.2 million euros, or 89,70 euros per share. A dividend of 2.2 euros per share was paid out in June 2018. Including the dividend, the equity per AvH share has therefore increased by 9.3% over the year 2018.

- At the end of 2018, AvH (including subholdings) had a net cash position of 102.9 million euros, compared to 80.2 million euros at the end of 2017. In addition to liquid assets and short-term deposits, this position consists, among others, of cash investments amounting to 37.2 million euros, own shares and short-term debts in the form of commercial paper amounting to 24.0 million euros.

- AvH invested 85.7 million euros in strengthening its portfolio in 2018, which included 25.2 million euros in the public capital increase of Leasinvest Real Estate, 7.4 million euros in increasing its participation in SIPEF to 31.59%, 7.4 million euros in a 2.45% participation in EVS (through capital increase), and 7.5 million euros in financing 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). In September 2018, the last tranche of 28 million euros was also paid for the acquisition of the 26% minority interest in Growth Capital subsidiary Sofinim in 2016.

- AvH & subholdings realised cash proceeds amounting to 82.9 million euros from divestments, including 26.7 million euros from the sale of the full participation of 10.53% in Atenor, 17.0 million euros from the sale of its participation (49.5%) in BDM-Asco and 21.5 million euros from the capital reduction paid by HPA following the sale of the real estate of 14 retirement homes operated by Residalya. In accordance with the agreements made with CFE in 2017 following the transfer of Van Laere, Ackermans & van Haaren also received an additional payment of 7.8 million euros.

- AvH did not purchase any own shares in 2018 in order to hedge share options in favour of its employees. On the other hand, 23,000 own shares (1.4 million euros) were sold as a result of exercising an equal number of options. Within the context of the liquidity agreement with Kepler Cheuvreux, 304,867 own shares were purchased and 300,709 were sold again over the full year 2018. On balance, this therefore resulted in a purchase of 4,158 own shares (0.7 million euros).

Key figures - consolidated balance sheet

(€ million)	**31.12.2018**	31.12.2017
Net 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

Dividend

The Board of Directors proposes to the ordinary General Meeting of 27 May 2019 to increase the dividend per share to 2.32 euros, an increase by 5.5% compared to the dividend of 2.20 euros that was paid out in 2018. This proposal amounts to a total payment of 77.7 million euros.

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, the Board of Directors is therefore looking forward to the results of 2019 with confidence.

Key figures per share

	2018	2017
Number of shares		
Number of shares	**33,496,904**	33,496,904
Net result per share (€)		
Net result per share		
Basic	**8.74**	9.13
Diluted	**8.71**	9.09
Dividend per share		
Gross dividend	**2.32**	2.20
Net dividend	**1.62**	1.54
Net equity per share (€)		
Net equity per share	**95.81**	89.70
Evolution of the stock price (€)		
Highest (August 29)	**160.5**	156.20
Lowest (December 27)	**127.7**	125.75
Closing price (December 31)	**131.8**	145.15

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] Incl. participation via AXE Investments
[2] Not consolidated - fully diluted

31/12/2018

ACKERMANS & VAN HAAREN

Marine Engineering & Contracting

Contribution to the AvH consolidated net result

(€ million)	2018	2017
DEME	**92.8**	94.5
CFE	**17.3**	17.4
Rent-A-Port	**5.3**	-4.3
Green Offshore	**2.7**	-0.2
A.A. Van Laere	**-**	-16.8
Total	**118.1**	90.6

DEME

DEME (AvH 60.4%) 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.

In Germany, GeoSea completed the Merkur project in 2018, and has already installed 63 of the 87 foundations for the Hohe See project. Work on the Hornsea One (UK) and Horns Rev 3 (Denmark) offshore wind farms is also progressing well. 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.

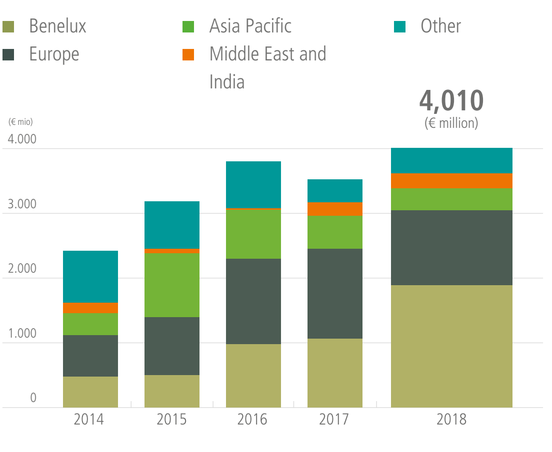
But the turnover in traditional dredging work also increased compared to the previous year, by 61.0 million euros to 882.2 million euros (+7.4%). The TTP1 project (Tuas Terminal - phase 1) in Singapore is approaching its final phase, and the deepening work at the port of Szczecin in Poland was started. Maintenance dredging work mainly took place in Belgium, Africa, India and Germany.

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. In this activity, there is a dispute with the client Rijkswaterstaat (Netherlands) regarding the execution of the Julianakanaal contract. Finally, DIMCO, which is specialised in water-bound civil construction, experienced a strong increase in its activities in the Netherlands, where 3 large projects were launched: the RijnlandRoute, the lock at Terneuzen and the A24 Blankenburg connection.

In H2 2018, DEME expanded its economic rights on the Qatar-based Middle East Dredging Company (MEDCO) to 95% (previously 44.1%). The participation in MEDCO is therefore fully consolidated as of Q3. This also eliminates the need to explain economic figures (i.e. with a proportional consolidation of the jointly controlled subsidiaries) with regard to DEME, as was still the case in previous communications.

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: Order backlog



DEME

(€ million)	2018	2017
Turnover	**2,645.8**	2,356.0
EBITDA	**458.9**	455.5
Net result	**155.6**	155.1
Equity	**1,401.4**	1,321.8
Net financial position	**-555.8**	-285.7

The following major contracts were won in the course of 2018:

- the deepening and maintenance dredging of the Martin Garcia Canal in Uruguay and Argentina (in joint venture, total value 100 million euros),
- the deepening and widening of the navigation channel in Szczecin, Poland, over approximately 62 km (in joint venture, value of the contract: 313 million euros), and
- the contract for the installation of 94 foundations and turbines for the Orsted Borssele 1 & 2 offshore wind farm in the Netherlands.

In the fourth quarter of 2018, DEME was also able to add the following 3 large contracts, with a total value of approximately 1.5 billion euros, to its order book.

- the EPCI contract for the development of the Moray East offshore wind farm in the United Kingdom. DEME will be responsible for the design, development, transport and installation of 100 foundations and for the transport and installation of 3 electrical substation platforms,
- the EPCI contract (approximately 500 million euros) for the foundations, turbines, offshore substations, inter-array and export cables for the SeaMade offshore wind farm (487 MW), 50 km off the Belgian coast. The works start in June 2019, and
- the contract for the design, realisation, management and maintenance of the Blankenburg connection in the Netherlands for 20 years. This project reached its 'financial close' on October 17, 2018. The total value of the project is approximately 1 billion euros, of which just under half is for DEME.

Thanks to these contracts, DEME's order book increased by 13.9% to 4,010 million euros, compared to 3,520 million euros at the end of 2017. Only the Fehmarnbelt project (710 million euros), which concerns the construction of the world's largest submerged road and railway tunnel between Denmark and Germany, has not yet been included in this order book. The required environmental permits have been obtained in the meantime, but may still be subject to appeal procedures.

In 2018, DEME invested a total of 441.3 million euros in the execution of its ambitious fleet investment programme, mainly for the Orion, Spartacus, Living Stone and Apollo. The group placed an order for the two self-propelled split barges 'Bengel' and 'Deugniet' (3,500 m³) and the two trailing suction hoppers 'River Thames' (2,300 m³) and 'Meuse River'(8,300 m³) in September, for a total value of 133 million euros. The vessels will be constructed by Royal IHC, and are expected to join the fleet in 2020. As a result of the above-mentioned full consolidation of MEDCO, DEME has included MEDCO's fleet in its figures since then. This represents a total amount of 79.6 million euros, mainly relating to the cutter vessels Al Jaraf and Al Mahaar. In addition, DEME has invested more than 30 million euros in participations in and the financing of concessions of offshore wind farms.

DEME's net financial debt increased in the course of 2018 to 555.8 million euros, an increase by 270.1 million euros compared to 2017. This evolution is the result of the investments in the renovation and expansion of the fleet and of an evolution of DEME's working capital, which has become less negative in the course of 2018 as a result of the utilisation of the advance payments received at the end of 2017, among other aspects. DEME repaid its bond for an amount of 200 million euros on the due date in February 2019.

As previously announced, Luc Vandenbulcke (aged 47, civil engineer) succeeded to Alain Bernard as CEO of DEME on 1 January 2019. Luc Vandenbulcke has been active within the DEME group for 21 years, and is the founder and CEO of the GeoSea subsidiary, one of the fastest-growing and most successful operations within DEME. Alain Bernard will concentrate on his role as Director of DEME and as chairman of DEME Concessions and GSR.

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.

CFE

CFE (AvH 60.4%) 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. The further integration of Van Laere and its subsidiaries into the CFE group progressed in a positive manner, as expected. A number of companies from the Contracting division achieved significantly higher operating results in 2018, such as CFE Polska and VMA Druart (HVAC). The results in Tunisia, on the other hand, deteriorated again, and, with an amount of 6 million euros, weighed on the profits for 2018. CFE Contracting achieved a net profit of 15.2 million euros compared to 15.4 million euros in 2017.

Within the Real Estate Development division, following the successful marketing of the residential projects Ernest The Park in Ixelles, Erasmus

CFE: Breakdown by division (excl. DEME)

(€ million)	Turnover		Net result[1]	
	2018	2017	**2018**	2017
Construction	**692.5**	499.8		
Multitechnics	**170.6**	155.3		
Rail Infra	**71.5**	62.5		
Contracting	**934.6**	717.6	**15.2**	15.4
Real estate development	**94.7**	10.9	**9.3**	22.3
Holding, non-transferred items and eliminations	**-34.4**	-18.1	**-6.6**	-13.7
Total	**994.9**	710.5	**17.9**	23.9

[1] Including contribution from rent-A-Port and Green Offshore

DEME - Borkum Riffgrund

CFE - AZ Sint Maarten - Mechelen

Gardens in Anderlecht and Voltaire in Schaerbeek, BPI launched other projects,such as Park West in Brussels, Zen Factory in Lot-Beersel and Grand Poste in Liège. In the Grand Duchy, BPI Luxembourg continued on the Kiem (Kirchberg-plateau) and Fussban (Differdange) projects, and obtained the building permits for its Livingstone project in Luxembourg City. BPI Polska completed two major projects in 2018: Immo Wola in Warsaw and the first phase of Bulwary Ksiazce in Wroclaw. At the end of December 2018, the real estate portfolio amounted to 139 million euros (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 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.

Rent-A-Port

The operating activities of Rent-A-Port (AvH 72.2%) were mainly situated in 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.

In addition, at the end of 2018, 50% of the Deep C Green Energy company, which is responsible for the electricity distribution on the Dinh Vu Industrial Zone (Vietnam), was sold to the large Japanese energy company 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 are progressing well, however.

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.

Green Offshore

The construction activities on the Rentel offshore wind farm were successfully completed in 2018. As expected, the first renewable electricity from this wind farm was injected in the Belgian electricity network in the middle of 2018. The wind farm was fully operational as a Belgian power station (309 MW) at sea at the end of 2018. Through Green Offshore, which is a 50/50 investment vehicle of AvH and CFE, AvH has a participation (beneficial) of 10.03% in Rentel and 7.02% in SeaMade.

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 (58 wind turbines, 487 MW), and in December 2018 SeaMade reached its 'financial close'.

Together, Rentel and SeaMade will provide renewable energy to 700,000 households, making a reduction of 1,200,000 tons of CO_2 emissions possible on an annual basis.

Private Banking

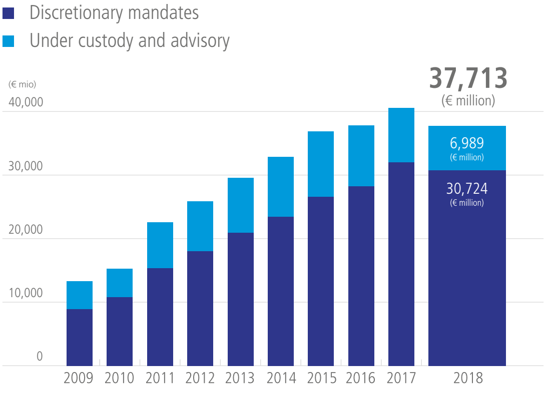
Contribution to the AvH consolidated net result

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

The combined assets entrusted by the clients of Delen Private Bank and Bank J.Van Breda & C° amounted to 45.4 billion euros per 31 December 2018 compared to 47.8 billion euros per 31 December 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 & C° 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 & C°.

Delen Private Bank: Consolidated assets under management



Delen Private Bank

The assets under management of Delen Private Bank (AvH 78.75%) reached a consolidated (Delen Private Bank, JM Finn, Oyens & Van Eeghen) level of 37,713 million euros at the end of 2018 (end of 2017: 40,545 million euros).

Delen Private Bank: Assets under management

(€ million)	2018	2017
Delen Private Bank	27,673	29,410
JM Finn	9,563	10,475
Oyens & Van Eeghen	476	660
Total	**37,713**	40,545

Despite an organic net growth of the assets under management of both existing and new private clients, these assets decreased as a result of the decline on the equity markets in the fourth quarter of 2018. Even during this unfavourable stock market climate, the inflow of capital into Delen Private Bank remained considerable in 2018. In the first half of the year, this inflow even reached a record level in Belgium, and consisted almost exclusively of discretionary asset management. The recently opened new branches in Knokke, Leuven, Campine and Namur contributed to the increasingly strong inflow from the regional offices of Delen Private Bank, as did the successful cooperation with the Bank J.Van Breda & C° network. At JM Finn, the currency evolution of the British pound against the euros (-0.8%) also contributed to a decline. In the Netherlands, asset management for institutional investors was disposed of, resulting in a reduction of 165 million euros in assets under management.

Delen Private Bank

(€ million)	2018	2017
Gross revenues	384.3	366.9
Net result	112.4	105.8
Equity	742.9	678.8
Assets under management	37,713	40,545
Core Tier1 capital ratio (%)	30.9	29.3
Cost-income ratio (%)	55.3	53.7

Delen Private Bank

Banque J.Van Breda & C°

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. The growth of Delen Private Bank entails investments, however, in particular in IT and commercial staff. The pace of recruitments and cost increases slowed down already during the last months of the year. At JM Finn, the increase in costs (in local currency) is also explained by the higher personnel costs and an increase in expenses for marketing and IT. The cost-income ratio slightly rose compared to 2017 and amounted to 55.27% (44.7% at Delen Private Bank, 85.43% at JM Finn). The net profit increased to 112.4 million euros in 2018 (compared to 105.8 million euros in 2017), including the contribution of JM Finn, which amounted to 7.3 million euros.

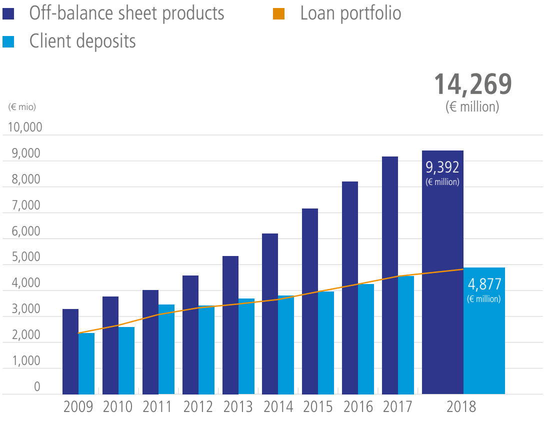
The consolidated shareholder's equity of Delen Private Bank amounted to 742.9 million euros on 31 December 2018 (compared to 678.8 million euros at the end of 2017). The Core Tier 1 - capital ratio of 30.9% is well above the sector average.

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.

Bank J.Van Breda & C°

Bank J.Van Breda & C° (AvH 78.75%) closed 2018 with a record result. Assets invested by clients grew by 526 million euros (+4%) to 14.3 billion euros, of which 9.4 billion euros of off-balance sheet products (+2%) and 4.9 billion euros of client deposits (+7%). This confirms the trust of the clients in the bank. Of this, 5.6 billion euros has been entrusted to Delen Private Bank in asset management. The total credit portfolio increased by 6% to 4.8 billion euros. 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.

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



Bank J.Van Breda & C°

(€ million)	2018	2017
Bank product	**143.8**	141.4
Net result	**42.2**	39.1
Equity	**549.8**	538.7
Off-balance sheet products	**9,392**	9,177
Client deposits	**4,877**	4,566
Loan portfolio	**4,797**	4,529
Core Tier1 capital ratio (%)	**13.6**	14.2
Cost-income ratio (%)	**61.0**	59.1

Despite a challenging interest rate and market environment, the growth in terms of commercial volumes leads to a 2% increase in bank product, to 144 million euro. Costs increased by 5% to 88 million euros, mainly as a result of future-oriented investments in commercial strength, 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. The consolidated net profit increased by 8% to 42.2 million euros (39.1 million euros in 2017).

Shareholder's equity (group share) increased from 539 million euros at the end of 2017 to 550 million euros at the end of 2018. This growth of the shareholder's equity enables to continue the rhythm of the commercial growth without compromising a healthy leverage, the main protection for deposit holders. The solvency expressed as shareholder's equity on assets (leverage ratio) amounted to 8.6%, a multiple of the required 3% under Basel III.

Bank de Kremer was launched in June. This division of Bank J.Van Breda & C° is focussing on asset management for private individuals. With the Bank de Kremer app, everyone can map his/her assets and obtain an insight in his/her financial future.

Real Estate & Senior Care

Contribution to the AvH consolidated net result

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

Leasinvest Real Estate

Leasinvest Real Estate (LRE, AvH 30.0%) 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.

At the end of 2018, the fair value of the consolidated real estate portfolio, including project developments, for the first time exceeded 1.0 billion euros (compared to 903.0 million euros at the end of 2017). LRE acquired several buildings in 2018: the Montoyer 14 office building in Brussels (investment of 11.4 million euros), 2 additional office buildings in the EBBC Business Park in the immediate vicinity of the airport in Luxembourg (an investment of 64.1 million euros), and the iconic Hangar 26/27 building on the Eilandje in Antwerp (with a surface area of 9,370 m², an investment of 22.6 million euros). The Treesquare and Montoyer 63 office buildings were (provisionally) accepted in 2018. Including the participation of 10% in REIT Retail Estates, the fair value of the portfolio reached a value of 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) after 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 acquisitions of buildings in 2018 only took place in the second half of the year, so that they only contributed to the 2018 results to a limited extent. More important is that the 'like-for-like' rental income increases by 1.7 million euros.

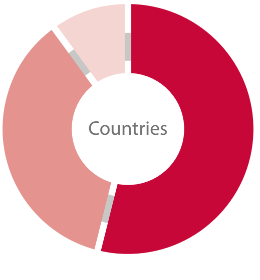
The total occupation rate amounted to 94.26% compared to 94.80% at the end of 2017.

The capital increase of 4 October 2018, amounting to 84 million euros, had a positive impact on the balance sheet and on the debt ratio. At the end of 2018, shareholder's equity (group share) amounted to 476 million euros (2017: 382 million euros). As a result, the debt ratio decreased to 53.53% (57.14% at the end of 2017). AvH has exercised its full rights in this capital increase and has made a total additional investment of 25 million euros in LRE.

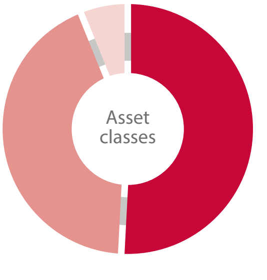
LRE: Real estate portfolio

	2018	2017
Real estate portfolio fair value (€ mio)	**1,037.1**	903.0
Rental yield (%)	**6.45**	6.44
Occupancy rate (%)	**94.26**	94.80

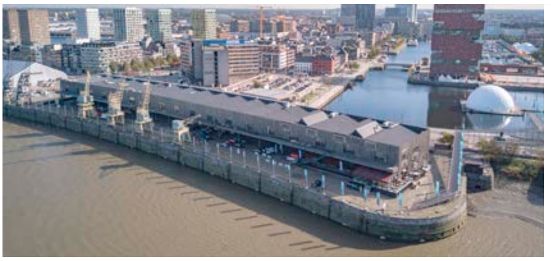
LRE: Real estate portfolio (% based on fair value)



LU	**54%**	17 buildings
B	**36%**	10 buildings
AU	**10%**	3 buildings



51%	Offices
43%	Retail
6%	Logistics



Leasinvest Real Estate - Hangar 26/27 - Antwerp

Extensa - Tour & Taxis - Gare Maritime - Brussels (artist impression)

Extensa

The net result of the Extensa Group (AvH 100%) stabilised at a high level in 2018: 27.2 million euros in 2018, compared to 29.9 million euros in 2017.

The building permit for the 'Gare Maritime' at Tour & Taxis in Brussels was received in November 2018. In the meantime, the renovation of this former railway station is proceeding according to plan, and the mixed-use area (catering businesses, theme shops, culture and entertainment) will be opened in 2020. Building permits were also provided for an underground car park (900 cars) and various residential buildings (including a residential care facility with approx. 200 beds and 250 apartments). The construction work and the sale of the Riva project (139 apartments) are progressing well, as are the preparatory demolition works for the new Picard bridge. The upper floors of the Hôtel de la Poste have been restored to their former splendour and will be put into use from the second quarter of 2019 as a meeting center. Finally, the Extensa Group has applied for a building permit to convert the former customs building on the site, Hôtel des Douanes, into a hotel with 100 rooms.

97% of the 'ilôt A' residential project (909 apartments) on the Cloche d'Or site (Luxembourg) has now been sold. The commissioning of the last apartments is scheduled for 2020. In the meantime, the pre-sale of a new 'ilôt D' residential project (162 units in phase 1) was also successfully launched. The office building 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. Several other office projects are under development, such as the 'Bijou' (6,021 m²) and 'Spaces' (4,261 m²) buildings, and a new headquarters for Intesa Sanpaolo (10,829 m²).

Anima Care

Anima Care (AvH 92.5%) achieved 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), and the net profit to 5.1 million euros in 2018 (2017: 4.8 million euros).

2018 was again a year of intensive investments in the development of a high-quality care offer. Anima Care acquired the Ark van Noé residential care facility, with 57 nursing home beds, operated in Grote-Spouwen (Bilzen), early in 2018. The new extension with 30 convalescence beds in Aalst was put into use in October 2018. In addition, thorough renovation work is in progress in Kruyenberg (Berlare), Anima Care obtained the long-awaited building permit for the development of a care centre (197 nursing home beds, 80 service flats) at Tour & Taxis, and an agreement was signed for the construction of a new care centre (housing about 150 senior citizens) in Braine-L'Alleud.

In Berlare, Anima Care sold the real estate of a well-functioning retirement home (for the first time) and leased it back for the long term. 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. This transaction in any case allows for the financing of the ongoing projects of Anima Care without having to rely on further capital injections from the shareholders.

Per 31 December 2018, Anima Care is operating 2,097 beds: 1,785 nursing home beds, 107 convalescence beds and 205 service flats, spread over 21 care centres (9 in Flanders, 8 in Brussels, 4 in Wallonia).

HPA

HPA (AvH 71.7%) achieved a turnover of 120.3 million euros in 2018, an increase by 5% compared to 2017. This evolution is the result of the expansion of the perimeter with 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).

In early July 2018, HPA indeed sold the real estate of 14 of its residential care centres to the French real estate group Icade Santé. HPA's subsidiary Residalya continues to be the tenant and operator of these residential care centres. The transaction values the assets concerned at 189 million euros and provides AvH with a capital gain (group share) of 21.3 million euros. HPA implemented a capital reduction in Q4 2018, so that this transaction has also resulted in cash proceeds for AvH.

The HPA network at the end of 2018 consisted of 2,647 beds, spread over 35 residences.

Energy & Resources

Contribution to the AvH consolidated net result

(€ million)	2018	2017
SIPEF	**7.8**	15.9[1]
Sagar Cements	**-0.1**	0.4
Oriental Quarries & Mines	**-**	-0.2
NMP	**-**	2.1
Total	**7.7**	18.2

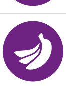
[1] Excluding a non-recurrent remeasurement gain of € 19.8 mio, which in the overview on page 2 is reported separately.

SIPEF

SIPEF (AvH 31.59%) produces sustainable and traceable palm oil that is certified according to the RSPO regulations. The other SIPEF products (rubber, bananas and tea) are certified by The Rainforest Alliance. By purchasing shares on the stock exchange, AvH has increased its participation from 30.25% at the beginning of the year to 31.59% at the end of the year.

SIPEF realised an increase in its total palm oil production by 6.3%, to 351,757 tonnes, in 2018 (2017: 330,958 tonnes). This means that the 350,000-tonne 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.

SIPEF: Production

(Tonne)[1]	2018	2017
	**351,757**	330,958
	**7,982**	8,179
	**2,422**	2,402
	**27,788**	29,772

[1] Own + outgrowers

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 fell 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.

SIPEF

(USD million)	2018	2017
Turnover	**275.3**	321.6
EBIT	**50.1**	90.3
Net result	**30.1**	139.7[1]
Equity	**644.5**	634.6
Net cash position	**-121.4**	-83.7

[1] Including USD 75.2 mio remeasurement gain on the PT Agro Muko acquisition

The acquisition of Dendymarker in 2017, and the additional concessions in Musi Rawas in 2018 will result in SIPEF cultivating almost 100,000 hectares 5 years from now, of which more than 80,000 hectares are already planted.

SIPEF - Plantation with mature palms

SIPEF - Rubber plantation

Sagar Cements

Sagar Cements

Sagar Cements (AvH 17.57%) has increased its turnover by more than 17%, 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 able to only 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 tonnes 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 mix of debts and the 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 awarding on a 50/50 basis, thereby increasing its interest to 21.85% after the operation. This represents an additional investment of 14 million euros.

AvH & Growth Capital

Contribution to the AvH consolidated net result

(€ million)	2018	2017
Contribution of participations	-6.9	-1.3
AvH & subholdings	-13.7	-10.6
Capital gains(losses)/ impairments	-2.2	17.6
AvH & Growth Capital	-22.8	5.7

Agidens (AvH 86.3%, incl. an indirect stake via AXE Investments) 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.

At **AXE Investments** (AvH 48.3%), the results of the participation in the Xylos IT company, together with the rental income from the Ahlers building, determined the annual result (0.2 million euros) of the investment company.

Euro Media Group (EMG, AvH 22.5%) achieved a turnover of 306.6 million euros (2017: 304.2 million euros) in a busy sports year in 2018 (including turnover on productions at the Olympic Winter Games in South Korea and the football World Cup in Russia). Under the leadership of an extended management, EMG realised an EBITDA of 55.4 million euros (2017: 55.0 million euros), and a net profit of 0.8 million euros in 2018 (2017: -4.6 million euros). EMG is fully capitalising on technological innovation in the TV productions sector (both UHD technology and automated productions) and on the consolidation trend within the sector. For example, EMG announced the acquisition of Telegenics, a major player in the UK, on 14 February 2019.

The core activities of the group **Manuchar** (AvH 30.0%) performed strongly and contributed 18.2 million USD to the group result. In addition to the sale of chemicals, trading in steel, plastics and paper have made a particularly strongly contribution to this. The year 2018 closed however with a negative result for the group (-10.6 million USD, 2017: 0.2 million USD), due to substantial impairment losses on the sodium sulphate production site in Mexico (negative contribution of 28.8 million USD). This production was discontinued in May 2018, and the remaining book value was reduced to the estimated realisation value.

Mediahuis (AvH 13.2%) achieved a consolidated turnover of 819.2 million euros and a net result of 28.3 million euros in 2018 (2017: 14.9 million euros). Telegraaf Media Groep, which has been 100% owned by Mediahuis from the beginning of 2018, made a significant contribution to the growth of the group's result. In addition, Mediahuis took major steps in the field of digital transformation, such as through the investment in Wayne Parker Kent (increase of the stake from 16.5% to 100%, with closing in Q1 2019), and through the merger of Zimmo and Hebbes into a single real estate platform: Zimmo. 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.

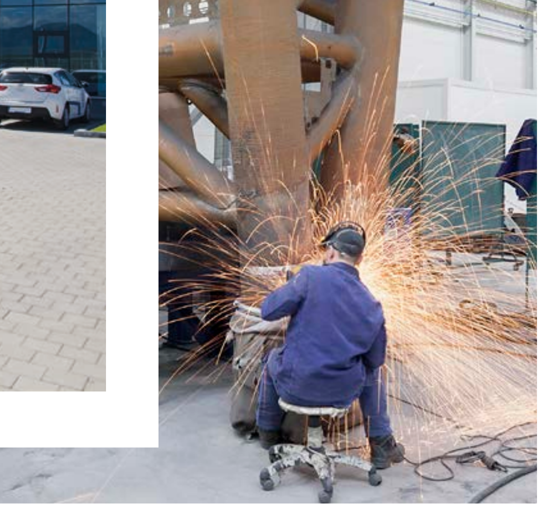
Telemond Groep (AvH 50.0%) achieved a 22% increase in turnover in 2018 thanks to the strong growth of the market and further product diversification. The record volumes in the hoisting sector have made the subsidiaries Teleskop and Montel into world market leaders in their segment. Teleyard, which focuses more on the maritime sector, also grew by 25% last year, and was able to significantly improve its profitability, despite difficult market conditions. 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 group booked a net profit of 4.1 million euros (2017: 2.5 million euros).

Turbo's Hoet Groep (THG, AvH 50.0%) was appointed as the importer for Ford Trucks for Russia in 2018, and was nominated as 'Overall Best Performing Dealer 2018' by DAF. The group opened new service points in Erembodegem and in the Grand Duchy of Luxembourg. The leasing and renting fleet also expanded again, to a total of 4,507 units. 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 532.7 million euros (14%). Despite the unfavourable development of exchange rates in Q4 2018, TGH achieved a net profit of 10.1 million euros (2017: 9.7 million euros).

AvH acquired a 2.45% participation in EVS, market leader in live video technology for TV broadcasting, at the end of 2018, for an amount of 7.4 million euros.

Turbo's Hoet Groep

Mediahuis



Telemond

Capital gains/losses and impairments

Early March 2018, AvH entered into an agreement regarding 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 and 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 **BDM-Asco** insurance group, which had already been announced at the end of 2017, to the American listed insurance company The Navigators Group, Inc. AvH realised a capital gain of 6.1 million euros on the sale of its stake.

In October, Sofinim sold its 50% participation in **Distriplus**, owner of the Di and Planet Parfum brand names, 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 contributed -30.7 million euros to the 2018 group results, including the negative result contribution during the first 9 months of the year (-12.9 million euros).

Post balance sheet events

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 (< 100 kW) intended for cattle and pig farms and water purification 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.

Declaration by the auditor

The auditor has confirmed that his review of the consolidated annual accounts has been substantially completed and that no meaningful corrections have come to its attention that would require an adjustment to the financial information included in this press release.

Antwerp, February 27, 2019

Ernst & Young Bedrijfsrevisoren BCVBA
represented by
Patrick Rottiers[1] & Wim Van Gasse[1]
Partners

[1] Acting on behalf of a BVBA/SPRL

Ackermans & van Haaren is a diversified group operating in 4 core sectors: Marine Engineering & Contracting (DEME, one of the largest dredging companies in the world - CFE, a construction group with headquarters in Belgium), Private Banking (Delen Private Bank, one of the largest independent private asset managers in Belgium, and asset manager JM Finn in the UK - Bank J. Van Breda & C°, niche bank for entrepreneurs and the liberal professions in Belgium), Real Estate & Senior Care (Leasinvest Real Estate, a listed real estate company - Extensa, a major land and real estate developer with a focus on Belgium and Luxembourg) and Energy & Resources (SIPEF, an agroindustrial group in tropical agriculture).

At an economic level, the AvH group represented in 2018 a turnover of 5.9 billion euros and employed 22.709 people through its share in the participations. The group focuses on a limited number of strategic participations with a significant potential for growth. AvH is listed on Euronext Brussels and is included in the BEL20 index, the Private Equity NXT index and the European DJ Stoxx 600 index.

Website

All press releases issued by AvH and its most important group companies as well as the 'Investor Presentation' can also be consulted on the AvH website: www.avh.be. Anyone who is interested to receive the press releases via email has to register to this website.

Calendrier financier

May 23, 2019	Interim statement Q1 2019
May 27, 2019	Ordinary general meeting
August 31, 2019	Half-year results 2019
November 23, 2019	Interimstatement Q3 2019

Contact

For further information please contact:

Jan Suykens
CEO - Chairman executive committee
Tel. +32.3.897.92.36

Tom Bamelis
CFO - Member executive committee
Tel. +32.3.897.92.42

e-mail: dirsec@avh.be

ACKB LISTED EURONEXT

Condensed consolidated financial statements

ACKERMANS & VAN HAAREN

1. Consolidated income statement

(€ 1,000)	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 (-)	-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)	2,974	0
Investment property	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	**114**	**633**
Share of profit (loss) from equity accounted investments	**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	**-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

For the first time adoption of IFRS 9 Financial instruments and IFRS 15 Revenue from contracts with customers, we refer to Disclosure 7.1 New IFRS standards.

2. Consolidated 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**
Elements to be reclassified to profit or loss in subsequent periods		
Net changes in revaluation reserve: financial assets available for sale		-14,321
Net changes in revaluation reserve: bonds - Fair value through OCI (FVOCI)	31	
Net changes in revaluation reserve: hedging reserves	-6,793	19,599
Net changes in revaluation reserve: translation differences	8,816	-30,190
Elements not to be reclassified to profit or loss in subsequent periods		
Net changes in revaluation reserve: shares - Fair value through OCI (FVOCI)	-156	
Net changes in revaluation reserve: actuarial gains (losses) defined benefit pension plans	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 adoption of IFRS 9 Financial instruments and IFRS 15 Revenue from contracts with customers, we refer to Disclosure 7.1 New IFRS standards.

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 25 of this report.

As a result of the application of the new accounting standard "IFRS 9 Financial Instruments", as explained on page 36 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.

3. Consolidated balance sheet - Assets

(€ 1,000)	2018	2017
I. Non-current assets	**9,768,821**	**9,255,476**
Intangible assets	**176,802**	**179,567**
Goodwill	**339,738**	**349,523**
Tangible assets	**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	**1,137,531**	**945,488**
Participations accounted for using the equity method	**1,184,765**	**1,240,746**
Financial fixed assets	**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	**2,000**	**5,649**
Amounts receivable after one year	**185,495**	**177,109**
Trade receivables	0	6,958
Finance lease receivables	178,971	160,765
Other receivables	6,524	9,386
Deferred tax assets	**108,297**	**109,219**
Banks - receivables from credit institutions and clients after one year	**3,626,628**	**3,408,112**
II. Current assets	**4,371,576**	**4,192,378**
Inventories	**332,385**	**329,400**
Amounts due from customers under construction contracts	**85,755**	**74,292**
Investments	**494,420**	**467,882**
Available for sale financial assets		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	**451**	**4,553**
Amounts receivable within one year	**1,449,334**	**1,321,413**
Trade debtors	1,138,482	1,066,152
Finance lease receivables	64,367	55,139
Other receivables	246,485	200,122
Current tax receivables	**29,516**	**19,030**
Banks - receivables from credit institutions and clients within one year	**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	**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 Disclosure 7.1 New IFRS standards.

The breakdown of the consolidated balance sheet by segment is shown on page 28-29 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 Tier1 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.

Consolidated balance sheet - Equity and liabilities

(€ 1,000)	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 (-)	**-28,111**	**-29,828**
Minority interests	**1,181,549**	**1,223,064**
II. Non-current liabilities	**2,435,214**	**2,477,286**
Provisions	**80,048**	**86,381**
Pension liabilities	**62,904**	**58,134**
Deferred tax liabilities	**191,983**	**212,268**
Financial debts	**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	**59,203**	**50,397**
Other amounts payable after one year	**32,543**	**26,761**
Banks - non-current debts to credit institutions. clients & securities	**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	**50,760**	**59,166**
Pension liabilities	**358**	**289**
Financial debts	**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	**12,569**	**8,405**
Amounts due to customers under construction contracts	**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	**56,212**	**64,691**
Banks - current debts to credit institutions. clients & securities	**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**

4. Consolidated 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	150
Capital increase Leasinvest Real Estate (minorities)	58,767	0
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 adoption of IFRS 9 Financial instruments and IFRS 15 Revenue from contracts with customers has no impact on the cash flow statement.

5. 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
Non-realised 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
Closing 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
Non-realised 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**

For comments on the unrealized results, see Note 2 on page 19 of this report. The impact of the new accounting standard "IFRS 9 Financial instruments" is explained in Disclosure 7.1 New IFRS Standards on page 36 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. 24.

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.

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 at 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%), 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.

During the first half of 2018, AvH's shareholding percentage in Financière EMG increased from 22.24% to 22.51% and in 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. Segment information - consolidated income 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
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 throughprofit 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 consolidated income statement

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%.

Segment information - consolidated 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 throughprofit 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

Segment information - consolidated balance sheet 2018 - Assets

(€ 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

Segment information - consolidated balance sheet 2018 - Equity and liabilities

(€ 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

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 in section 5.

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.

Segment information - consolidated balance sheet 2017 - Assets

(€ 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

Segment information - consolidated balance sheet 2017 - Equity and liabilities

(€ 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**

Segment information - consolidated cash flow 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
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 - consolidated cash flow statement

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**.

Segment information - consolidated 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**

7. Notes to the financial statements

7.1. Basis for the presentation of the condensed financial statements

The condensed consolidated financial statements of AvH relating the financial year 2018 are issued in accordance with IAS 34.

New and amended standards and interpretations

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, impairment 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 in Note 10 on page 42.

In accordance with IFRS 9, an impairment loss of 12 million euros was recognized on the outstanding receivables in **CFE**'s opening balance on 1/1/2018. 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.

IFRS 16 Leases: This new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases (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. A first estimate will be included in the annual report.

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	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 : shares - Fair value through P/L (FVPL)		102,335				102,335
Financial assets : bonds - Fair value through OCI (FVOCI - recycling)						0
Financial assets : shares - 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 : shares - Fair value through P/L (FVPL)		40,170				40,170
Financial assets : bonds - Fair value through OCI (FVOCI - recycling)		427,139	-32			427,107
Financial assets : shares - 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**

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	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 : bonds - Fair value through OCI (FVOCI - recycling)		1,544				1,544
Financial assets : shares - 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**

7.2. Business combinations - 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 (704 thousand euros).

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.

7.3. 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 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: it remained 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 10,605 thousand 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 72,454 thousand euros.

The revaluation of the historical stake generates a remeasurement gain of 10,605 thousand euros. The total unallocated goodwill generated by the transaction amounts to 5,282 thousand euros and was written down at 31 December 2018.

7.4. Seasonality or cyclicality of operations

Ackermans & van Haaren is active in several segments, each (more or less) cyclically sensitive : dredging & infrastructure, oil & energy markets (DEME, Rent-A-Port, Green Offshore), construction (CFE), evolution on the financial markets and interest rates (Delen Private Bank, JM Finn and Bank J.Van Breda & C°), real estate and interest rates evolution (Extensa & Leasinvest Real Estate) and the evolution of commodity prices (SIPEF, Sagar Cements). The segments in which the Growth Capital participations are active, are also confronted with seasonal or cyclical activities.

7.5. Earnings per share

	2018	2017
I, Continued and discontinued operations		
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**

	2018	2017
II, Continued activities		
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.

7.6. Number of treasury shares

	2018	2017
Treasury shares as part of the stock option plan		
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**

	2018	2017
Treasury shares as part of the liquidity contract		
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**

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.

7.7. Impairments

Bank J.Van Breda & C° follows strict procedures to recognize impairments on outstanding receivables. The total cost of loan losses (incl. expected credit loss) increased in relation to last year to 3.0 million euros, which is still very low (2017: 1.7 million euros)

In view of the disappointing developments at Distriplus in the course of 2018, AvH decreased its exposure to Distriplus by 13.3 million euros. This impairment loss comes on top of AvH's share (50%) in the loss of Distriplus, which was accounted for using the equity method and which in itself already comprises a substantial impairment loss (AvH share: 8.1 million euros) on intangible assets. In October, Sofinim sold its 50% participation in Distriplus to Groupe Jacques Bogart.

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.

DEME has booked an impairment loss of 5.3 million euros on goodwill in the consolidated accounts as a result of the first full integration of MEDCO. The final assessment of the first integration of the participations in A2Sea and G-TEC, which were acquired in 2017, in the consolidation also led to an impairment loss of 0.7 million euro in 2018.

7.8. Contingent liabilities or contingent assets

At December 31, 2018, AvH further reduced the provision for contingent liabilities which it had set aside at year-end 2013 in respect of its stake in CFE by 15.4 million euros (AvH share: 9.3 million euros) to 28.9 million euros (AvH share: 17.5 million euros). This reversal is justified by the disappearance of the underlying risks for which the provision had been constituted at year-end 2013 of by provisioning in the financial statements of CFE itself.

8. Main risks and uncertainties

For a description of the main risks and uncertainties, please refer to our annual report for the financial year ended 31/12/2017. The composition of AvH's portfolio changed only slightly during the year; accordingly, the risks and the spread of those risks have not changed fundamentally in relation to the situation at the end of the previous year.

Several group companies of AvH (such as DEME, CFE, Rent-A-Port, SIPEF, Telemond, Manuchar, Turbo's Hoet Groep, Agidens,...) are also internationally active and are therefore exposed to related political and credit risks. In this context, reference is also made to section 7.7 Impairments with regard to CFE's exposure to the risk of non-payment in Chad.

When disposing of participating interests and/or activities, AvH and its subsidiaries are regularly required to provide certain warranties and representations. These may give rise to claims - legitimate or otherwise - from buyers for compensation on that basis. AvH received no such claims in 2018.

AvH did not acquire any new consolidated participations in 2018. The subsidiaries of AvH invested in the further expansion of their activities. AvH believes that those investments do not fundamentally alter the risk profile; they are follow-up investments by companies in which the Group has been a shareholder for some time now.

Several group companies of AvH (such as DEME, CFE, Agidens...) are actively involved in the execution of projects. This always entails a certain operational risk, but also means that certain estimates of profitability need to be made at the end of such a project. This is inherent in such activity, as is the risk of disagreements with customers over divergent costs or changes in execution and the collection of these receivables. In the Netherlands, DEME was in 2018 involved in a dispute with Rijnwaterstaat regarding the implementation of the Juliana canal project. On the basis of the information that is currently available, DEME is not able to reliably estimate the financial consequences.

In the current market context, AvH is focusing more than ever on its role as proactive shareholder in the companies in which it has a stake. By participating in risk committees, audit committees, technical committees etc. at DEME, CFE, Rent-A-Port and Agidens, AvH specifically monitors the risks in its contracting division from a very early stage.

As regards the risk of value adjustments on assets, reference is made to section 7.7 Impairments.

In its role as proactive shareholder, AvH also sees to it that the companies in which it participates organize themselves in such a way as to comply with current laws and regulations, including all kinds of international and compliance rules.

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.

9. 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 purification 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.

10. 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 Investments

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).

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.