

CDC Labouchere  
Securities Services

Kamer van Koophandel  
Afdeling deponering jaarrekeningen  
Postbus 2852  
1000 CW AMSTERDAM

DOSSIERNUMMER 34108289  
VOLGNUMMER  
G E D E P O N E E R D  
18 JAN. 2001  
KAMER VAN KOOPHANDEL EN FABRIEKEN  
VOOR AMSTERDAM

15 december, 2000

Betreft: Deponering jaarrekening 1999

Geachte heer, mevrouw,

Hierbij deponeren wij de jaarrekening van Labouchere Securities Services NV over 1999.  
Ons inschrijvingsnummer KvK is 34108289.

Voor vragen of opmerkingen kunt u contact opnemen met ondergetekende, onder nummer  
020-5209390.

Hoogachtend,

Gegevens verwijderd door KvK

R.D. van der Mei  
Finance & Control

VOOR ONTVANGST

19 DEC. 2000

KAMER VAN KOOPHANDEL EN FABRIEKEN  
VOOR AMSTERDAM

CDC Labouchere Securities Services N.V.

P.O. Box 808 - 1000 AV Amsterdam - Keizersgracht 617 - Phone +31 20 520 9300 - Fax +31 20 625 15 17 - Swift BVHLNL2A - Chamber of Commerce 34108289

CAISSE DES DÉPÔTS  
GROUP

**ANNUAL REPORT**

**1999**

**CDC LABOUCHERE SECURITIES SERVICES N.V.**

**PRICewaterhouseCOOPERS** 

Initialed on behalf of  
PricewaterhouseCoopers  
for identification purposes only  
Amsterdam

*GH 8/3/200*

## 2 Financial Statements

### 2.1 Balance sheet as at December 31st, 1999

	31 <sup>st</sup> December 1999	31 <sup>st</sup> December 1998
	Euro	Euro
<i>ASSETS</i>		
Cash	1,122,065	0
Banks	71,807,950	5,036,960
Loans and advances	11,435,238	0
Participating interests	136,134	0
Interest-Bearing Securities	11,344,500	0
Prepayments and accrued income	1,138,695	13,410
Other assets	<u>6,932,021</u>	<u>0</u>
<b>Total assets</b>	<b>103,916,603</b>	<b>5,050,370</b>
 <i>LIABILITIES</i>		
Banks	27,473,852	0
Funds entrusted	49,680,115	0
Accruals and deferred income	<u>2,710,202</u>	<u>50,370</u>
	79,864,169	50,370
Subordinated liabilities	11,344,505	0
Share capital	1,958,430	424,041
Share premium reserve	9,506,466	4,612,919
General reserve	<u>1,243,033</u>	<u>(36,960)</u>
Liability capital	<u>24,052,434</u>	<u>5,000,000</u>
<b>Total liabilities</b>	<b>103,916,603</b>	<b>5,050,370</b>
Contingent liabilities	0	0
Irrevocable facilities	0	0

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*2000/12/31*

## 2.2 Profit and loss account for 1999

	1999	10 – 31 <sup>st</sup> December 1998	
		Euro	Euro
<i>INCOME</i>			
Interest income	44,132,604		13,410
Interest expense	<u>43,183,795</u>		<u>0</u>
Interest		948,809	13,410
Custody	2,033,031		0
Settlements	2,213,141		0
Securities lending	1,560,367		0
Other revenues	<u>526,924</u>		<u>0</u>
Commission income	6,333,463		0
Commission expenses	<u>1,946,580</u>		<u>0</u>
Commission		4,386,883	0
<b>Total income</b>		<b>5,335,692</b>	<b>13,410</b>
<i>Administrative expenses</i>			
Salaries	1,440,260		0
Social security costs	155,945		
Pension fund contributions	53,318		
Other staff charges	219,640		
Other expenses	<u>1,460,547</u>		<u>50,370</u>
<b>Total expenses</b>		<b><u>3,329,710</u></b>	<b><u>50,370</u></b>
Profit on ordinary activities before tax		<b>2,005,982</b>	<b>(36,960)</b>
Tax		<u>(725,989)</u>	<u>0</u>
<b>Net result after taxation</b>		<b>1,279,993</b>	<b>(36,960)</b>

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2003/3/2000

## 2.3 Cash flow statement

Amounts are in Euro:

	1999	10 – 31 <sup>st</sup> December 1998
Net profit	1,243,033	(36,960)
<i>Net cash inflow / (outflow) from operating activities</i>		
Movement in prepayments and accrued income	(1,125,285)	(13,410)
Movement in accruals and deferred income	2,659,832	50,370
Movement in other assets	(6,932,021)	0
	<u>(5,397,474)</u>	<u>0</u>
<i>Net cash inflow / (outflow) from banking activities</i>		
Loans and advances	(11,435,238)	0
Funds entrusted	49,680,115	0
	<u>38,244,877</u>	<u>0</u>
<i>Net cash inflow / (outflow) from investing activities</i>		
Movement in investment portfolio	(11,344,500)	0
	<u>(11,344,500)</u>	<u>0</u>
<i>Net cash inflow / (outflow) from finance activities</i>		
Participating interest	(136,134)	0
Subordinated debt	11,344,505	0
Paid-in capital	6,464,896	5,036,960
	<u>17,673,267</u>	<u>5,036,960</u>
<b>Net cash flow / (outflow)</b>	<b>40,419,203</b>	<b>5,036,960</b>
Cash as at January 1 <sup>st</sup>	5,036,960	0
Cash as at December 31 <sup>st</sup>	45,456,163	5,036,960
<b>Increase – (decrease) in cash and cash equivalents</b>	<b>40,419,203</b>	<b>5,036,960</b>

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## 2.4 Notes to the financial statements

### *General*

CDC Labouchere Securities Services N.V ("CDCL" or the "company") is a joint venture between Caisse des Dépôts et Consignations GmbH (51%) and Bank Labouchere N.V. (49%).

The company received a banking license as per the Act on the Supervision Credit System 1992 on March 11, 1999 and commenced business on April 19, 1999. The principal activities of the company comprise rendering of custody, security lending, clearing and settlement services for customers.

The financial figures of the company are included in the consolidated financial statements of Caisse des Dépôts et Consignations.

### *Accounting principles*

#### *General*

The financial statements have been drawn up under the historical cost convention. Departures, if any, from historical cost rules, are mentioned separately. Assets are shown net of any provisions. Income and expenses are allocated in accordance with the matching principle.

#### *Foreign currency translation*

Assets and liabilities denominated in foreign currencies are translated into Euro's at the spot rates ruling at the balance sheet date. Transactions and their related profits and losses in foreign currencies are translated at the rates ruling at the transaction date.

#### *Banks and loans and advances*

Banks and loans and advances are shown net of any downward value adjustments for items doubtful of collection.

#### *Investment portfolio*

The investment portfolio comprises of the government bond included in the items interest-bearing securities. Bonds and other fixed-interest securities are carried at redemption value net of any downward value adjustments as required. The difference between redemption value and the purchase price is charged or credited to the profit and loss account in proportion to the average remaining maturity periods.

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### *Goodwill*

Goodwill on acquisition is charged in full to Share premium reserve within shareholders' equity.

### *Cash and cash-equivalents*

For the purpose of the cash flow statement, cash and cash equivalents comprises the cash and bank balances with less than 90 days maturity.

### **Notes to the company balance sheet**

(in Euro's)

	1999	1998
<i>ASSETS</i>		
<i>Cash</i>	1.122.065	0
Comprises cash in hand and all balances available on demand with the Dutch Central Bank.		
<i>Banks</i>		
Bank Labouchere NV	44,520,516	5,036,960
Caisse des Dépôts	20,077,670	0
Other Banks	<u>7,209,764</u>	<u>0</u>
	71,807,950	5,036,960

This item comprises all loans and advances to credit institutions, which are subject to banking industry supervision and regulated securities firms.

### *Loans and advances*

Comprises all loans and advances arising out of banking transactions, except for loans and advances to banks and securities firms.

### *Participating interests*

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Comprises the 100 % participation in CDC Labouchere Securities Services Custody NV. The company has not been consolidated as it is not material to the whole (in accordance with Section 407 subsection 1a).

*Interest-bearing securities*

Comprises the investment portfolio. The proceeds of the issued share capital of CDCL have been invested in a 5-1/4% government bond with a maturity date at July 15, 2008.

*Prepayments and accrued income*

Accrued income	825,130	0
Prepayments	36,927	0
Interest receivable investment portfolio	276,638	0
Interest receivable other	<u>0</u>	<u>13,410</u>
	1,138,695	13,410

*Other assets*

Withholding tax	3,744,528	0
Dividends, coupons and redemption's	1,993,884	0
Other	<u>1,193,609</u>	<u>0</u>
	6,932,021	0

Withholding tax prepayments are made on behalf of customers will be collected from the Italian tax authorities. These amounts were advanced prior to the transfer of business from Bank Labouchere N.V. to CDCL. In case the amounts are claimed by CDCL, Bank Labouchere N.V. will reimburse CDCL under the guarantee issued by Bank Labouchere N.V. as per April 19, 1999 for the business brought to CDCL.

Dividends, coupons and redemption's comprise pre-posted amounts on clients-accounts with a value date in January 2000.

**LIABILITIES**

*Banks*

Bank Labouchere NV	1,095,603	0
Caisse des Dépôts	427,958	0
Other	<u>25,950,291</u>	<u>0</u>
	27,473,852	0

Banks comprises all amounts owed to credit institutions and regulated securities firms except for subordinated loans.

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*Funds entrusted*

Funds entrusted comprises all debts arising out of banking transactions, except for amounts owed to banks and subordinated loans.

*Accruals and deferred income*

Accounts payable and accruals	1,526,332	0
Taxes	914,298	50,370
Interest payable	172,610	0
Other	<u>96,962</u>	<u>0</u>
	2,710,202	50,370

Comprises accounts payable, interest payable, VAT, wage taxes, corporate taxes and other accrued and deferred items.

*Subordinated liabilities*

This loan is subordinated to all current and future obligations. Unscheduled repayment of all or part of the loans is not permitted. The interest rate of the subordinated loan is EONIA plus a margin of 1%. The loan has a maturity of 6 years.

*Issued and paid-in capital*

The movements in the issued and paid-in capital are as follows:

January 1 <sup>st</sup> , 1999	424,041
Issued and paid during the period	<u>1,534,389</u>
December 31 <sup>st</sup> , 1999	1,958,430

The authorised capital of the company amounts to Euro 2,132,767 (NLG 4,700,000) and is divided in 4,700,000 shares with a nominal value of Euro 0,45 (NLG 1 each).

The issued and paid capital consists of 4,315,812 ordinary shares of Euro 0,45 (NLG 1 each), of which 2,201,064 shares are issued and fully paid up by Caisse des Dépôts et Consignations GmbH, Frankfurt and 2,114,748 shares are issued and fully paid up by Bank Labouchere N.V.

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### Share premium reserve

The movements in the Share premium reserve are as follows:

January 1 <sup>st</sup> , 1999	4,612,920
Premium from share issuance	16,691,832
Goodwill	<u>(11,798,286)</u>
December 31 <sup>st</sup> , 1999	9,506,466

The share premium reserve comprises the proceeds from shares issued in excess of the par value.

### General reserve

The movement in the General reserve is as follows:

January 1 <sup>st</sup> , 1999	(36,960)
Proposed appropriation of profit 1999	<u>1,279,993</u>
December 31 <sup>st</sup> , 1999	1,243,033

### Maturity Schedule

Funds entrusted to CDCL largely consist of current account balances payable on demand. These are matched by cash, money market placements or by assets convertible into cash with a similar term.

Maturity schedule  
As per 31 December 1999

	Banks Amounts Receivable	Loans And Advances	Banks amounts payable	Funds Entrusted
On demand	71,459,553	11,435,238	27,473,852	49,331,718
Within 3 months				
3 months to 1 year	348,397			348,397
1 to 5 years				
More than 5 years				
Total	<u>71,807,950</u>	<u>11,435,238</u>	<u>27,473,852</u>	<u>49,680,115</u>

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### *Securities borrowed and lent*

CDCL lends securities to banks and securities firms. When acting as principal, CDCL may indemnify its customers for the fair market value of those securities against a failure of the borrower to return such securities. In segment CDCL requires the borrowers to provide collateral in an amount equal to or in excess of 105% of the fair market value of the securities borrowed. The borrowed securities and the collateral received are marked to market daily to determine if additional collateral is necessary.

The securities borrowed and lent not included in the balance sheet as at December 31<sup>st</sup>, 1999 are as follows:

Borrowed	4,934,354,767
Lent	4,883,411,436

### *Guarantees and collateral*

The Bank acts as guarantor to the AEX Effecten clearing in respect of securities transactions of clients. In connection with this guarantee, the Bank has provided collateral in the form of securities to the AEX. Furthermore collateral is placed with DCB and Euroclear to facilitate day-to-day operations.

### *Assets under custody*

Assets under custody are held by CDCL in a custodial capacity and are not included in the balance sheet because such items are not assets of CDCL. Management has set up a separate legal entity "CDCL Custody N.V." that acts as custodian for the assets under custody, not falling under the regime of the "Wet Giraal Effectenverkeer".

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*Concentrations of credit risks*

Banks amounts receivable, and loans and advances can be specified by industry sector of the borrower as follows:

	1999	1998
Financial institutions	71,807,950	5,036,960
Insurance companies	11,435,020	0
Public sector	0	0
Private individuals	0	0
Other	218	0
	<u>83,243,188</u>	<u>5,036,960</u>

For all loans and advances to the insurance companies, securities are pledged as collateral.

*Foreign currency risks*

Assets amounting to Euro 27,322,967 and liabilities amounting to Euro 27,469,984 are denominated in currencies other than Euro. However the net currency risk recalculated to Euro's amounts to Euro 181,274 debit and Euro 34,256 credit.

*Contingent liabilities and irrevocable facilities*

The company has not entered into any material contingent liabilities and/or irrevocable facilities except for Security lending & borrowing transactions as disclosed separately.

The company has entered into several Service Level Agreements with respect to i.a. IT services with one of its joint venture partners. The annual commitment of these Service Level Agreements amount to Euro 330.000.

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**Notes to the profit and loss account for 1999**

(in Euro's)

	1999	1998
	Euro	Euro
<i>Interest income</i>		
Customer current accounts	41,467,882	0
Client deposits	127,969	0
Fixed interest securities	141,574	0
Money market deposits	2,214,657	0
Nostro accounts	<u>180,522</u>	<u>13,410</u>
	44,132,604	13,410
<i>Interest expense</i>		
Customer current accounts	42,330,644	0
Client deposits	131,124	0
Money market deposits	31,398	0
Subordinated loan	292,533	0
CDC facilities	135,425	0
Nostro accounts	97,808	0
Other	<u>164,863</u>	<u>0</u>
	43,183,795	0

Interest income and expense are high due to interest arrangements for pools of current accounts for customers which are compensated in the balance sheet.

*Personnel expenses*

Comprises:

Salaries and wages	1,440,258	0
Pension costs	53,318	0
Other social security costs	144,573	0
Other personnel expenses	<u>231,014</u>	<u>0</u>
	1,869,163	0

During the period January 1, 1999 to April 16, 1999 the company had no employees. At the end of December 1999 the number of employees was 38.

The remuneration of the members of the Executive Board for 1999 was Euro 226.000,-.

The remuneration of the members of the Supervisory Board for 1999 was 11.344,-.

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*Results on financial transactions*

There are no results on financial transactions. CDCL has no trading portfolio and also no results on securities and on foreign exchange on this trading portfolio.

Amsterdam, 15 March 2000

*Managing Directors,*

Gegevens verwijderd door KvK

Th.J.H. Houwink ten Cate

P. Lichterowicz

*Supervisory Board*

Gegevens verwijderd door KvK

B. Le Blanc

J.M. Schories

P. Cadario

Gegevens verwijderd door KvK

W.J.C. Brouwer

C.J.H. Bierman

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SL 1/3/2000

### **3 Supplementary information**

#### **3.1 Auditors' Report**

This report is set out on page 21.

#### **3.2 General**

According to article 28 of the company's Articles of Association, the other reserves are at disposal of the Annual General Meeting of Shareholders.

#### **3.3 Appropriation of the net result for the year**

It is proposed to appropriate the result for the year to the general reserves.

#### **3.4 Memberships of CDCL**

CDCL is member / admitted institution / account holder with the following entities:

- Necigef / NIEC
- AEX-Effectenclearing (General Clearing Member)
- Interpay
- Dutch Central Bank
- Euroclear / CEDEL
- Caisse des Depots Network
- SWIFT
- Dutch Banking Association
- Dutch Securities Institute
- Chambre Française de Commerce et d'Industrie aux Pays-Bas

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## AUDITOR'S REPORT

### *Introduction*

We have audited the 1999 financial statements of CDC Labouchere Securities Services N.V., Amsterdam. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

### *Scope*

We conducted our audit in accordance with auditing standards generally accepted in the Netherlands. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

### *Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of the company at 31 December 1999 and of the result for the year then ended in accordance with accounting principles generally accepted in the Netherlands and comply with the financial reporting requirements included in Part 9, Book 2 of the Netherlands Civil Code.

Amsterdam, 15 March 2000

*PricewaterhouseCoopers N.V.*

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