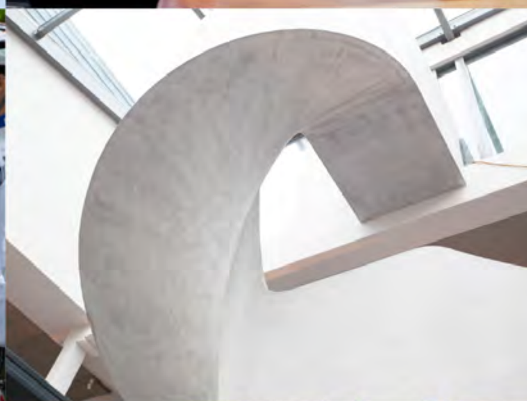
Intertrust

One journey
One Intertrust

Annual Report 2017





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At a glance

Intertrust is a leading global provider of high-value trust, corporate and fund administration services across Europe, the Americas, Asia and the Middle-East. The Company delivers high-quality, tailored services to its clients with a view to building long-term relationships. Intertrust's services offering consists of corporate services, fund services, capital markets services, and private wealth services. Since October 2015 Intertrust has been listed at Euronext Amsterdam.

We facilitate investments and acquisitions globally through the incorporation, maintenance and liquidation of corporate, investment, finance and fund entities. By offering a comprehensive range of specialised administrative services, we help to ensure a sound financial administration of entities and enable our clients to comply with applicable tax and regulatory regimes. Our business services offering comprises:

- Corporate services: setting up, structuring, managing and unwinding our clients' corporate investment and finance structures.
- Fund services: incorporation and administration of funds, including real estate funds, private equity funds and hedge funds.
- Capital markets services: setting up, structuring, managing and unwinding securitisation and structured finance transactions for issuers and originators.
- Private wealth services: fund and trust formation for our private clients.

Our history dates back to 1952, when the foundation was laid for what has now become Intertrust.

Intertrust operates in 28 countries across Europe, the Americas, Asia and the Middle East through a network of 39 offices and employs more than 2,500 people. Intertrust is among the leading trust, corporate and fund services providers in the Netherlands, Luxembourg, Cayman Islands and Jersey. We put our clients and employees at the heart of our business. The quality and expertise of our local employees is key to our ability to provide clients with premium value-added services and to build long-term client relationships.

Our structure

Intertrust N.V. is the parent company of the Intertrust Group. Underlying subsidiaries of Intertrust N.V. in the various jurisdictions provide services to our clients. An overview of significant subsidiaries owned by Intertrust N.V. can be found on page 163 of this report. Intertrust has a two-tier corporate structure. The Company is managed by the Management Board, which is responsible for Intertrust Group's overall management and performance, and for the implementation of its strategy. The Management Board is supervised by the Supervisory Board. We have implemented four service segments to align our services towards clients and business partners: corporate services, fund services, capital markets services and private wealth services. Each segment is represented by a service line lead.

The Management Board leads the Company and is supported by an Executive Committee, comprising Managing Directors representing the Netherlands, Luxembourg, Cayman Islands, Jersey, Rest of the World and Human Resources. The Executive Committee reports to and advises the Management Board on commercial and operational matters in relation to our offices across the globe. Each office is headed by a Managing Director supported by a management team, who are responsible for managing the operations in their respective jurisdictions.

Facts & figures 2017

2,500+
Professionals

485.2
EUR million
Revenue

~50,400
Client entities

39
Offices

185.1
EUR million
Adjusted EBITA

Clients include
52%
of the Top 50 of
the Fortune Global 500

28
Countries

38.2%
Adjusted EBITA margin

Clients include
88%
of the Top 50 of the
Private Equity International 300

Intertrust worldwide

Americas

Bahamas
Brazil
British Virgin Islands
Canada
Cayman islands
Curaçao
United States

Europe

Belgium
Cyprus
Denmark
Finland
Germany
Guernsey
Ireland
Jersey
Luxembourg
Norway
Spain
Sweden
Switzerland
The Netherlands
Turkey
United Kingdom

Asia & Middle East

China
Dubai
Hong Kong
Japan
Singapore

Message from David de Buck (outgoing CEO)

One journey, one Intertrust

To all our stakeholders
I would like to begin by expressing my thanks to you for your trust and confidence in us. We reported a solid performance in 2017 and made good progress on achieving our strategic objectives.

Full year results

Our full year results were at the high end of our revised guidance for 2017. Revenue grew 4.4% on an underlying basis to EUR 485.2 million and the adjusted EBITA margin amounted to 38.2%. In November, we announced a share repurchase programme of up to EUR 50 million which we expect to be completed in the course of 2018. In line with our dividend policy and as a reflection of our confidence in the financial strength of the Company, we will pay a total dividend of EUR 0.61 in 2017 of which EUR 0.28 was paid as interim dividend.

Stringent regulation vital

In 14 of the 28 countries where we have offices, our industry is regulated. We continue to maintain an ongoing dialogue with regulators to ensure we stay at the forefront of our industry. We believe that our industry should be regulated in all key markets and we promote a more stringent regulatory oversight. We actively discuss with regulators how to further improve the quality of our sector. As an example, we are pleased to see that a selection of our proposals for more stringent regulation for the trust sector in the Netherlands is included in the draft 'Wet toezicht trustkantoren 2018' ("Trust Supervision Act").

Change brings opportunities

With Intertrust's well diversified client portfolio and our presence in 28 key jurisdictions, we are able to navigate our clients through the ever-changing regulatory landscape. One change has been particularly beneficial to us: additional reporting requirements mean more work is now required to keep our clients' entities in good standing by, for example, supporting clients with mandatory UBO registrations. In addition, legislative changes enabled us to expand our service offering helping us, for instance, to obtain a licence from Luxembourg's regulator CSSF to provide AIFM services.

Ongoing expansion

Intertrust acquired the remaining part of our Spanish structured finance business, which was held by Azcona, doubling the size of our Madrid office to a total of 63 employees. As the integration of Elian continued, synergies were achieved according to our business plan and we significantly boosted our funds and capital markets capabilities, contributing to our overall performance. The remaining key "to-do" is IT integration, which will be completed mid-2019.

Management changes

In 2017, we announced changes to the Management Board. We have broadened it with the appointment of CCO Henk Pieter van Asselt to represent the commercial side of the business. We also appointed Hans Turkesteen as interim CFO and member of the Executive Committee to replace CFO Maarten de Vries who decided to leave the Company to pursue a new opportunity outside Intertrust as of 2018. Following my decision to not seek another four-year term as CEO of Intertrust, Stephanie Miller has been appointed as new CEO as of January 2018. We are pleased to see that we are able to attract such highly qualified and reputable individuals.

"With a new leadership team in place, Intertrust is well positioned to continue as a leading global provider of trust, corporate and fund services."

New "service line" approach

While we continue to execute our current strategy, we are increasingly organising ourselves around our four service lines: corporates, funds, capital markets and private wealth. This transformation enables us to provide consistently outstanding services to current and potential clients, and makes our service expertise more easily available globally. In a series of Q&As featured in this Annual Report, each service line leader explains how this approach is benefitting clients (see pages 16, 32, 46 and 64).

"Our new service line approach gives us better opportunities to provide consistently outstanding services to current and potential clients."

Beyond business

This year was a milestone year for Intertrust as we celebrated our 65th anniversary. In light of this landmark, we took the opportunity to announce a three year partnership between the Intertrust Foundation and SOS Children's Villages, the result of an employee vote earlier in 2017. Since the Foundation's mission is to support the education of children across the globe, SOS Children's Villages is an ideal charity partner. As part of this partnership a new leadership programme for Intertrust senior managers will be set up and rolled out in 2018.

I would like to highlight two further initiatives. Firstly, the London City Swim charity event took place for the first time in 2017. As main sponsor, Intertrust participated in the swim with colleagues from all over the world. Over 300 people took part, raising £144,000 for ALS. Secondly, a company-wide fundraising programme was initiated to support our staff on the British Virgin Islands who were impacted by Hurricane Irma. The tremendous support from all employees worldwide was overwhelming.

One journey, one Intertrust

By making "One journey, one Intertrust" the theme of this year's annual report, we would like to give you more insight into the Company and show how we place great emphasis on building our corporate culture. With more than 2,500 staff supporting our clients globally, people are our most important asset and the key to success. Our ambition is to create a workplace and culture that brings out the best in our people as we believe that more engaged employees will lead to better performance. We launched the One Journey programme to drive positive change across the business and started this year by training 600 line managers who subsequently trained their teams. We are confident that our other stakeholders will benefit from the results of this programme too.

Looking ahead

There are many reasons to be excited about the future of our business. While there will be an emphasis on IT integration in order to prepare our business for future growth, we are also committed to continuing to invest in people and technology to support our strategic objectives while delivering sustainable business growth. With a new leadership team in place, Intertrust is well positioned to continue as a leading global provider of trust, corporate and fund services.

We operate in economies that are growing and we serve clients whose businesses and wealth are growing too. While 2018 will undoubtedly have its share of challenges and uncertainty, we are determined to deliver on our promises.

Finally, I would like to thank all Intertrust employees for their hard work. We are on an exciting journey together and took important steps this year to bring our business to the next level.

"We are on an exciting journey together and took important steps this year to bring our business to the next level."

I look back with pride on my nine year period as CEO of Intertrust - collectively we have established ourselves as a leader in our industry. While the journey continues for Intertrust, I will leave the Company after the shareholders' meeting on 17 May 2018 and hand over to my successor with great confidence.

Thanks to all our stakeholders for your continued support in making us a leading trust, corporate and fund services provider.

David de Buck

Chief Executive Officer (until 22 January 2018)

Welcome to our new CEO Stephanie Miller

Following David de Buck's announcement to not seek re-appointment as CEO at the shareholders' meeting in May 2018, Intertrust's Supervisory Board announced early in December 2017 that it had nominated Stephanie Miller to succeed him.

At the Extraordinary General Meeting held on 19 January 2018, shareholders approved the appointment of Stephanie Miller as CEO and member of the Management Board. Stephanie started in her new role as CEO on 22 January 2018. Her appointment as member of the Management Board became effective on 7 February 2018, upon receipt of all requisite regulatory approvals, for a first term of four years.

Curriculum Vitae

Name: Stephanie Dawn Miller
Date of birth: 28 May 1968
Nationality: American

Education:
1986 – 1991 Queens College, City University of New York, USA - BA Accounting and Management Information Systems

Corporate experience
2016 – 2017 **SS&C Technologies**, New York, USA - Senior Vice President and Managing Director, Alternative Assets
2012 – 2016 **J.P. Morgan**, New York, USA - Global Head of Fund Services
2002 – 2012 **Citco Fund Services**, New York, USA & Dublin, IE - Managing Director and Management Team member
2000 – 2002 **Credit Suisse First Boston**, New York, USA - Director , Global Operations
1991 – 2000 Various senior roles in financial services

Stephanie commented:

"Intertrust is a great company with lots of opportunities for future growth and I am excited about the prospect of leading it. I look forward to working with the rest of the Management Board, Executive Committee and all the talented people at Intertrust to deliver profitable and sustainable growth for employees and shareholders. My passion as a leader is to ensure the highest quality standards in the industry and a continuous focus on excellent service delivery to our clients."

Business

A full service offering generating significant economies of scale

In today's highly competitive landscape, size matters. Intertrust is one of the few global, dedicated full service providers with a broad range of high value trust, corporate and fund offerings in multiple jurisdictions. This breadth and reach is enabling us to apply significant economies of scale for a more efficient business performance.

Our market

Intertrust is a global leader in the trust, corporate and fund services market. We provide a wide range of specialised, value-added administrative services to assist clients with setting up, structuring, managing and unwinding their corporate, investment, finance and fund entities. The market has demonstrated notable resilience during economic downturns and healthy growth during the upturns.

"The market has demonstrated notable resilience during economic downturns and healthy growth during the upturns."

Clients

Our clients are varied, coming from the corporate market; the funds market (private equity, real estate, hedge funds); the financial institutions market; and the private clients market. Generally we support them in the formation and implementation of entities, the domiciliation and management of entities, legal administration, accounting and (regulatory) reporting. The experience and expertise of our local employees is key to our ability to provide clients with premium value-added services and build long-term relationships.

Services

More often than not, client entities are formed to facilitate cross-border investments and acquisitions with a mix of business, legal and tax considerations. These include risk management or asset protection factors; the attractiveness of a location for investment funds; and the legal, political, financial and regulatory stability that a location offers.

Our services cover the entire lifecycle of a client entity: from incorporation, to ongoing maintenance and compliance, through to liquidation. As the average duration of a client entity is around seven to ten years this provides predictable and recurring revenues.

Jurisdictions

Intertrust operates in 28 jurisdictions across Europe, the Americas, Asia and the Middle East through a network of 39 offices. Geographically, we focus on countries in which the legislative, regulatory and judiciary landscape is highly developed and reliable such as the Netherlands, Luxembourg, Cayman Islands and Jersey.

Jurisdictions may also be selected if they offer clients good access to capital markets, an experienced, highly educated workforce and a strong network of local advisors, among other features. The characteristics that legal entities offer in terms of cost, maintenance and liquidation play a part too, while the attractiveness of local tax legislation and the number of relevant international (tax) treaties can play a role.

"As the average duration of a client entity is around seven to ten years this provides predictable and recurring revenues."

Competitive landscape

The trust, corporate and fund services market is fragmented comprising mainly regional and multi-regional providers on the one hand and medium-sized or smaller local providers on the other. Regional players may offer a broad range of services, but are often focused on specific jurisdictions in one or more regions. Local providers meanwhile, tend to have a narrow service offering and can only provide limited geographical coverage. In addition, some major banks, fund administrators, legal and accounting firms also operate in specific segments.

Strong position

Within this competitive landscape, Intertrust is one of the few global, dedicated full-service providers. As a leading consolidator in the market, we are able to apply economies of scale and a wider service offering of high-value trust, corporate and fund services in multiple jurisdictions.

"We are a leading consolidator in the market."

Our listed status has underscored our transparency, added to our attractiveness as an employer and made us the 'go-to' company for corporations, funds, financial institutions and private clients.

Growing market

What's more, the trust, corporate and fund services industry is growing – driven by the internationalisation of corporate and investment activities and key market trends. These drivers and trends are increasing the number of client entities and the level of services required by each one.

"We are the 'go-to' company for corporations, funds, financial institutions and high net worth individuals."

Growth drivers

1. Globalisation

Increasing globalisation and economic growth drive international trade and economic activities. The expansion of our industry/market is being driven by the internationalisation of corporate and investment activities. As corporations and funds invest across numerous jurisdictions, they typically require corporate and fund services to implement and maintain complex entity structures and assistance in order to comply with local and international requirements.

A large number of macro-economic and jurisdiction specific factors, including governments who take local protectionist actions and/or an unfavourable amendment of a jurisdiction's double tax treaty network, could lead to a reduction in the global level of FDI. A recent example is the US tax reform plan. Generally speaking, a shift to a territorial system and a significantly lower corporate income tax rate in the US will make it less attractive, or beneficial, for US corporate clients to structure through foreign entities. It is important to note that any impact on our client portfolio should be limited to a relatively small subset of corporate clients from the US. In the case of the US Tax Plan, we expect that a number of corporate clients will restructure or repatriate funds to the US, which should generate incremental billable hours in the short to medium term.

2. Regulation

More and increasingly complex compliance and regulatory requirements are driving further growth in the industry. The implementation of new regulation is also increasing reporting requirements. In addition, measures to prevent tax evasion, fraud and terrorist financing have resulted in greater complexity and increased demand for transparency.

Our clients adjust their presence and activities to different tax laws and regulations across jurisdictions. The political pressure to curb tax avoidance leads to numerous legislation changes, which contribute to differences in tax attractiveness between jurisdictions. As a result, we see a trend of increased activities in onshore jurisdictions compared to offshore jurisdictions. Another example of a recent trend is the re-location of activities by international clients driven by regulatory changes, which benefit global players like Intertrust who have local presence in multiple jurisdictions and can facilitate cross-border transfers.

Currently there is an international public debate on tax avoidance which might have a negative impact on the reputation of the industry. Following a screening of global tax policies the European Council's code of conduct group has compiled a list of countries who have not responded sufficiently to adjust local regulations to help curb tax evasion. The 17 countries on the European list are American Samoa, Bahrain, Barbados, Grenada, Guam, South Korea, Macau, the Marshall Islands, Mongolia, Namibia, Palau, Panama, St Lucia, Samoa, Trinidad & Tobago, Tunisia and the United Arab Emirates. To be excluded from the list, countries must have fair tax rules, which the EU defines as not offering preferential measures or arrangements that enable companies to move profits to avoid levies. They must also meet transparency standards and implement anti-profit-shifting measures set by the OECD.

Intertrust maintains an ongoing dialogue with regulators to ensure we stay at the forefront of our industry. We believe that our industry should be regulated in all key markets and promote a more stringent regulatory oversight. We actively discuss with regulators how to further improve the quality of our sector.

The additional compliance and transparency requirements along with the growing regulatory framework present new opportunities for us to grow. Since compliance and integrity are part of our DNA as a company we are strongly in favour of a stringent regulatory environment – for the good of ourselves and of our clients.

> *"Additional compliance and transparency requirements along with the growing regulatory framework present new opportunities for us to increase revenues."*

An example of recent law related to increased transparency is the 4th Anti-Money Laundering Directive. Following the implementation of this directive we are generating incremental billable hours for assisting our clients with the UBO register filings.

3. Outsourcing

Outsourcing of non-core legal and financial administrative tasks is another market driver. Increased reporting and transparency requirements have resulted in more corporations looking to outsource non-core legal and financial administrative work to meet increasing regulatory obligations, rather than hire additional specialised staff. This outsourcing trend is also strongly reflected in the fund management sector.

Market trends

In addition to the drivers, the following trends are influencing the competitive landscape.

1. Consolidation

Ours is a fragmented industry in which smaller players find it more and more difficult to operate. Pressures include growing regulatory complexity; the need to increase scale in existing jurisdictions; increased demand for complementary services; and the advantages of an expanded geographic footprint. As a leading consolidator in the industry, Intertrust has been able to expand through acquisitions in order to broaden its service portfolio and extend geographic reach while increasing its market share.

2. Client preferences

Clients prefer to have a single point of contact. Working with a single trust, corporate and fund services provider with a full service proposition and global reach is a growing client preference.

3. Flight to quality

Following the Panama and Paradise Papers publications, we see an increasing preference among clients to work with reliable providers with a good reputation in the industry. Failure to comply with the regulatory requirements may lead to both monetary fines and the intangible reputational harm of failing to do so. In this new environment, specialist administrators play a vital and growing role.

> *"We see an increasing preference among clients to work with reliable providers with a good reputation in the industry."*

Our business model

Intertrust operates a resilient business model with recurring revenues and a diversified client portfolio that provides strong potential for further growth and improved margins. The business is organised and managed on a geographical basis, the largest jurisdictional markets being the Netherlands, Luxembourg, Cayman Islands and Jersey.

Approximately 85% of our revenues are generated by non-discretionary services that clients, irrespective of their financial or operational performance, generally require, such as taking minutes of board meetings, accounting, filing annual reports, regulatory reporting and holding shareholder meetings as well as transactional or activity-based work.

Intertrust's global sales strategy aims to drive organic growth through active coverage of the existing network of global and local business partners, cross-selling and providing additional services to existing clients. The Company also has a track record of increasing the average revenue generated per entity (ARPE) and realises margin improvements by optimising its cost base and operating leverage.

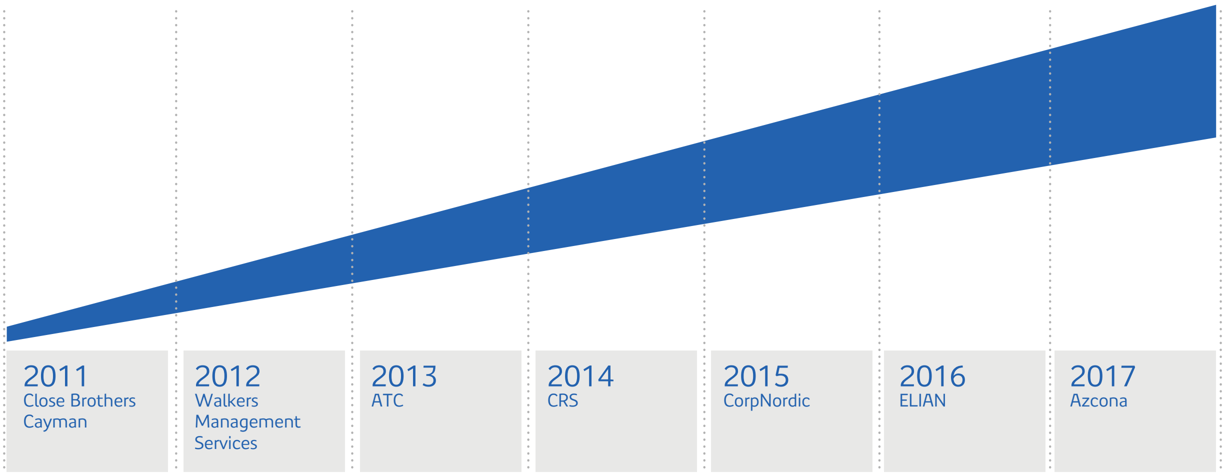
We believe we have the infrastructure in place to continue to grow our business globally in the years ahead.

Over the years, we have grown both organically and inorganically. We have consistently demonstrated our ability to identify, execute and integrate acquisitions in the fragmented corporate and fund services industry. Examples include our acquisition of Close Brothers Cayman (2011), Walkers Management Services (2012), ATC (2013), CRS (2014), CorpNordic (2015) and Elian (2016). In 2017 we acquired the remaining 25% stake in SFM Spain together with the Spanish provider of corporate, funds and capital markets service provider Azcona. The acquisitions have resulted in an expansion of our geographical network and strengthened our services offering. In the second half of 2017 we decided to prioritise the integration of Elian and we temporarily put our M&A activities on hold.

"Acquisitions such as Elian have resulted in an expansion of our geographical network and strengthened our services offering."

"In the second half of 2017 we decided to prioritise the integration of Elian and we temporarily put our M&A activities on hold."

A long history of continued growth through organic global expansion and M&A



Our services

We offer a comprehensive and integrated set of trust, corporate and fund services. Our offering covers corporate services, fund services, capital markets services and private wealth services. Other than limited local tax compliance services that we have historically provided to private clients in Guernsey, we do not provide tax or legal advisory services.

In 2017, we continued to better align our services for the benefit of clients and business partners. We appointed global leaders who are responsible for each of our four service lines (Corporate, Funds, Capital Markets and Private Wealth services) on a global level. These allow us to deliver consistent standards of high-quality services in every jurisdiction where we operate.

Corporate services

We assist clients with setting up, structuring, managing and unwinding of legal entities for corporate, investment and finance objectives. Corporate services clients are largely multinationals, alternative investment firms and financial institutions. Read more on page 16.

Fund services

Intertrust's fund services cover the incorporation, administration, investor reporting and regulatory reporting for funds, with a strong focus on real estate funds and private equity funds. Read more on page 32.

Capital Markets services

Clients of this segment are mostly financial institutions. We assist them with a variety of services provided to Special Purpose Vehicles (SPVs) for capital market transactions. Read more on page 46.

Private Wealth services

We provide company and trust formation services to private wealth clients, such as international entrepreneurs and family offices. We assist with asset management, asset preservation, philanthropy, estate planning and succession planning. In addition, we administer personal pensions, wills and testamentary estates, and offer family office services. Read more on page 64.

Regulatory and compliance services

In every service line we offer regulatory and compliance services. We identify regulatory reporting obligations and review, draft and submit all the relevant reports for several reporting regimes: US FATCA (the Foreign Account Tax Compliance Act), UK FATCA and Common Reporting Standard (CRS). This year, following the implementation of 4th Anti-Money Laundering Directive, we assist our clients with the UBO register filings. We also offer compliance consulting and compliance outsourcing services. Compliance consulting services include assisting clients with regulatory authorisations

Expertise across full range of client segments

Corporates	Funds	Capital Markets	Private Wealth
• Formation & Implementation • Escrow • Domiciliation & Management • Process Agent • Legal Administration • Intellectual Property • Accounting & Reporting • Treasury management services • Performance & reward management	• Formation & Implementation • Escrow • Fiduciary services • Domiciliation & Management • Legal Administration • Depository services • Accounting & Reporting • Manco services • Investor Relations • Operator Services	• Formation & Implementation • Process Agent • Domiciliation & Management • Portfolio Administration Services • Corporate Administration • Agency Services • Accounting & Reporting • Investor Reporting	• Formation & Implementation • Accounting & Reporting • Domiciliation & Management • Treasury and Investment Services • Legal Administration
Regulatory & Compliance services			

and audits, assessing compliance infrastructure, drafting and maintaining compliance policies and procedures and providing training. Our outsourcing services include client due diligence, document management, identification and verification and risk screening.

Our clients

Clients attribute high value to the quality of local service, reputation, personal relationships, expertise and the reliability and responsiveness of specialised services (corporate, fund, capital markets and private wealth). They increasingly prefer to work with a global service provider who can offer an integrated, consistent and comprehensive set of corporate and fund services across a range of jurisdictions. Due to the potential impact and cost of failing to comply with local rules and regulations, they appreciate that we can offer them savings by ensuring compliance.

We have a diversified base of clients for which we administer approximately 50,400 client entities . Our clients include:

- 70% of the Top 10 of the Fortune Global 500
- 52% of the Top 50 of the Fortune Global 500
- 88% of the Top 50 of the Private Equity International 300

Part of building a sustainable business is building long-lasting partnerships with our clients and their advisors. We see this as part of a long-term commitment that is aligned with our corporate values. We achieve this by investing in these relationships.

Our clients benefit from:

- Quality
- Commitment
- Global network
- An extensive range of legal and accounting administrative services
- Ensured compliance with local and global laws and regulations

London City Swim raises £140,000+

Over 300 swimmers from business teams joined the first Intertrust London City Swim in September 2017, to raise awareness for Motor Neuron Disease.

Over £140,000 was raised for Project MinE, the ground-breaking international genetic research programme for MND, known internationally as ALS.

By sponsoring the London City Swim, Intertrust hopes to make a small difference in fighting MND.

Service line feature: CORPORATES

Our Corporate Client Services service line offers clients a broad range of high-quality services from all over the world, across a range of different industries. Clients include multinational corporations, SMEs and entrepreneurs.

Service line Q&A

In this interview, our Global Head of Corporate Client Services, Jan Willem van Drimmelen, describes how the service line approach is helping his part of the business to deliver more.

Q: What does the Corporate Client Services team do?

A: We go well beyond providing the traditional corporate services such as company secretarial, financial administration, domiciliation and management by offering our clients also more specialised services, including escrow agent services, performance and reward management (PRM), payroll and a range of regulatory and compliance services. Generally speaking, entities are set up by corporate clients for a mix of reasons; to facilitate cross-border investments and acquisitions, as a stepping stone in a new market or to hold assets and manage risk.

Q: What are you looking forward to most about moving to a service line approach?

A: I am convinced that our clients are much better served if we always take a truly holistic approach to their service requirements and the overall global client relationship, and I always enjoy working with colleagues from all over the world, from Tokyo to New York, and together deliver the best possible solutions to our clients. In addition, it is quite fascinating to drive a number of different projects to develop and bring to market new services, as the needs of our clients continue to evolve. What I am looking forward to most of all, however, is to work in partnership with our clients, and helping them be successful as they expand and grow internationally.

Q: Where do you see the Corporate Client Services service line heading?

A: I definitely believe that we are well placed to further grow the Corporate Client Services line in the coming years. We're an industry leader in most markets, our brand recognition is very strong and our people are best in class. As in any industry, there are always going to be challenges along the way, and it is because of the quality and commitment of our people that I am convinced we can always overcome such challenges. In the coming years I expect us to continue to invest in systems and technology that allow us to work and deliver our services more efficiently. In addition, we'll continue to expand our service offering and develop more and more new services.

Q: What are the priorities for Corporate Client Services going forward?

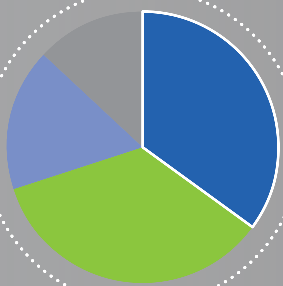
A: My number one priority is our clients and helping them to be successful. To this end, we are always looking for new ways to improve the quality of our services and to deepen our offering. Another key priority is to look after the people in our Company and make sure we continue to hire and retain the best people in the industry. If we continue to do well in both areas, we will be perfectly placed to build trusted and longstanding client relationships, which is ultimately what it's all about, in my view.

Profile
Jan Willem van Drimmelen

Job title	Global Head of Corporate Client Services
Joined Intertrust	June 2007
Experience	Extensive experience assisting clients with global subsidiary management and cross-border structuring. Has worked in Curaçao, London, and New York in addition to Amsterdam where he is currently based.

35%
of FY17
Group Revenue

(FY16: 38%)



Corporates
Funds
Private Wealth
Capital Markets

('16-'21E)
3–5%
Expected market growth[1]

[1] Market growth between 2016 – 2021 according to external market study

Q: Any particular achievements you'd like to highlight?
A: We get to work with some of the best corporate clients in the world and that is really something to highlight and be proud of. In addition, Intertrust has been setting the standard in the trust & corporate services industry now for more than 65 years, and in many jurisdictions we have become the benchmark for the local regulator. On the service side of things, it should also be noted that we have made steadfast progress to fundamentally change and improve our service delivery to multijurisdictional clients, and we are working hard to grow our market share in this area.

Q: How can your team (and others) contribute further to the service line strategy?
A: A key element of the Intertrust corporate culture is entrepreneurship. This means a lot to us and we find it paramount that we nurture this entrepreneurial spirit, and that we build an environment where everyone is encouraged to come up with new ideas. I have always been a strong advocate of the *One Intertrust, One Team* philosophy as it's in the best interest of our clients that we work together across jurisdictions and help each other to be successful.

Q: What makes our Corporate Client Services stand out from the crowd?
A: Without a doubt, it's the quality of our people and our dedication to the client. At Intertrust we always put our clients' interests first, and go the extra mile to help find the best possible solutions for them. I'm really proud that this has made us one of the leading service providers in our market and our brand is well respected across the globe. It's all thanks to our people who've built deep and trusted relationships with our clients and work with them every day.

"At Intertrust we always put our clients' interests first, and go the extra mile to help find the best possible solutions for them."

Q: Final thoughts?
A: 2017 was certainly eventful and full of change. We have been able to add value to the business of thousands of clients all over the world, whilst growing our business, and overcoming a variety of challenges. Looking ahead, I am convinced that if we continue to work hard, and look after our clients and people well, our success will follow again in 2018. Times are certainly changing, but the resilience and quality of our Company is only getting stronger!

Conferences generate new leads

In October 2017 a group of 10 Intertrust employees – representing 8 jurisdictions – headed to Australia for the 70th IBA conference, the world's largest and most prestigious event for international lawyers, providing an abundance of business and networking opportunities.

Intertrust hosted two events during the conference and our team had over 50 meetings with clients and business partners of all four service lines, resulting in a number of new leads and opportunities.

Corporate Services

Intertrust's Corporate Services assist clients with the setting up, structuring, managing and unwinding of legal entities for corporate, investment and finance objectives, wherever they are in the world. They benefit from Intertrust's global footprint and its personalised and hands-on approach. Corporate Services clients are largely multinationals, SMEs and entrepreneurs.
Our services in this segment are:

Formation and implementation services
We set up entities for clients and arrange for local registrations.

Domiciliation and management services
We provide registered office addresses and physical office space to our clients in various jurisdictions. They may appoint us as director, proxy-holder or company secretary for a corporate entity. We may also conduct the day-to-day management of these entities in compliance with applicable laws and regulations.

Legal administration services
We offer secretarial services and maintain statutory records, organise shareholder and board meetings, prepare legal documentation, and unwind and dissolve corporate entities.

Accounting and reporting services
We deliver accounting, bookkeeping, financial reporting, consolidation, assistance with financial audits, internal controls, and VAT registration and administration. We also offer payroll services and real estate investment services, bank account management and pension fund administration, and services related to employee benefit trusts, the administration of trusts and foundations, and process agent services.

Treasury management services
We provide front-office services that include cash management, cash pooling, interest rate management and liquidity forecast and requirements assessment. Middle-office services include risk management and performance reporting. Back-office services include processing confirmations, payments, cash reconciliations, administration of cash pools and execution of loan agreements.

Performance and Reward Management (PRM)
We provide trustee and plan administration services, assisting clients in delivering and managing their reward and incentive arrangements across both senior management and the wider employee base.

Escrow services
We manage tailor-made escrow agreements to secure a client's financial obligations arising from cross-border acquisitions, international projects, litigation procedures and transnational trading transactions, among other areas.

Client case study

Adding value through partnership to one of the Middle East and Africa's leading renewable energy providers

Client profile
Base: United Arab Emirates
Description: An independent developer and power producer focused on renewable energy generation across the Middle East, Turkey and Africa (META) region.
Client since: 2014

Services provided:
- Registered office services and corporate secretarial work in the Cayman Islands and the British Virgin Islands
- Incorporation services in the Netherlands
- Secretarial services in Turkey

Jurisdictions:
- UAE
- Cayman Islands
- British Virgin Islands
- The Netherlands
- Turkey

Working with Intertrust

The relationship with Intertrust began in 2014 and has steadily expanded over the past three years. Initially providing registered office services and corporate secretarial work in the Cayman Islands and the British Virgin Islands (BVI), Intertrust has since delivered incorporation services in the Netherlands and secretarial services in Turkey.

The client has used our extensive network of offices to facilitate and manage its expansion plans. While the primary relationship with Intertrust is centred in Dubai, there is day-to-day connectivity with our teams in the Cayman Islands, Dubai, the Netherlands and Turkey.

Due to the high-quality work carried out by Intertrust and the strength of the relationship, the client has recommended us to other firms in the United Arab Emirates – not just in the regional energy industry but also in the private wealth and property sectors.

As political, financial, regulatory and social interest in the renewable energy sector continues to grow across the META region and internationally, our client is forecasting strong demand for its products and services. Intertrust is closely aligned to fully support this growth.

Our client says:

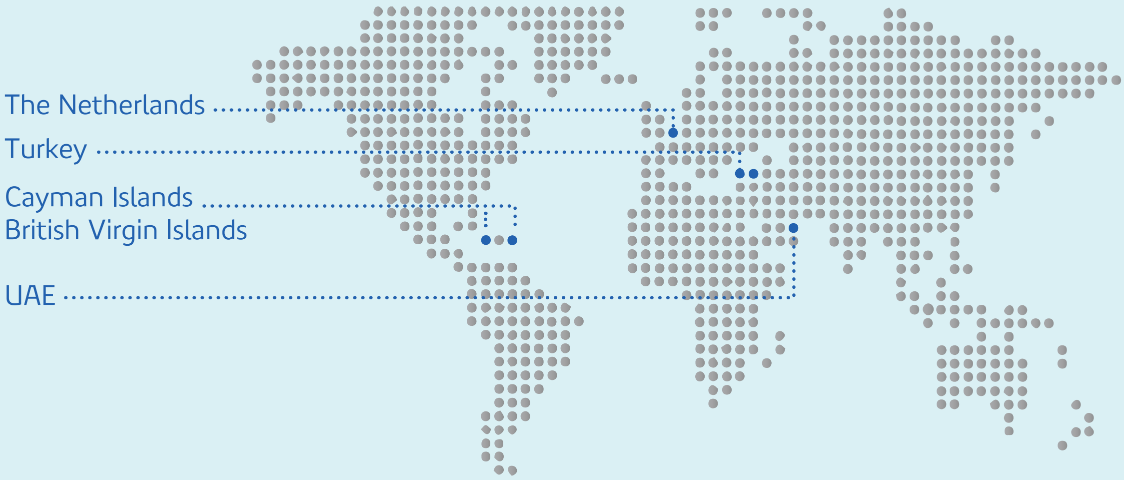
"What we needed in Intertrust as corporate service provider was a reputable, experienced partner who could provide a full suite of services across multiple jurisdictions delivered to the very highest standards in terms of compliance and responsiveness – allowing us to be fully focused on business development. Over the past three years, Intertrust has fully delivered on this and has become a true trusted partner.

"Looking ahead, the key objective for us is to have a corporate registrar that is knowledgeable about pan-domicile corporate structures; has an ability to rationalise compliance and "Know Your Customer" requirements across multiple jurisdictions; and who can facilitate and simplify corporate processes such as incorporation, secretarial work, filings, account preparation, tax and regulatory compliance. Intertrust is central to our plans."

Case overview

5

jurisdictions where services are provided



Strategy

Refreshing a winning strategy

Five pillars continue to underpin our strategy going forward. But, to better reflect the needs of all our stakeholders, we have redoubled our emphasis on client service as a way to drive long-term value creation. Meanwhile our commitment to our people, to growth, operational excellence and compliance remains as focused as ever.

Our vision and mission

Our vision is to be recognised as a global leader in the trust, corporate and fund services industry, as the most professional firm, maintaining the highest standards and working together as "One Intertrust, One Team". We distinguish ourselves by being the most responsive and by being dedicated to delivering dynamic and innovative solutions to our clients.

To realise our ambitions, we:

- Invest in people and technological capabilities.
- Build long-lasting partnerships with our clients and their advisors.
- Grow organically, by expanding our global network and broadening our service offering.
- Acquire new companies and successfully integrate them.
- Foster a culture of exchanging, connecting and sharing knowledge and best practices.

We seek to maintain our position as a global leader in the trust, corporate and fund services industry while building a sustainable business. We aim to achieve this by creating a balanced relationship with all Intertrust stakeholders including employees, clients, business partners, investors, the communities we operate in, regulators and society at large, all while maintaining the highest standards in our industry.

Our strategic pillars

During 2017 we 'refreshed' our strategic pillars and their enablers – but without changing the strategy itself. Intertrust's Management Board and Executive Committee drove and ultimately approved this process and the Supervisory Board was also closely involved.

Aims

The aim was to ensure that our strategy:

- Embraces all Intertrust's stakeholders including clients and regulators.
- Is clear and inclusive for our employees .
- Explicitly includes CSR and integrity.
- Focuses on client service and incorporates our service line approach.

Client service focus

While the focus of the five pillars essentially remains unchanged, the previous 'Lead Market Consolidation' pillar has been incorporated into the newly named 'Achieve Sustainable Growth' pillar. Doing this means we could introduce 'Deliver Premium Levels of Client Service' as a modified third pillar. This important alteration recognises the importance to us of our clients and to reiterate our focus on our service to them both locally and globally.

Incidentally, in light of the decision in the second half of 2017 to temporarily suspend our M&A activities to focus in the near-term on the integration of Elian, it also made sense to change the third pillar to an ongoing strategic focus.

Long-term value creation

We believe we are well positioned to implement this refreshed strategy to drive long-term value creation by investing in our employees, striving for and achieving sustainable growth, delivering premium levels of client service, improving operational excellence and maintaining the highest compliance and integrity standards.

Our strategic pillars

Invest in expertise	Achieve sustainable growth	Deliver premium levels of client service	Continuously improve operational excellence	Drive the highest compliance standards
• Attract and retain the best talent • Provide the highest levels of learning, development • Adopt a culture of recognition, empowerment and reward	• Grow our diversified product and service offering and leverage our global service line approach • Broaden and deepen our relationship with clients and business partners • Lead market consolidation by acquiring businesses for the right reasons	• Take the time to understand our clients and their requirements, both from a global and local perspective • Collaborate as one team to deliver the best solution, leveraging our global network of experts • Provide diversified products and services to meet client needs	• Drive digital transformation and enhance our technological capabilities including information management • Align global processes to minimise risk and maximise productivity and client satisfaction • Create a more agile and secure IT infrastructure to support our growth strategy	• Make considered choices about the clients we choose to work with • Nurture strong relationships with our regulators • Maintain personal and professional integrity across the business
Corporate Social Responsibility programmes				

1. Invest in expertise

Attract and retain the best talent

We believe the knowledge, local expertise and business relationships of our employees are key to delivering high-quality services to our clients and generating new sustainable business. We aim for a leading position in the market so that we can attract and retain top talent. We want to be the preferred employer in our industry and are strongly focused on attracting, developing and retaining the right people. One of the ways in which we seek to retain, attract and incentivise talent is by actively encouraging employees to become shareholders through the annual awarding of shares in our Long-Term Incentive Plan (LTIP). We have in total three different share plans for our employees:

- Long-Term Incentive Plan (LTIP)
- Executive Ownership Plan (EOP)
- Employee Stock Ownership Plan (ESOP)

At the time of our listing in 2015, part of our senior leadership team took part in our Executive Ownership Plan (EOP), while the rest of our employees across the globe were awarded shares under the Employee Stock Ownership Plan (ESOP), thereby creating strong links between our people and the Company's success. In 2016, after completion of the Elian acquisition, another 600 new employees joined our organisation and also received shares under our ESOP and/or LTIP (for more information about these share plans, refer to page 43).

Provide the highest levels of learning and development

We invest substantially in learning and development in order to nurture the talent and leadership skills we will need in the future. Our Intertrust Academy provides a variety of international training and education programmes covering technical training, leadership development, business development and relationship management skills. The larger offices have their own Academies in place to provide for local training requirements.

Through our international mobility programme, we aim to further develop the skill sets of our people and increase cooperation, knowledge sharing and cross-selling across our global network. Through this programme and the Intertrust Academy, we are growing our global leaders of the future.

Adopt a culture of empowerment, recognition and reward

We look to foster a culture with strong values and where best practises, collaboration and open information sharing are a part of our everyday working environment. We empower our people to do more. Our performance-based remuneration policy, targets-based appraisal cycle and ongoing assessments help create a culture of success. The performance-based remuneration policy takes into account the performance of individual employees, as well as the local office and group-wide performance. Our appraisal cycle is based on annual KPIs and behavioural targets. Assessments of individual employees are in alignment with our corporate values and are an integral part of our recruitment and selection process, and of our performance reviews.

With around 75 nationalities represented across our Company, Intertrust understands the value of diversity and is keen to benefit from a diverse workforce as much as possible, both in terms of diversity of gender and of nationality. For more information about our people policies, please refer to the chapter People (see page 28).

How we made it happen in 2017:

- We launched our One Journey employee engagement programme in Q4 2017.
- We implemented a talent review process (including succession planning) for our top 100 senior managers.
- Employee share plans (e.g. Long-Term Incentive Plan) and salary benchmarking were brought in.

2. Achieve sustainable growth

Grow our diversified product and service offering, whilst leveraging our global service line approach

Our global service line approach aligns us better with our clients and business partners. It also means we can deliver high quality service across all jurisdictions. As new opportunities arise, we must broaden our offering to stay ahead. That means understanding and responding to clients' needs by developing new capabilities and training our people to deliver them.

Broaden and deepen our relationship with our clients and business partners

The key organic growth drivers include the inflow of new clients, higher value-added activities that increase revenues per entity, the geographic expansion of our business, and the broadening of our service offering with innovative market solutions. We have a large and diverse client portfolio which offers potential for further organic growth. We are also developing close relationships with our global network of 46,000 business partners (including financial institutions, law firms, auditors and financial advisory firms) who refer business opportunities to us. The majority of our organic growth comes from cross-selling to existing clients. Through cross-selling we are expanding and deepening our client relationships and benefiting from clients' preference to work with a single global service provider. Our Global Sales Drive (GSD) community of sales specialists support the multidisciplinary teams with particular industry and service knowledge to enhance interoffice collaboration and best practice sharing in the market,

Lead market consolidation by acquiring businesses for the right reasons

We strive to continuously strengthen our market position, increase our market share, and expand and complement our service offering by pursuing selective and value-enhancing acquisitions. In 2017 we acquired the remaining 25% stake in SFM Spain, together with the Spanish provider of corporate, funds and capital markets services Azcona, strengthening our market position and service offering in Spain.
In the second half of 2017, M&A activities were suspended for the near term in order to prioritise integrating Elian. But we will continue to take a disciplined and selective approach to acquisition opportunities and apply a strict set of selection criteria when evaluating potential candidates. Our primary consolidation focus is on increasing the scale of the business in key jurisdictions. We also are keen to acquire businesses that provide high standard services complementary to ours to diversify our sources of revenue.

How we made it happen in 2017:

- We acquired remaining 25% stake in SFM Spain, together with the Spanish provider of corporate, funds and capital markets services Azcona.
- Expanded our service offering in Luxembourg by adding AIFM services to our service portfolio.
- We conducted an extensive client and business partner survey to gain market insights.

Client and business partner survey

Main findings of survey conducted late in 2017 were:

- Intertrust 2017 Net Promoter Score (NPS) = 23
- While slightly lower than 2016 score of 25, still well ahead of '*Finance B2B*' benchmark average NPS of 14
- Encouraging 60% expect to do more business in 2018

Key drivers for recommendation were:

1. People
2. Product & Expertise
3. Global/Local presence

3. Deliver premium levels of client service

Take the time to understand our clients and their requirements from both global and local perspectives

The business landscape is changing faster than ever. In particular, regulatory change and additional reporting requirements are making business more complex and time-consuming for our clients. By understanding the new requirements – and how they differ across jurisdictions – we are well placed to offer much needed support to them.

Collaborate as one team to deliver the best solution, leveraging our global network of experts

Through implementing the service line approach we aim to remove work silos and foster a culture based on strong values where best practices, collaboration and open information sharing are a part of our everyday working environment. Above all, we want to ensure a consistent client approach across our 28 jurisdictions (please see pages 16, 32, 46 and 64 for more details).

Provide diversified products and services to meet client needs

We achieve higher average revenue per entity (ARPE) by increasing the level of service we provide and by delivering additional value-added services. These include services that enhance clients' local presence and support the conduct of their cross-border business, such as legal administration, additional accounting and reporting and regulatory services. Furthermore, we look to diversify our revenues by expanding our service offering.

How we made it happen in 2017:

- We have appointed four service line heads to guide our new service-led approach.
- We established a partnership with one of our business partners to offer payroll services to our clients.
- We supported our clients in complying with additional reporting requirements for example the mandatory UBO registrations.

4. Continuously improve operational excellence

Drive digital transformation and enhance our technological capabilities including information management

We are developing our IT landscape to both optimise the way we work and to minimise costs. In short, we leverage IT systems to create operational efficiencies that help to support our margin profile. Our new HR platform, in particular, helps us better manage our people and enhance their experience as staff members around the world.

Align global processes to minimise risk and maximise productivity and client satisfaction

We look to improve our operational excellence to further increase quality and timeliness of our deliverables, thereby supporting margins and maintaining our attractive cash conversion profile. Aligning global processes allows fee-earning employees to spend less time on time recording, invoicing and obtaining data from clients which enhances efficiency.

Create a more agile and secure IT infrastructure to support our growth strategy

The IT infrastructure is being renewed through a mix of Infrastructure as a Service (IaaS) and Software as a Service (SaaS) offerings (where allowed by regulators) which reduces the need for data centre ownership. This makes the infrastructure more agile and scalable at speed, thereby reducing the time needed to integrate new acquisitions in the future.

How we made it happen in 2017:

- We completed an external IT assessment in Q1 2017 and are executing the resulting IT roadmap.
- We are implementing standardised global processes.
- We deployed the Workday HR platform early in 2017.

5. Drive the highest compliance standards

Make considered choices about the clients we choose to work with

We have clear strategic goals regarding the types of clients we do and do not wish to serve, which are reflected in company-wide client acceptance policies. We take a view on what type of legal entities and structures are sustainable from a regulatory, compliance and risk management perspective, and proactively revise our policies in line with changing societal norms.

Nurture strong relationships with our regulators

We have also nurtured strong relationships with our regulators and continuously engage with them to respond and give advice on new legislative and regulatory developments and best practice standards in relation to compliance and integrity. These consultations with regulators help us to continually improve our operations specifically and industry standards in general.

Maintain personal and professional integrity across the business

Our compliance framework is built on robust internal governance supported by procedures and systems. As we continue to grow globally, we are also determined to remain at the forefront of our industry in terms of business ethics and integrity. Various policies ensure our employees are guided by high levels of personal and professional integrity. These include: our compliance charter, code of conduct, regular training programs, mandatory client file checks, ongoing screening of clients and transaction monitoring. In addition, local and global acceptance committees are responsible for approving any new business.

How we made it happen in 2017:

- We rolled out a company-wide risk self-assessment tool.
- We are continuously reviewing our Client Acceptance Procedures including so-called 'high risk' and 'no go' industries, but also our existing client portfolio to ensure they continue to meet our increasing standards.
- Further increased our focus on client transaction monitoring.

Our priorities for 2018

- Complete on-boarding of new leadership/management;
- Continue to focus on attracting and retaining the best specialist employees in the industry;
- Continue transformation to global service line approach;
- Progress the IT integration and roadmap; and
- Update the three year plan and strategic priorities.

People

Creating an environment where people want to work

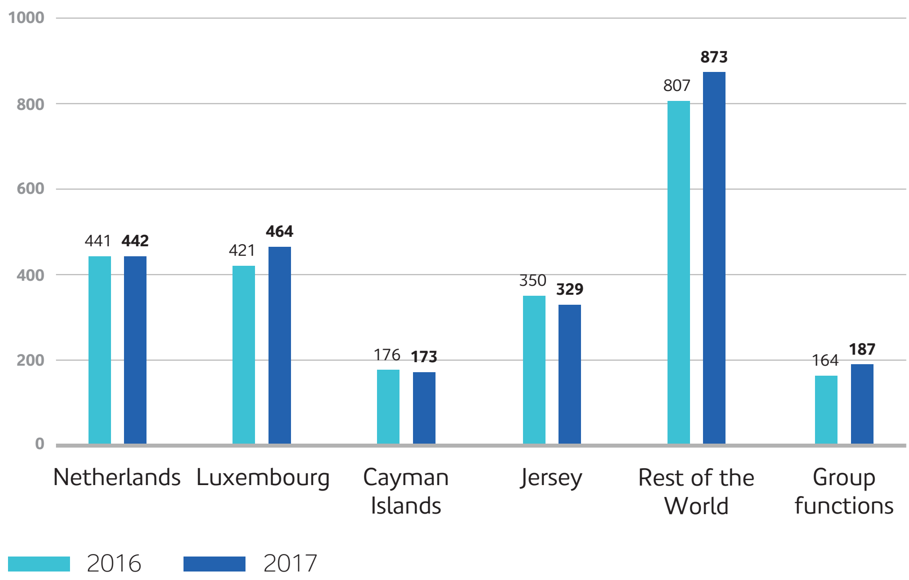
Renewed focus has been placed on making Intertrust a great place to work. For our current employees, we are implementing strategies to support their continuous development and to help them work better. In addition, we are reaching out to new employees by demonstrating that we can be their employer of choice thanks to a working environment that truly recognises and rewards their contribution.

Employee base

As a global company, we employ more than 2,500 people (2,468 FTEs) across 39 offices in 28 countries. Female staff account for approximately 59% of the total. Our employee base represents approximately 87 nationalities with an average tenure of 5.1 years and an average age of 36.3 years. Over two-thirds of our employees are in the age range from 21–40, with 32.5% in the range 21–30 and 35% in the range 31–40.

In 2017, the total number of FTEs increased by 4.6%. Total FTEs at the end of the year were 2,468 (2016: 2,359). Our annual staff turnover rate was 28.1%. This is a major attention point which we continue to address by implementing initiatives to improve employee engagement and retention. Of the total stand-alone employees, 77.9% were client-focused, while support functions and operations accounted for the remainder.

FTEs



Highlights 2017

Human Resources made significant progress towards their objectives in the year including the following highlights.

Culture: Creating a positive work environment

At Intertrust, we think and act as *One Team*. The success of our continuous organic and M&A expansion has been down to applying our One Team approach consistently. During 2017, we built on this approach further by focussing on the way we work together to increase positive change throughout the business. We ensure our values are shared and applied across the globe so that our international clients receive the same high quality services and the same levels of personal and professional integrity at all our offices.

One Journey

In 2017 we launched an exciting new global programme called *One Journey* which aims to develop a positive workplace culture and environment as well as an 'Intertrust way' of working. The programme will have sustained delivery over a period of 2-3 years and result in a culture which will make Intertrust an employer of choice.

> *"In 2017 we launched an exciting new global programme called One Journey which aims to develop a positive workplace culture and environment."*

The launch of One Journey focussed initially on the theme of building trust within teams and across the organisation by exploring core building blocks of listening, developing a feedback culture and empowerment. To kick off the programme we launched a global training initiative for 600 managers around the world to ensure they have the right skills to drive and embed our culture within their teams. A series of activities were designed so that every employee across the globe took part in creating the workplace environment and culture they want to work in.

Ethics and integrity

Ethics and integrity are core pillars for us. Our employees appreciate and highly value their importance every day. In order to maintain and further enhance awareness among our staff, we have updated our global staff handbook and policies to reflect our revised Code of Conduct which was distributed to all employees in Q4 2017.

Employee engagement

Our HR strategy is centred on increasing employee engagement. We believe that the ability of our managers to speak with their teams about personal development and learning as well as to discuss feedback, is vital in creating a highly engaged workforce. To assist them, we run our annual global employee engagement survey and coordinate initiatives to follow up on these survey outcomes. The survey was conducted in March 2017 with follow up team meetings from May to June. Each team created an action plan based on the team results while Managing Directors created their own focussing on overall strengths and improvement for the office. The global results were used as input for the development of our One Journey culture programme.

Managing staff turnover

In 2017 we had 754 FTE joiners (excluding acquisitions) and 693 FTE leavers. Our 2017 annual turnover was 28.1%, of which 23.5% was voluntary (meaning staff who resigned as opposed to leaving for other reasons). The annual turnover for 2017 was higher than previous years (25% in 2016, 22% in 2015 and 21% in 2014).

As a result, we have accelerated our retention programmes and increased our investment in recruitment and hiring capabilities (predominantly in the Netherlands and Luxembourg) and have been successful in filling all vacant positions.

During 2017 we analysed the causes of increased staff turnover further. Following this analysis, we undertook several initiatives to mitigate it:

- Local employer branding and recruitment drive

Increased competition in local and international labour markets required us to invest more time in local employer branding and recruitment efforts. Various countries used graduate events and social media to increase access to talent pools. We expect to roll out a global employer brand campaign in early 2018 to create further brand awareness in local labour markets.

- Management skills training and global culture program

Increased demand for career development opportunities, especially among younger workers, has led us to prioritise management skills training and to launch our global culture program which will empower our managers to better guide the careers of their staff.

- Improved onboarding

We believe we can retain staff better by investing more time and effort in onboarding. Various local initiatives were taken in 2017 to assist new recruits at the start of their Intertrust career and global initiatives are being considered for 2018 to create minimum standards for onboarding globally.

Learning and development

As we believe ongoing learning and development (L&D) is crucial to support our people, we invest considerable amounts per employee. Our L&D strategy is based on both business and employee development needs and training programmes are continuously assessed through feedback. Our strategy focusses on offering relevant L&D during the different phases of the employee lifecycle. During Q1 2018 we will carry out an in-depth analysis on current business needs and gather feedback from stakeholders and employee groups in order to update and strengthen our strategy to ensure it continues to be relevant for the next three years.

The L&D offering comprises induction programmes as well as professional and management development programmes to improve performance within current roles as well as development tools and training which focusses on career development and getting employees ready for 'the next step'.

We offer learning & development through:

- Local Intertrust Academies

These offer relevant professional, personal and management development based on local training needs analyses.

- Global Intertrust Academy

This offers international talent development programmes for those identified through our annual talent review and succession planning process. In 2017, the Global Intertrust Academy offered four different types of programme to 156 selected participants to further build their business knowledge, commercial and leadership skills as well as to build their international network of peers.

- Building consistent knowledge and behavioural competencies across the organisation

Most global training packages such as onboarding, regulatory training and performance management training are offered through e-learning. In addition we have developed consistent classroom training for all managers globally to build consistent management skills.

"We believe ongoing learning and development is crucial to support our people."

Advanced Level Programme (ALP)

In July 2017, the Global Intertrust Academy's **Advanced Level Programme** (ALP) took place in Haarlem, the Netherlands. 30 experienced professionals from our business were selected by their managers to join this three day training. They broadened their knowledge on relevant business themes during interactive sessions with internal and external speakers.

Feedback from participants included:

- *"A three-day immersion experience in the brain of the leaders of the Company, which has opened numerous opportunities for personal development and global networking."*
- *"Learning from others and sharing with others is the way we will become 'One Intertrust'."*
- *"It was a fantastic opportunity to gain a deep understanding of the services Intertrust has to offer on a global level, build a network of colleagues in different jurisdictions that will be a valuable resource in the future and understand how senior management see the Group evolving."*

Global and diverse workforce

Close cooperation between offices and international collaboration are part of our DNA. We encourage collaboration through our sales efforts and client relationships as well as in the way our employees work together. We believe that people can build a strong global network if they have the opportunity to experience working in another team, discipline, culture or country. Our active international mobility programme supported this with numerous international exchange assignments in the course of 2017.

Diversity is key for Intertrust and it is embedded in our Company values. All staff and managers are encouraged to support diversity at a local level which we believe makes us a stronger and more sustainable company. Some of our offices include staff of more than 40 different nationalities while over 80 nationalities are represented in the Company as a whole. Although our overall gender ratio currently stands at 59% female and 41% male, this ratio is flipped at more senior management level. As a result we have set clear KPIs to steer our diversity ratio to 50-50% across all levels in the organisation.

"We have set clear KPIs to steer our diversity ratio to 50-50% across all levels in the organisation."

Completion of Elian HR integration

During 2017 we completed the Elian HR integration in various locations including office relocation, team restructuring and harmonisation of policies and employment conditions. We also welcomed new staff in our Madrid office following the acquisition of the Azcona business in Spain.

Managing performance

We translate our Group objectives into required country, team and individual goals. In doing so, we set clear KPIs and define required behaviours. We conduct regular performance reviews and personal development planning, and all employees have annual target setting and an end-of-year review.

In 2017, we reviewed our performance management tools and processes to more effectively build a culture of continuous feedback that looks at individual potential rather than just past performance. Specifically, plans are in place to encourage management and staff to discuss expectations, progress and development more regularly starting Q1 2018.

Additionally, we launched online performance management in Workday to allow staff to register agreements on targets and development in a much more efficient way.

Global Workday roll out

At the beginning of 2017, we successfully implemented Workday core HCM (Human Capital Management), Self Service and Absence Management software in all our jurisdictions. With the implementation of Workday we have greatly improved our HR process efficiency and HR reporting functionality. Throughout the year we focussed on employee adoption, stabilised the functionality and developed several report and dashboarding functionalities. At the end of the year we began implementing the performance management and recruitment modules which will both go live early 2018.

Through the rollout of Workday, we have empowered employees to manage HR data by providing easy access and insight to the information they need.

We will continue to focus on using HR technology in 2018 to enrich our employee experience. We will also add functionalities to deepen our management information reporting and the quality of our decision making process.

"We will continue to focus on using HR technology in 2018 to enrich our employee experience."

Service line feature: FUNDS

Our Fund Services service line offers a range of solutions tailor-made to individual client needs. Thanks to a team of highly trained professionals who not only understand the market but appreciate the particular pressures that fund managers face, Intertrust offers insights and specialised services across all alternative asset classes.

Service line Q&A

In this interview, our Global Head of Fund Services, Paul Lawrence, reflects on how the new global service line approach is helping his team meet and exceed client expectations.

Q: What does the Fund Services team do?
A: We offer alternative investment fund managers all the services they need to operate their fund – apart from the actual investment management. This includes fund formation, investor on-boarding, managing capital calls into the fund and distributions out, transaction management for investments, accounting and net asset value (NAV) calculations as well as investor and regulatory reporting. We can also provide depositary services to alternative investment funds and act as the regulated manager of a fund through our in-house management companies in Dublin and Luxembourg.

Q: What are the benefits of our new global service line approach to Fund Services?
A: Above all, it gives us better opportunities to provide consistently outstanding services to current and potential clients. And it strengthens our position as one of the leaders in the provision of global fund administration services.

Fund structures can be quite complicated, involving a number of different jurisdictions and range of services. This can make client demands complex; the service line approach allows us to meet and even exceed those demands by offering a client focussed, vertically integrated service across multiple jurisdictions. We are already ahead of many of our competitors and continue to consolidate our offering in each jurisdiction to give clients a truly consistent experience. We are making good progress on this front and will continue to do so in 2018.

Q: What is the outlook for the Fund Services service line?
A: Our 'vision' is closely aligned with the Group's and focusses on our need to drive the funds business forward. The increased complexity of managing alternative investment funds and meeting the investor and regulatory reporting demands means that more managers will be looking at outsourcing options for their funds. I believe we're already one of the leaders in this field in terms of capability, scale and reach. It's now time to press that advantage home.

"The service line approach allows us to meet and even exceed client demands by offering a focussed, vertically integrated service across multiple jurisdictions."

Profile
Paul Lawrence

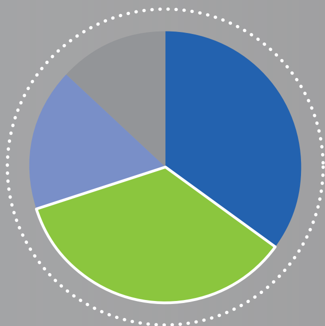
Job title Global Head of Fund Services

Joined Intertrust June 2008

Experience Over 25 years' financial services experience, having worked in the UK, Isle of Man, Jersey and Luxembourg. Specialised in structuring private equity and real estate investments for institutional clients.

35%
of FY17
Group Revenue

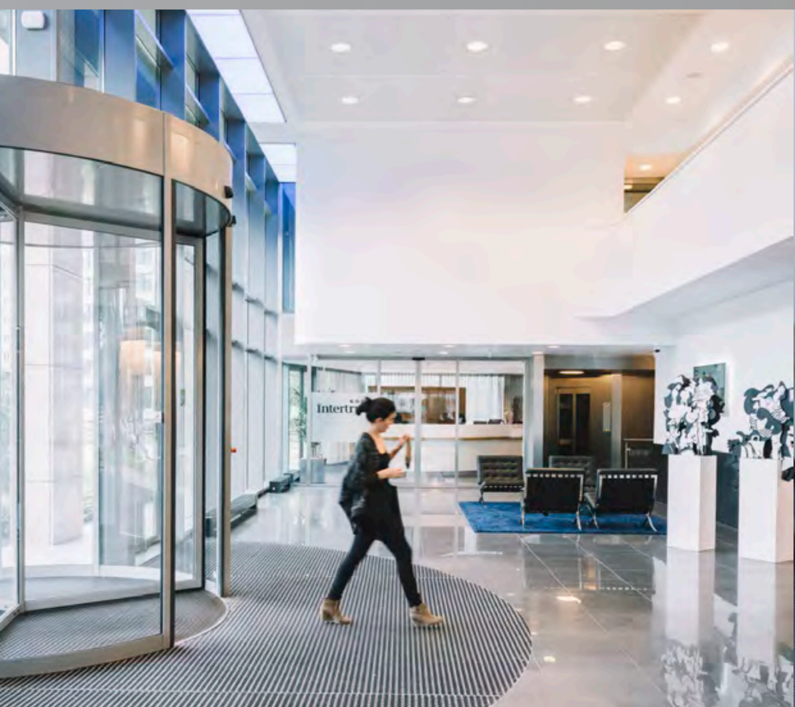
(FY16: 32%)



Corporates
Funds
Private Wealth
Capital Markets

('16–'21E)
5–8%
Expected market growth[1]

[1] Market growth between 2016 – 2021 according to external market study



Q: Any particular achievements you'd like to highlight?
A: I've been very proud of the team and how they met and exceeded client expectations on a number of fronts. We have secured new mandates and secured additional work from major clients in several jurisdictions as direct consequence of our enhanced capabilities.

Q: How can your team (and others) contribute further to the service line strategy?
A: Everyone is tremendously supportive and open minded about the changes we're making. If we maintain that, success will continue.
One of the key things we need to do is share our knowledge and experience across the Group to bring more value to the client. This is already taking shape with the other service line leaders. If everyone else can do the same and take an open approach to the service line approach, we can cement the client relationship and increase our revenues for the long term.

Q: What are we doing to raise our profile in the funds market?
A: We've significantly increased activity to raise the profile of Intertrust within the fund administration market. This has included client newsletters and research led campaigns which have generated many promotional opportunities and in some cases led to new business. I also encourage all our colleagues to share these outputs across their network of clients and business partners to help get our message out there – that we're the experts.

"We've significantly increased activity to raise the profile of Intertrust within the fund administration market."

Q: Final thoughts?
A: I'm very grateful for the support I've received to establish and develop our funds offering across the business. I'm excited about what the future holds for us all here and look forward to working with everyone to achieve our goals.

Funds industry research reports

During 2017, Intertrust's Fund Services team published several research reports, including:

- Private Equity Market 2017
- Real Estate Market 2017
- Changing Tides: Global Private Debt Market in 2018

Fund Services

Intertrust's fund services cover the incorporation, administration, investor reporting and regulatory reporting for funds, with a strong focus on real estate funds and private equity funds. Our 2016 acquisition of Elian provided us with a large team of fund professionals to offer full fund administration for private equity, venture capital, debt and real estate funds globally. We have an integrated platform globally to provide the full suite of fund related services in the key jurisdictions where we add value to our clients. Our services in this segment are:

Fiduciary services

We support our clients' operational, regulatory and governance requirements and assist them with director and trustee requirements. We provide clients with fund directorships, registered offices and authorised representatives for their funds, and trustee services for unit trust structures.

Legal administration services

We incorporate and administer the day-to-day management of funds. We provide corporate administration services, registrar and transfer agency services, and trust or nominee structures for voting shares in fund structures.

Accounting and reporting services

We offer full private equity and real estate fund administration, including net asset value (NAV) calculations, fund accounting, performance fee calculations, audit assistance, investor reporting, fund banking and payment services, and regulatory reporting.

Risk and compliance services

We provide risk and regulatory compliance solutions to EU and non-EU Alternative Investment Funds, hedge funds, private equity funds and real estate funds.

AIFM ManCo services

We provide a range of risk and regulatory compliance solutions to EU and non-EU Alternative Investment Funds, including hedge funds, private equity funds and real estate funds, providing significant cost, quality and governance benefits. We have a license from the Central Bank of Ireland and Commission de Surveillance du Secteur Financier to act as Alternative Investment Fund Manager to EU and non-EU funds that qualify as Alternative Investment Funds under the AIFMD.

Depositary services

We act as a depositary for non-financial assets as defined by AIFMD. Our depositary services include cash flow monitoring, asset verification, asset safekeeping and oversight services.

Escrow services

We manage tailor-made escrow agreements to secure a client's financial obligations arising from cross-border acquisitions, international projects, litigation procedures and transnational trading transactions, among other areas.

Regulatory and compliance services

We identify regulatory reporting obligations and review, draft and submit all the relevant reports for several reporting regimes: US FATCA (the Foreign Account Tax Compliance Act), UK FATCA and Common Reporting Standard (CRS). We also offer compliance consulting and compliance outsourcing services. Compliance consulting services include assisting clients with regulatory authorisations and audits, assessing compliance infrastructure, drafting and maintaining compliance policies and procedures and providing training. Our outsourcing services include client due diligence, document management, identification and verification and risk screening.

Client case study

Helping one of Asia's largest alternative investment fund managers to grow

Client profile

Base: Hong Kong
Description: One of the largest managers of Asia-focused investment funds for institutional investors, family offices and other sophisticated clients.
Client since: 2010

Services provided:

- Help to set up their fund structure in the Cayman Islands
- Provision of corporate services such as monthly accounting, audit liaison, payroll and tax compliance services in Hong Kong
- Provision of fund administration services, including transfer agency, fund accounting/NAV and payments

Jurisdictions:

- Hong Kong
- Cayman Islands
- Jersey

Working with Intertrust

The firm became a client in 2010, when Intertrust helped set up their fund structure in the Cayman Islands. This was followed in 2013 by the provision of corporate services such as monthly accounting, audit liaison, payroll and tax compliance services in Hong Kong.

In 2014, Intertrust was awarded the contract to provide fund administration services, including transfer agency, fund accounting/NAV and payments.

Intertrust is currently working with this client in three jurisdictions: Hong Kong, the Cayman Islands and Jersey. The firm has benefitted significantly from Intertrust's global network, extensive market experience, and broad product and service suite.

Our client says:

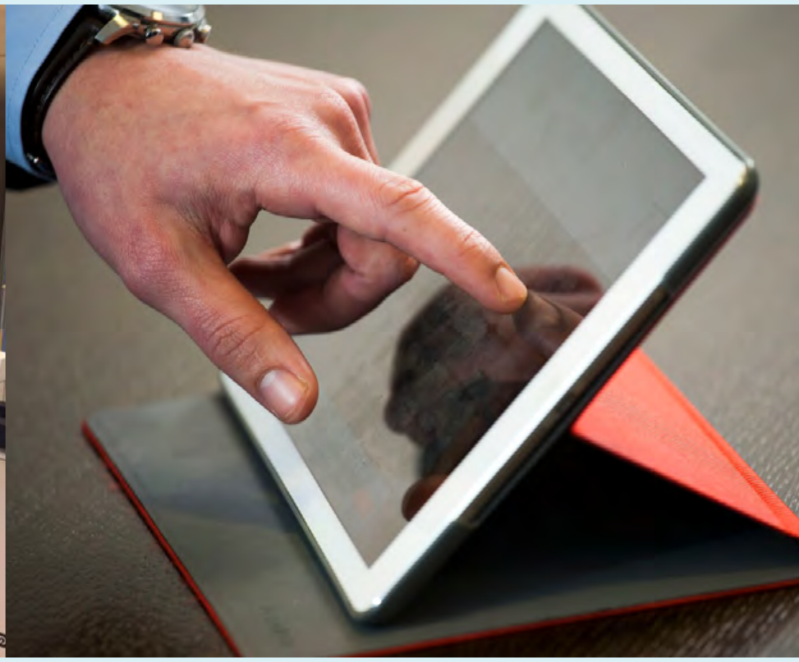
"Intertrust has been a reliable and reputable business partner, one combining global reach with local knowledge and the right cultural understanding and range of high-quality services on fund administration, financial accounting and corporate services that we need. It offers a well-established fund administration system for NAV calculation, which has been adopted since the inception of the fund.

"It has been a very pleasant, positive relationship since the two companies began working together and Intertrust has been central to helping us deliver an exceptional service to our clients and grow. We firmly believe we will continue to succeed and our business relationship will be sustained, if not expanded, in the future."

Case overview

3

jurisdictions where services are provided



Corporate Social Responsibility (CSR)

Putting responsibility at the core of our culture

Building a sustainable business requires a balanced relationship with all stakeholders including employees, clients, business partners, investors, the communities we operate in and society at large. In 2017 we continued to implement policies and initiate programmes which recognise our wider social responsibilities and reflect our journey to be a global leading company.

Trust and transparency

We are highly aware of our role as gatekeeper and a facilitator of legitimate international investment and trade. We therefore make careful choices about the clients we work with and look to foster long-term relationships with them based on trust and transparency. We interact with our business partners on the same basis, to ensure our mutual clients' needs are correctly met.

To achieve these goals, we have nurtured a culture and implemented corresponding systems and procedures across our organisation that are aligned to our values of partnership, people, commitment, integrity and quality.

Several EU decrees also require us to be increasingly transparent as a business. This covers issues such as: our business model; environmental, social and personnel matters; human rights; corruption and bribery prevention; and diversity among our leadership.

"We have nurtured a culture aligned to our values of partnership, people, commitment, integrity and quality."

Corporate governance code

In addition, the revised corporate governance code puts more emphasis on the development and implementation of a policy directed at long-term value creation and transparency.

In 2018 we will start to formulate objectives and key performance indicators (KPIs). In this way, we will be able to show that we are delivering on our goals. We are currently undertaking data collection to help precisely define the relevant KPIs and the work is ongoing.

Our CSR programme

Our Corporate Social Responsibility (CSR) programme sets out a global approach to sustainability. It guides our actions by focusing on three key areas:

1. Business ethics & compliance
2. People, culture & environment
3. Intertrust Foundation (community)

1. Business ethics & compliance

We recognise that by assisting reputable companies, financial institutions, funds and private individuals to comply with their legal, financial and regulatory reporting obligations we are creating conditions for the sound, transparent and lawful conduct of international trade and investment. Making choices about who we serve and how we serve them is an important part of this process. We therefore consider compliance and integrity within a stringent regulatory environment to be an integral part of our business identity.

Continuous checks

At Intertrust we adhere not only to the letter but also to the spirit of laws and treaties, including those which govern our client's dealings. We know our clients and the business they operate in, and do careful and continuous checks to verify their statements to us. We ensure that the entities we manage for our clients meet all local regulations including any financial, legal and regulatory requirements and obligations to which our clients are bound under the laws and regulations wherever we do business with them.

Types of clients

We have clear strategic goals regarding the types of clients we do and do not wish to serve, which are reflected in company-wide client acceptance policies. We take a view on what type of legal entities and structures are sustainable from a regulatory, compliance and risk management perspective, and proactively revise our policies in line with changing societal norms. Consultations with regulators help us to continually improve our operations specifically and industry standards in general.

Compliance framework

Robust internal governance, supported by procedures and systems, form our compliance framework. We apply a variety of means to ensure our employees are guided by high levels of personal and professional integrity, including our Compliance Charter, Code of Conduct, regular training programs, mandatory client file checks, ongoing screening of clients, and transaction monitoring. In addition, local and global acceptance committees are responsible for approving any new business. These measures ensure that our employees are able to implement our high standards of compliance in providing our services.

Find out more about our Compliance and Risk Management practices on page 68.

"At Intertrust we adhere not only to the letter but also to the spirit of laws and treaties."

Anti-corruption and bribery

Our reputation and licence to operate depend on responsible business conduct. As a quality trust, corporate and fund services provider, Intertrust will not enter into, or maintain, relationships with individuals or organisations engaged in, or suspected of having engaged in, illegal or unethical activities. New clients are accepted in accordance with applicable laws, rules and standards on money laundering and terrorist financing.

Intertrust also operates a proactive anti-money laundering and counter terrorism policy. Within these policies, we acknowledge that corruption, bribery and anti-competitive behaviour are not acceptable.

Human rights

Clients wanting to establish long term business relationships with us must respect the UN Universal Declaration of Human Rights and the eight fundamental Conventions of the International Labour Organisation (ILO). In complying with these guidelines, we support: effective measures to abolish child labour and to eliminate any form of forced labour; the elimination of discrimination in employment and occupation; and the freedom to join a trade union and effective recognition of the right to collective bargaining.

Our client acceptance process includes a review of our clients' overall social performance. We also encourage the reporting of exploitation and the protection of whistle-blowers.

Our Code of Conduct, Modern Slavery Statement and whistle-blower policy are available on our website www.intertrustgroup.com.

2. People, culture & environment

We endeavour to be the employer of choice in our sector and are committed to partnership and integrity in the workplace. We make substantial investments to ensure a sustainable growth path by fostering a healthy company culture and by developing our employees.

Trust, confidence and respect

Our key commitment and core principle is to provide an environment that promotes trust, confidence and respect of our employees, clients, business partners, local and international stakeholders, media, government and regulating authorities as well as industry and social organisations. Based on this ethos, we have created a culture where integrity and transparency are essential to the way we do business and where unethical behaviour will not be tolerated.

Continuous compliance

Our business principles, core values and ethics are described in our Code of Conduct (available on our website). All Intertrust employees worldwide are equally and fully committed to this code. Our internal policies and a continuous compliance training program aim to establish expectations and awareness of ethical business practices and to ensure compliance with applicable trade restrictions, anti-trust and bribery laws, market abuse rules and other compliance regulations.

"We have created a culture where integrity and transparency are essential to the way we do business."

Corporate values

Corporate values form an integral part of our recruitment and selection process as well as of our performance management system. Our values are reflected in internal and external communications and marketing materials and presentations, in employee appraisals, through the Code of Conduct, and through the example set by our senior management.

Our corporate values are:
- partnership
- people
- commitment
- integrity
- quality

Setting the tone

Senior and board level management see it as an important responsibility to set the right tone at the top of the organisation. They promote quality, integrity and professionalism as the most important characteristics of our day-to-day work. Supervising compliance with the regulatory and quality standards is the joint responsibility of the Management Board and Executive Committee.

Engaging with our people

We recognise the need to continually engage proactively with our people. Our rewards-oriented human resources strategy focuses strongly on this. Employee engagement is driven locally, with Human Resources playing a key supporting role in the business. In light of the Elian integration, we started a broader culture project in 2016 which continued into 2017.

The objective of these activities is to foster an open culture in the organisation and translate our corporate values into action. Based on the outcome of our 2017 annual employee survey we increased our efforts to increase employee engagement. Find out more about employee engagement on page 29.

Environmental policy

Intertrust believes that corporate social responsibility goes beyond compliance with laws and regulations. It even goes beyond current profitability and success. We believe a sustainable global economy should combine long-term profitability with social justice and environmental care.

As a professional services firm, our environmental impact is small compared to many other industries. But our clients, our people and other stakeholders still expect us to minimise our impact. As a responsible business whose operations ultimately rely on natural resources, we want to do everything we can.

Most of our operational impact comes from carbon emissions generated by business travel and by energy in our offices. We aim to reduce the resources that we consume, such as paper and water, and the waste we generate.

3. Intertrust Foundation

In 2011, we established the Intertrust Foundation with the aim of engaging our employees in pro-bono services, direct action and fundraising in support of youth and educational initiatives.

Making a difference

The Foundation does this in partnership with locally established charities and non-governmental organisations (NGOs). By actively supporting these causes, our employees know they can make a difference for young people across the world, while expanding their personal and cultural horizons.

The Foundation has a programme office with five Intertrust representatives who evaluate and vote on matching requests for project proposals from employees. Ambassadors from the different jurisdictions coordinate the community outreach and charitable activities in their offices, set goals and report on achievements.

Global initiatives

The Foundation runs global initiatives in support of educational programmes. The most significant has been its partnership with ChildFund International in Gambia which ran from 2012 to 2014. This resulted in the construction and delivery of an Early Childhood and Development (ECD) Centre in Bullenghat in 2014, which includes classrooms, a kitchen and dining hall and ancillary rooms. The centre, which caters to some 115 children between the ages of 0-6, was made possible through a Company donation of EUR 60,000 – equivalent to 60 euros for each of our 1,000 employees at the time.

In 2015 on the occasion of the IPO, a donation of EUR 100,000 was made to WarChild, an international organisation which helps children recover from war-related trauma.

In 2017 the Foundation initiated a new multi-year global project to mark our 65th anniversary. Intertrust announced a three year global partnership with SOS Children's Villages. The new CSR charity partner was chosen by employees. In 2018 this partnership will be further developed.

Local initiatives

We also support a number of local initiatives. A large number of fundraising events and donations were organised by local employees in 2017 including: running the New York Marathon; setting up a tutoring programme for children at a primary school in the Netherlands; and a fundraising project for the 'Focus on Vision' foundation. 'Focus on Vision' produces cost-effective, adjustable glasses for underdeveloped countries. Providing glasses in such countries stimulates reading and writing while driving education. The proceeds of many of these activities were matched with donations from the Foundation and were part of our wider 'One Intertrust, Give It Your All' initiative.

SOS Children's Villages partnership

In 2017 the Foundation initiated a new multi-year global project to mark our 65th anniversary. Following the majority employee vote for SOS Children's Villages to be our global CSR partner, the three year global partnership was officially announced externally at our 65th anniversary event in Amsterdam in September.

During the event, David de Buck also presented Margot Ende Van den Broek, managing director at SOS Children's Villages, with a cheque of EUR 6,500 which will go towards the emergency relief programme of SOS in Mexico following the recent earthquake.

Other locally supported organisations focus on areas such as homelessness, environmental protection, facilities for the blind, disaster relief, medical research, health and wellness, and cultural preservation.

For more detailed information about our employees' charitable activities in local jurisdictions, please refer to the Intertrust Foundation's own annual report.

"In 2017 the Foundation initiated a three year global partnership with SOS Children's Villages."

Shares

Review of 2017

Intertrust has been listed on Euronext Amsterdam since its IPO in October 2015 and its shares are traded under the ticker symbol INTER. The Company has been included in the AMX® mid-cap index of Euronext Amsterdam since March 2016. In this section we review key events, figures and dates for the 2017 financial year.

Significant share-related events during 2017 financial year

March - May 2017: Shares repurchased

Between 22 March 2017 and 11 May 2017, Intertrust repurchased a total of 1,856,354 shares at an average price of EUR 18.26 per share. These shares were repurchased to cover an obligation to transfer shares towards certain employees including the selling shareholders within the former management team of Elian. The repurchase transactions were executed by an independent broker on Intertrust's behalf and were funded from Intertrust's available cash resources.

May 2017: Blackstone sell-down

On 10 May 2017, Blackstone, the major shareholder of Intertrust, placed 10 million Intertrust shares at EUR 18.60 per share with institutional shareholders via an accelerated book build. The transaction reduced Blackstone's shareholding from 34.26% to 23.39%.

November 2017 – ongoing: Share repurchase programme

On 13 November 2017, Intertrust announced a programme to repurchase shares for a total aggregate consideration of up to EUR 50 million, expected to be completed by 29 June 2018 or earlier when the maximum aggregate value has been reached.

Approximately 850,000 of the repurchased shares will be used for employee stock ownership and incentive plans vesting in 2018 and 2019, with the remainder of the repurchased shares to be cancelled (after approval by the General Meeting).

An independent broker was engaged to execute the repurchase transactions on Intertrust's behalf. Any trading decisions in connection with the share repurchase programme, including the timing of any repurchase transaction, will be determined by the broker independently of, and without influence by, Intertrust.

The share repurchase programme is being conducted in accordance with the Market Abuse Regulation (EU) 596/2014 and the Commission Delegated Regulation (EU) 2016/1052 and within the safe harbour parameters for repurchase programmes. Additionally, the repurchase programme is being executed within the existing authority granted to the Management Board at the Annual General Meeting on 16 May 2017.

The ordinary shares are being repurchased at a price that does not exceed the lower of (1) a maximum of 110% of the average of the highest quoted price per share on the last five consecutive trading days immediately preceding the date of repurchase, according to the Official Price List of Euronext Amsterdam and (2) the threshold stipulated by Article 3(2) of Commission Delegated Regulation (EU) 2016/1052.

The share repurchase is being funded from Intertrust's available cash resources.

Intertrust publishes weekly updates of the progress of this share repurchase programme and the information will also be available on its Investors website: www.intertrustgroup.com/investors/share-price-centre/share-repurchase.

The total number of shares repurchased under this programme during the 2017 financial year (i.e. up to and including 29 December 2017) was 936,232 shares for a total aggregate consideration of EUR 14.02 million, which equated to around 28% of the total programme.

Expiry of lock-up periods

No employee stock ownership and incentive plans had lock-up periods expiring during the 2017 financial year. The different plans and their respective future lock-up expiry dates are summarised below (and additional information can also be found in the Remuneration chapter and Notes to the Financial Statements).

- For the Executive Ownership Plan (EOP), which is a plan offered to a portion of the 165 senior employees upon IPO whereby they could elect to reinvest a limited portion of their shares, the lock-up is three years from settlement of the IPO, i.e. 19 October 2018 (and five years for the Management Board).
- The Long-Term Incentive Plan (LTIP) holding period is also three years after the award is granted (five years for Management Board). First awards have been granted in April 2016.
- Under the Employee Stock Ownership Plan (ESOP), all other employees (except the 165 EOP participants) at the time of the IPO were awarded "Celebration Shares" for a nominal amount of shares per person, which vested on 19 October 2016 subject to certain terms and conditions.
- All former Elian employees were also awarded "Celebration Shares" under the ESOP after closing of the acquisition in September 2016, which vested on the first anniversary after the award date, i.e. 23 September 2017.
- All former SFM Spain and Azcona employees were also awarded "Celebration Shares" under the ESOP after closing of the acquisition in February 2017, which vested on the first anniversary after the award date, i.e. 1 February 2018.

Shareholders

Shareholders at year end

Blackstone holding

At the start of 2017, Blackstone, the major shareholder of Intertrust, held 34.26% in Intertrust shares. As a result of their sell-down in May 2017, their holding reduced to 23.39%.

Management holdings

Management shareholdings communicated by the Company reflect only the holdings of the Management Board (MB) and Executive Committee (ExCo), which combined were 3.67% as at 31 December 2017 and can also be found in the registers of the Netherlands Authority for the Financial Markets (AFM). Other senior managers are not obliged to disclose their holdings and therefore are no longer included in Intertrust disclosures. Details of the EOP can be found in the chapter Remuneration (see page 82).

As part of the acquisition of Elian in 2016, senior management members of Elian who were also selling shareholders in the transaction, reinvested approximately GBP 26 million of their transaction proceeds into approximately 1.8 million Intertrust shares, transferred in October 2017 (1 year and 10 days after the closing of the transaction).

Mgmt Board member	Position	# of shares at year end	% holding
David de Buck	CEO *(outgoing)*	1,848,322	2.01%
Maarten de Vries	CFO *(outgoing)*	15,000	*n/m*
Henk Pieter van Asselt	CCO	871,678	0.95%
Total:		2,735,000	2.97%

The holdings of the other ExCo (non-Management Board) members at year end totalled 647,454 shares, or 0.70% of total shares outstanding.

Shareholders of 3% or more

As per 31 December 2017 and according to the AFM registers, the remaining shares (after Blackstone and Management Board/ExCo members) in Intertrust were held by 12 West Capital Management LP (6.90%), Parvus Asset Management Europe Limited (6.82%), FMR LLC (4.98%), Harbor Spring Capital LLC (3.10%), Lucerne Capital Management LLC (3.06%), and the remainder by a number of institutional, retail and other investors (combined 48.07%).

AFM disclosure is required once a shareholder's holding exceeds or falls below a certain threshold value (e.g. 3%, 5%, 10%, etc.). As a result, the current holdings of the above-mentioned shareholders may differ from the holdings disclosed/reported within the AFM registers.

>3% shareholders at year end	Interest
The Blackstone Group LP	23.39%
12 West Capital Management LP	6.90%
Parvus Asset Management Europe Limited	6.82%
FMR LLC	4.98%
Harbor Spring Capital LLC	3.10%
Lucerne Capital Management LLC	3.06%

As at 31 December 2017 and according to the AFM registers, there were no open short positions in Intertrust shares.

Dividend information

Dividend for 2017 financial year

On 29 November 2017 Intertrust paid an interim dividend over financial year 2017 of EUR 0.28 per share. Shareholders received the interim distribution on 30 November 2017 through intermediaries of Euroclear Nederland that held their securities at close of business on 2 November 2017.

Subject to shareholder approval at the Annual General Meeting on 17 May 2018, the final dividend over financial year 2017 of EUR 0.33 will be paid on 12 June 2018, resulting in a total full year 2017 dividend of EUR 0.61.

Dividend Reinvestment Plan

Holders of Intertrust shares can choose to reinvest the (net) cash dividend via a Dividend Reinvestment Plan (DRIP) to buy additional shares in Intertrust. The DRIP is offered by ABN AMRO Corporate Broking. More information about the DRIP is available on the Intertrust website:
https://www.intertrustgroup.com/investors/press-releases/2016/07-11-2016

Dividend policy

For 2018 and future years, Intertrust intends to continue its existing dividend policy of 40-50% of adjusted net income.

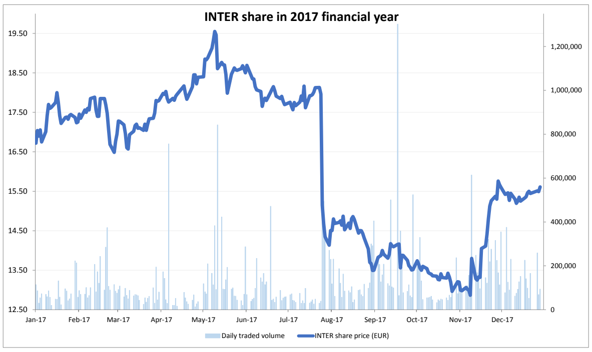
Share price

Share price performance and volume

The 31 December 2017 closing price for the share was EUR 15.63, which represented a 6.5% decline over the EUR 16.72 closing share price on 31 December 2016. During 2017, the maximum price was EUR 19.56 on 9 May 2017 and the minimum price EUR 12.61 on 27 October 2017.

The average daily traded volume on Euronext during 2017 was 131,948 shares.

Share chart for 2017



Investor relations

We are committed to providing investors and other stakeholders with up to date and relevant information about our strategy, operations and financial results.

Intertrust also keeps stakeholders informed through ad-hoc corporate press releases on material developments that occur throughout the year. All financial press releases are widely distributed, and made available via the Intertrust website: https://www.intertrustgroup.com/investors and to the AFM.

In addition, Intertrust communicates directly with shareholders, analysts and potential investors on a regular basis and based only on publicly available information. Our policy regarding our bilateral contacts with shareholders can be found via the Intertrust website: https://www.intertrustgroup.com/investors.

Analyst coverage

As at 31 December 2017, Intertrust is covered by 7 financial analysts, as listed on the Intertrust website: https://www.intertrustgroup.com/investors/analysts.

Financial year and quarterly reporting

Intertrust's financial year runs from 1 January until 31 December. We provide trading updates for the first and third quarters of each year, interim financials for the half year and full audited financial statements for year end.

When publishing financial results and trading updates, Intertrust holds conference calls/webcasts for shareholders, analysts and financial journalists that can be accessed through our website.

Closed periods

1 January 2018 – 8 February 2018
1 April 2018 – 26 April 2018
1 July 2017 – 2 August 2018
1 October 2017 – 1 November 2018

Financial calendar 2018

Date	Event
19 January 2018:	Extraordinary General Meeting
8 February 2018:	Publication of Q4 and Full Year 2017 unaudited results
23 February 2018:	Publication of 2017 Annual Report & audited financial statements
19 April 2018:	Record date for Annual General Meeting
26 April 2018:	Publication of Q1 2018 trading update
17 May 2018:	Annual General Meeting 2018
21 May 2018:	Share quotation ex-final dividend 2017
22 May 2018:	Record date final dividend 2017 entitlement
12 June 2018:	Payment date final dividend 2017
2 August 2018:	Publication of Q2/H1 2018 results & reviewed interim financial statements
1 November 2018:	Publication of Q3 2018 trading update

Service line feature: CAPITAL MARKETS

As an independent provider of Capital Markets Services, we have a unique proposition amongst our competitors and this positions us at the forefront of the market. We lead in adopting governance and compliance standards and, thanks to a strong internal network, we can service large transactions across multiple jurisdictions.

Service line Q&A

In this interview, our Global Head of Capital Markets Services, Cliff Pearce, outlines the impact that our new service line approach will have on his clients – and on our Company.

Q: What does the Capital Markets Services team do?
A: The capital markets are part of the financial system which raises financing through the issuance of bonds, loans and shares. We provide the infrastructure and corporate services for these transactions which allow them to happen. That requires a thorough understanding of the market, financing structures and a lot of experience. Our clients appreciate the way in which this translates to the seamless execution we provide.

Q: What are the benefits of our new global service line approach to Capital Markets Services?
A: Our employees, clients and investors will benefit from a new level of transparency and co-ordination to our activities. With this approach we'll have better visibility on our activities and capabilities within the service lines across our jurisdictions.

For example, the Aircraft Finance expertise within the team in Ireland is now being shared with our team in Asia so we can look to replicate the offering there. The global service line model also facilitates a global relationship model, which is a more client centric way for us to operate giving enhanced levels of service born through better connections across the jurisdictions. It's akin to the client having one premier team to support them rather than lots of smaller individual teams.

The new model will also allow us to move to a standardised pricing matrix. This transparency will no doubt be popular with clients and can only help us win more deals!

Q: What is the outlook for the Capital Markets Services service line?
A: We see great potential for growth in the Capital Markets service line, allowing us to further contribute to Intertrust's growth strategy. Especially, with the size of the markets we operate in we have huge potential to expand into new sectors, such as high yield bonds, project finance and infrastructure finance to name just a few.

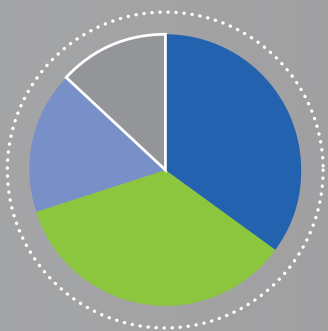
"The service line approach means our employees, clients and investors will benefit from a new level of transparency and co-ordination to our activities."

Profile
Cliff Pearce

Job title	Global Head of Capital Markets
Joined Intertrust	May 2017
Experience	Over 25 years' experience with premier financial institutions, originating and delivering structured finance transactions to a wide range of clients.

13%
of FY17
Group Revenue

(FY16: 11%)



Corporates
Funds
Private Wealth
Capital Markets

('16–'21E)
2–4%
Expected market growth[1]

[1] Market growth between 2016 – 2021 according to external market study

Q: What are the priorities for Capital Markets Services going forward?

A: With all the opportunities in front of us, it's essential we have the right platform and infrastructure to support our aspirations. That means making sure we have the appropriate number of people in place with the right blend of skill sets, with the right technology to support them. Our people are our biggest asset, so it's a logical priority to focus on.

Beyond that, my mantra is "connectivity".

We need to be connected to **each other**: sharing information and client updates across teams, across jurisdictions and across service lines. We need to be connected to our **clients**: giving them the right level of coverage on a timely basis and providing ongoing assistance to develop true partnerships. And we need to be connected to the **capital markets**: understanding their trends and challenges. We're well positioned, for example, to help clients with recently increased levels of regulation.

Q: Any particular achievements you'd like to highlight?

A: Well, we're the Number One by deal value for 2017 in the Concept ABS league table for Security Trustee roles in European public ABS deals. That's a phenomenal achievement by the whole Capital Markets team and a great credential which wasn't won easily. The challenge now is to stay there! The Dutch team also won 100% of the mandates for RMBS and Covered Bonds issued in the Netherlands for 2017, another outstanding credential.

Finally, in late December 2017, the UK team were involved in the first Insurance Linked Securities transaction in the UK following the recent change in legislation that made this possible. It's great to be involved in the rarest of commodities in the capital markets – a new asset class – and this places us in pole position to act on further deals.

Q: How can your team (and others) contribute further to the service line strategy

A: Everyone has a role to play by sharing client and market knowledge so the focus is much more about how we succeed together rather than by country. In capital markets we share a lot of clients with other service lines. For example, private equity funds are driving a lot of activity in the public ABS markets. Working collaboratively with colleagues in other teams and service lines allows us to maximise the number of touch points we have with clients and enhances our relationship and returns with them.

"Working collaboratively with colleagues in other teams and service lines allows us to maximise the number of touch points we have with clients and enhances our relationship and returns with them."

Q: What are we doing to raise our profile in the capital markets arena?

A: Essentially we need to increase our brand awareness and make clients aware of our credentials. We're doing this through a number of channels: conference sponsorship, greater interaction with the press, direct advertising, client events, thought leadership event, webinars and greater connectivity and interaction with our business partner network.

Q: What makes our Capital Markets Services stand out from the crowd?

A: It has to be our people with their commitment, knowledge and the care with which they carry out their roles. Our clients really appreciate the premium service we offer and that's why we do so well at retaining them and gaining repeat business. Our reputation is key to how we're perceived and positioned in the market and that's what makes Intertrust great.

Capital Markets Services

Intertrust's capital markets services comprise a variety of ancillary services to capital markets transactions, particularly those utilising Special Purpose Vehicles (SPVs). Clients of this segment are mostly financial institutions. These transactions include securitisations (such as residential mortgage-backed securities, commercial mortgage-backed securities, collateralised loan obligations and other asset-backed security transactions), bond issuances, secured loans/warehouse facilities, asset repackaging, commercial paper conduits and asset lease transactions.

Our 2016 acquisition of Elian (which acquired Structured Finance Management (SFM) Europe in 2015) brought us a strong presence in some key capital markets jurisdictions. The combination of specialised sales professionals with enhanced back-office capabilities further strengthened our leadership in the capital markets administration industry. Our services in this segment are:

SPV and trustee services

We provide domiciliation, management, directorship, legal administration, accounting and reporting services for SPVs and trusts as well as acting as Security and Note Trustee.

Portfolio administration services

We deliver administrative services for the underlying assets held by SPVs. These include asset cover testing, which entails the evaluation of the underlying assets against a set of predetermined criteria.

Calculation and payment agency services

We prepare and monitor cash flow waterfalls, make principal and interest ledger calculations, monitor credit default swap calculations, monitor trigger events and calculate and execute payments to third parties.

Investor reporting services

We offer reporting services to investors in SPVs for portfolio stratifications, cash flow generation, prepayments, waterfalls and arrears, among others.

Client case study

Intertrust supports launch of UK's first ILS vehicle and transaction

Client profile
Base: United Kingdom
Description: Neon Underwriting, a specialty (re)insurer operating in the Lloyd's market.

Intertrust played a pivotal role in the launch of the UK's first ILS (Insurance Linked Securities) vehicle, NCM Re (UK PCC) Ltd ("NCM Re"), the launch of which was sponsored by Neon Underwriting, a specialty (re)insurer operating in the Lloyd's market. This landmark transaction used the newly approved ILS regulations to establish the first 'protected cell company' in the UK which has entered into a USD 72 million collateralised quota share reinsurance transaction. This underwrites a part of Neon Syndicate 2468's property treaty reinsurance and direct facultative portfolios.

Intertrust worked closely with Neon and other service providers to secure regulatory approvals in order to establish the vehicle. We were also appointed to provide a broad suite of corporate services to support the new vehicle on an ongoing basis.

Intertrust's ability to provide a broad range of high quality services, skilled teams and experience across a wide range of asset classes and our ability to work with regulated entities was crucial to ensuring the successful and timely delivery of this unique deal.

Cliff Pearce, Global Head of Capital Markets at Intertrust:

"Intertrust has long been recognised as being at the forefront of delivering complex, highly structured and innovative deals. However, as this is the first transaction of its kind to be launched in the UK, Intertrust is especially proud to have worked with Neon in this pioneering transaction which will no doubt pave the way for further transactions."

"There is likely to be an increase in demand among reinsurers for these new ILS structures as the insurance market takes advantage of the new regulatory framework. As a first mover in the field, Intertrust is particularly well placed to manage similar deals in future."

Selected public transactions

Intertrust

Director, Administrator
and Trustee for

Ripon Mortgages plc
(Mortgage Express, Bradford & Bingley)

RMBS
£10bn
2017

Intertrust

Director, Administrator,
Shareholder director, Trustee for

Bumper 9
(Leaseplan)

Car lease
€574m
2017

Intertrust

Director, Corporate Administrator,
Share Trustee for

Wellesley Secured Finance
(Wellesley Finance plc)

Retail Bond
£500m
2017

Intertrust

CBC Director, Shareholder
director, Trustee for

Rabobank Covered Bond Company
(Rabobank)

Covered Bond
<€25bn
2017

Financial review

Reporting and segmentation

As of 2017, due to the integration of Elian, Intertrust no longer breaks out Elian results but applies the following segmentation: the Netherlands, Luxembourg, Cayman Islands, Jersey and Rest of the World (ROW), whereby Guernsey is included in ROW in both 2016 and 2017 figures.

For 2016, the full year Intertrust Group figures include Elian as of 23 September 2016 unless stated otherwise. Intertrust has also reported underlying[1] growth figures for 2016 that include Elian pro-forma data. These growth figures are at constant currency.

Revenue and EBITA

In 2017, revenue increased 25.8% to EUR 485.2 million from EUR 385.8 million in 2016. The underlying[1] revenue growth was 4.4%, mainly driven by growth in Luxembourg (underlying 12.1%) and Jersey (underlying 9.1%). Netherlands, Cayman and RoW showed underlying revenue growth of -0.4%, 1.6% and 3.4% respectively.

Reported EBITA for the year was EUR 173.8 million in 2017 compared to EUR 135.9 million in the previous year. Reported EBITA margin was 35.8% margin, an improvement of 59 bps versus a reported EBITA margin of 35.2% in 2016. Our adjusted EBITA[2] was EUR 185.1 million, a 20.4% increase over EUR 153.8 million in 2016. The underlying adjusted EBITA margin was down by 52 bps to 38.2% year-on-year.

Business growth

In 2017, ARPE was EUR 9.6 thousand, resulting in a year-on-year increase of 7.6% compared to ARPE in 2016 of EUR 9.1 thousand on a like-for-like basis. This growth was driven by an increase in added value services stemming from increased regulatory complexity and substance requirements and a decrease in low-ARPE entities. The increase in the demand for compliance service was amongst others related to the implementation of the 4th Anti Money Laundering Directive in the course of 2017. This resulted in an explicit requirement for legal entities to hold adequate, accurate and current information on their ultimate beneficial ownership (i.e. UBO Register).

Gross inflow of entities in 2017 was 6,993 and gross outflow was 8,533 resulting in a net outflow of 1,540 entities during the year, in line with our expectations but with outflow elevated due to definition harmonisation[3] adjustments in Q2 related to 676 former Elian entities. End-of-life continues to account for more than half of all outflow.

1 Underlying: 2017 at constant currency and 2016 including Elian and Azcona figures (Management Estimate).
2 Adjusted EBITA is defined as EBITA before specific items and before one-off revenue / expenses. Specific items of income or expense are income and expense items that based on their significance in size or nature should be separately presented to provide further understanding on financial performance
3 Harmonisation adjustments related mainly to the definition of (former Elian) entities, where entities with a low ARPE (GBP 400-600) and a low risk profile were excluded

Net income

Net income for the year was EUR 88.7 million or EUR 139.5 million on an adjusted[4] basis. The adjustments in 2017 were costs related to specific items (EUR 11.3 million), amortisation of intangibles (EUR 41.0 million), forex gain (EUR -1.9 million) and pre-IPO related tax (EUR 0.4 million).

Earnings per share

In 2017, earnings per share were EUR 0.97 (2016: EUR 0.58) and the adjusted[5] earnings per share were EUR 1.53 (2016: EUR 1.27). In 2017, the average number of shares was 91,020,700, while in 2016 the average number of shares was 88,942,943.

Cash, working capital and capex

Total cash from operating activities was EUR 156.9 million compared to EUR 152.4 million in 2016.

Working capital follows a seasonal pattern with a peak level at the end of the third quarter and a low level at the end of the first quarter. This pattern primarily results from the annual billing run in Cayman in Q4 each year and in the Netherlands and Luxembourg in January of each year.

Total capital expenditure for FY 2017 was EUR 7.5 million (1.5% of revenue) compared to EUR 11.3 million in 2016 (2.9% of revenue).

Net debt

The net debt at 31 December 2017 decreased to EUR 720.7 million and the net debt leverage ratio[6] was 3.66x, compared to net debt as at 31 December 2016 of EUR 758.5 million and a net debt leverage ratio of 3.72x.

Financial targets

We use several operational key performance indicators to track the performance of our business, which include the total number of client entities serviced, ARPE, adjusted Revenue per FTE and adjusted EBITA per FTE. We believe that these measures provide an important indication of trends in the performance of our business. Furthermore management has communicated the external guidance below for 2018:

- Underlying revenue growth of at least 3% year-on-year.
- Adjusted EBITA margin guidance of at least 37% reflecting continued investments in Group HQ and IT.
- Capex expected to be less than 1.5% of revenue.
- Dividend policy continues to be 40-50% of adjusted net income.
- Effective tax rate of approximately 18%.

Dividend

In line with our dividend policy of 40-50% of adjusted net income, an interim dividend of EUR 0.28 per share (total EUR 25.8 million) was paid in November 2017 and the final dividend of EUR 0.33 (subject to shareholder approval) will be paid on 12 June 2018, resulting in a total full year dividend of EUR 0.61 for 2017.

4 Adjusted net income is defined as Adjusted EBITA less net interest costs and less tax costs

5 Adjusted earnings per share is defined as Adjusted net income divided by the average number of shares outstanding at 31 December 2017. Average for FY 2017: 91,020,700

6 Net debt leverage ratio is defined as total net debt divided by the adjusted EBITDA of Intertrust, including adjusted EBITDA proforma contribution for acquisitions and full year run-rate synergies related to acquisitions (acquisitions in 2017: Azcona, 2016: Elian).

The Netherlands

Intertrust Netherlands remains the market leader and go-to service provider in the Netherlands. The Netherlands has maintained a longstanding tradition of political and social stability as well as sophisticated legislation and a highly reputable and consistent fiscal system. The market was softer in 2017 mainly as a result of the uncertainties around the Dutch fiscal climate and a relatively long coalition formation process of the government.

The Netherlands is known for its international business climate with excellent infrastructure, an extensive network of tax and bilateral investment treaties, jurisdiction-specific tax advantages and efficient incorporation procedures. All trust, corporate and fund services activities are subject to supervision by the Dutch Central Bank (DNB).

Market position

The Netherlands has an extensive network of bilateral tax treaties, liberal foreign exchange regulations and flexible incorporation procedures for Dutch legal entities, making the Netherlands an attractive base for domiciling international business operations. Despite continued higher demand for increasingly complex compliance and regulatory requirements, the market in the Netherlands was soft in 2017, due partly to uncertainty about tax changes. Increasingly strict regulation by DNB, demand for transparency by regulators and increased compliance costs for trust, corporate and fund services providers has contributed to further consolidation in the industry, a trend which is expected to continue.

Revenue

The Netherlands generated revenue of EUR 117.2 million in 2017, which was in line with 2016 revenue of EUR 117.1 million. During the year, Intertrust had to deal with a few challenges in the Netherlands such as lower productivity due to staff turnover as well as a softening of the market. Actions implemented to improve employee engagement had the desired effects and, by the end of the year, staff turnover returned to a normalised level as a result of measures taken (see page 29 for more information).

In 2017, the number of entities decreased 9.1% mainly due to outflow of end-of-life entities. ARPE increased 9.6% underlying[1] year-on-year, mainly as a result of more hours spent per entity due to higher compliance and transparency requirements.

EBITA

In 2017, adjusted EBITA declined 3.6% on an underlying[1] basis to EUR 72.0 million, mainly driven by higher staff-related expenses and recruitment costs. Adjusted EBITA margin decreased 241 bps to 61.4% for the full year compared to 63.8% in 2016.

1 Underlying: 2017 at constant currency and 2016 including Elian and Azcona figures (Management Estimate).

Performance highlights 2017

Revenue	Adjusted EBITA	Adjusted EBITA margin
117.2 EUR million	72.0 EUR million	61.4%
–0.4%[1]	–3.6%[1]	–241bps[1]

Operational highlights

Intertrust is the leading provider of trust, corporate and fund services in the Netherlands. From our offices in Amsterdam and Rotterdam a highly skilled and motivated workforce of over 450 professionals serve multinationals, financial institutions, alternative investment funds (private equity and real estate) and business entrepreneurs from all over the world. In the first half of 2017, the Netherlands experienced a higher level of staff turnover and several measures were taken to address this, with staff turnover levels returning to normalised levels in Q4. One of the examples to attract young and highly educated talent in the Netherlands was the launch of the 'One Journey' leadership programme and a new career website.

Our aim is to determine clients' needs and adapt our service offering to their needs. In 2017 we focused, for example, on our Global Business Solutions services which focus on the provision of operational services to international corporates who are starting up business in the Netherlands.

As of 1 January 2018, Sara Douwes started as Managing Director of Intertrust Netherlands and member of the Executive Committee. She replaced Dick Niezing, who decided to leave Intertrust after five years to pursue other interests.

Luxembourg

Located in the 'heart' of Europe, Luxembourg is a highly business-oriented country. In addition to high economic standards and stability, the country is known for its banking and investment fund expertise, well-educated workforce, high quality resources and financial infrastructure as well as its innovative legislative traditions and accommodating policies towards foreign investments.

Luxembourg operates extensive tax treaties and an investment protection treaty network. It also actively promotes the fund industry while maintaining the highest standards in compliance. Local trust, corporate and fund services activities are subject to supervision by the Commission de Surveillance du Secteur Financier (CSSF).

Market position

The Luxembourg market has continued to be an attractive base in 2017, especially for funds. The market is dominated by three top players of which Intertrust is the second largest player. Compared to 2016, the percentage of revenue from fund clients in Luxembourg increased from 43% to 51%. This increase was driven by the inclusion of the Elian business and by the strong growth of the funds market in Luxembourg.

Revenue

Revenue was EUR 97.1 million in 2017 compared to EUR 82.5 million in 2016. This underlying[1] increase of 12.1% was mainly driven by strong growth in the funds market supported by an increase of billable staff. The growth in the funds service line reaffirmed the position of Luxembourg as a leading funds jurisdiction.

Client entities decreased 6.7% in 2017 to 2.8 thousand, due mainly to end-of-life but also due to the impact of the harmonisation adjustment (in total 132 entities). The harmonisation adjustments were related mainly to the definition of former Elian entities. ARPE grew 20.2% underlying[1] year-on-year to EUR 34.2 thousand, driven mainly by additional regulatory and compliance requirements, resulting in increased reporting and complexity per client entity.

EBITA

In 2017, adjusted EBITA increased 17.4% to EUR 51.4 million compared to EUR 43.6 million in the previous year. Adjusted EBITA margin amounted to 52.9% which was unchanged compared to 2016.

1 Underlying: 2017 at constant currency and 2016 including Elian and Azcona figures (Management Estimate).

Performance highlights 2017

Revenue	Adjusted EBITA	Adjusted EBITA margin
97.1 EUR million	51.4 EUR million	52.9%
+12.1%[1]	+17.4%[1]	+4bps[1]

Operational highlights

We continually look for opportunities to diversify our service offering to enable our clients to navigate successfully through the ever-changing regulatory landscape. An example of a regulatory change is the implementation of the 4th Anti Money Laundry Directive. This lead to additional reporting requirements and more work is now required to keep our clients' entities in good standing by, for example, supporting clients with mandatory UBO registrations. In addition, legislative changes enabled us to expand our service offering in Luxembourg and helped us to obtain a licence from Luxembourg's regulator CSSF to provide AIFM services.

Cayman Islands

The Cayman Islands market is a key jurisdiction for hedge fund domiciliation. The key attraction of this market is the benign tax environment, along with the profound expertise in hedge funds and banking, which makes the jurisdiction attractive for both corporate as well as private clients. The majority of clients originate from North America.

The Cayman Islands is a popular jurisdiction for the establishment of funds and tax-efficient structures. The market is attractive due to the absence of tax on income, profits, assets and capital gains. The delivery of trust, corporate and fund services from Cayman is subject to supervision by the Cayman Islands Monetary Authority (CIMA).

Market position

The market is mainly characterised by funds with the remainder of the market consisting of capital markets clients, corporate clients and private clients. Our local presence gives us access to a large US client base and was for a large part built via three important acquisitions: Close Brothers Cayman in 2011, Walkers Management Services in 2012 and Elian in 2016. The latter acquisition has expanded the client base, strengthened the service offerings and added new specialisms.

Revenue

In 2017, revenue increased 1.6% underlying[1] to EUR 68.9 million compared to EUR 57.5 million in 2016. The increase was driven by growth of regulatory and compliance related services.

In 2017, gross inflow of entities was 1,598 and gross outflow was 2,646, resulting in a total number of 19.1 thousand entities at year end. End-of-life accounted for half of all outflows, and competitive losses reduced significantly in 2017 compared to 2016. ARPE grew 7.2% underlying[1] to EUR 3.6 thousand year-on-year, driven mainly by growth in added value services and fewer lower value entity registrations.

EBITA

For the full year 2017, adjusted EBITA increased 10.7% on an underlying[1] basis to EUR 40.6 million compared to EUR 32.8 million in the previous year. Adjusted EBITA margin was 59.0%, an improvement of 191bps compared to 57.1% in 2016.

1 Underlying: 2017 at constant currency and 2016 including Elian and Azcona figures (Management Estimate).

Performance highlights 2017

Revenue	Adjusted EBITA	Adjusted EBITA margin
68.9 EUR million	40.6 EUR million	59.0%
+1.6%[1]	+10.7%[1]	+191bps[1]

Operational highlights

The market in Cayman Islands remained competitive throughout 2017. In response to the continuation of the challenging local market conditions, Intertrust pursues a strategy of increased client engagement in order to improve the overall client experience and increase cross-sell opportunities. In the course of the year this strategy proved to be right in the sense that the entity losses to competition eased clearly. The diversification of mandates from pure registered office to a suite of added value services is a key element of client retention and revenue growth strategies which are expected to be key differentiators in the local market.

Jersey

Jersey is a well-established international finance centre offering reliability, political and economic stability, and a sophisticated and comprehensive legal system which has kept the island at the forefront of global finance for over 50 years. Our position in Jersey was significantly strengthened by the acquisition of Elian in 2016.

Jersey remains a popular and attractive jurisdiction of Anglo Saxon trusts and foundations, as well as private equity and real estate funds. Its key attraction stems from its tax-neutral environment and its traditionally well-informed clients and know-how. Our client base consists of blue chip clients, comprising alternative investment funds, financial institutions, corporate and private clients.

Market position

Following the acquisition of Elian in 2016, Intertrust gained a strong presence in the Jersey market. It has particularly supported our position in capital markets and the private equity and real estate fund administration services. Jersey remains one of the best regulated international finance centres, as recognised by independent assessments from some of the world's leading bodies including the OECD. The wealth of experience and expertise offered by Jersey's highly skilled financial service providers, combined with a world class infrastructure, gives an unparalleled welcome to businesses and investors alike.

Revenue

Revenue in 2017 was EUR 58.5 million compared to EUR 14.0 million in 2016, an underlying[1] increase of 9.1%. The revenue in 2016 included revenue of Elian as of 23 September, which was the closing date of the transaction.

The number of entities decreased 6.7% during the year to 4.3 thousand at year end, mainly as a result of end-of-life but also impacted by the definition harmonisation adjustment for 147 entities. The harmonisation adjustments were related mainly to the definition of former Elian entities. ARPE was EUR 13.6 thousand for 2017, an underlying[1] increase of 16.9% year-on-year.

EBITA

In 2017, adjusted EBITA amounted to EUR 30.0 million compared to EUR 6.1 million in 2016. The underlying[1] year-on-year increase of 27.4% was driven by costs synergies relating to the acquisition of Elian and other operating leverage.

1 Underlying: 2017 at constant currency and 2016 including Elian and Azcona figures (Management Estimate).

Performance highlights 2017

Revenue	Adjusted EBITA	Adjusted EBITA margin
58.5 EUR million	30.0 EUR million	51.2%
+9.1%[1]	+27.4%[1]	+760bps[1]

Operational highlights

The integration of Elian proceeded on track, with the co-location of all offices completed by January 2017. The related revenue and cost synergies remained on track as well. The integration is expected to be completed in mid-2019.

Rest of the World

Our offices in the Rest of the World (ROW) encompass our operational and representative offices in the Americas (Bahamas, Brazil, British Virgin Islands (BVI), Canada, Curaçao and the USA), Europe (Belgium, Cyprus, Denmark, Finland, Guernsey, Ireland, Norway, Spain, Sweden, Switzerland, Turkey and United Kingdom), and Asia & Middle East (China, Dubai, Hong Kong, Japan and Singapore). Guernsey became part of ROW as of 2017 and the result is included in ROW in both 2016 and 2017 figures.

Revenue

Revenue in 2017 was EUR 143.6 million compared to EUR 114.6 million in 2016, an underlying[1] increase of 3.4%. This growth reflects increased revenue from Corporate Services in the Nordics as well as higher revenue in Fund and Capital Market Services in Ireland and Spain. In February 2017, Intertrust acquired the remaining 25% stake in SFM Spain together with the Azcona business.

The number of entities in 2017 increased 2.1% to 20.3 thousand in 2017 driven mainly by entities in lower-ARPE jurisdictions (Delaware & BVI). Increase in ARPE of 1.3% underlying[1] to EUR 7.1 thousand was driven by additional regulatory and compliance requirements, offset by an unfavourable mix effect.

EBITA

In 2017, adjusted EBITA amounted to EUR 54.4 million compared to EUR 38.5 million in 2016, an increase of 15.3% on an underlying[1] basis. This was mainly the result of operating leverage from integration synergies, partly offset by a legal claim in the first half of 2017. Adjusted EBITA margin was 37.9% in 2017 compared to 33.6% in 2016 (+434bps).

[1] Underlying: 2017 at constant currency and 2016 including Elian and Azcona figures (Management Estimate).

Performance highlights 2017

Revenue	Adjusted EBITA	Adjusted EBITA margin
143.6 EUR million	54.4 EUR million	37.9%
+3.4%[1]	+15.3%[1]	+434bps[1]

Operational highlights

As of 2017, Guernsey became part of the Rest of the World segment. During the year we closed our offices in Portugal and in Bahrain, which decreased our total number of offices from 41 in 2016 to 39 in 2017. During Q4 2017, we completed the sale of our 51% stake in a former ATC investment in Switzerland resulting in a net gain. This transaction will not materially impact the results of ROW.

As of January 2018, Daniel Jaffe joined Intertrust's Executive Committee to represent the Rest of the World segment with 19 offices across Europe, Asia and the Middle-East.

Service line feature: PRIVATE WEALTH

Intertrust has been serving high net worth individuals, families and entrepreneurs for more than 65 years, delivering continuity and excellent service with a team of highly qualified experts. We consider ourselves guardians who are responsible for protecting wealth for future generations and pride ourselves on our intelligent and discreet approach.

Service line Q&A

In this interview, our Global Head of Private Wealth, Ian Rumens, highlights how the new service line approach is helping his team to serve clients even better.

Q: What does the Private Wealth Services team do?
A: We specialise in services for ultra-high net worth individuals (UHNW), families and entrepreneurs. Our core focus is providing administration, management and control, and accounting services to international entities where the ultimate client is an UHNW individual or family. We're lucky to have a very varied client base which makes working in this area of the business particularly interesting.

Q: What are the benefits of our new global service line approach to Private Wealth Services?
A: I'm particularly excited about bringing the great minds of our private wealth team together. It'll help us make sure we're all aligned in our thinking and messaging so we can produce coordinated plans and goals which will give us a clear direction for the private wealth service line.

We'll be able to offer our clients standardised processes and pricing across our key private wealth jurisdictions which will set us ahead of our competitors. We're currently in the process of identifying key global business partners in the jurisdictions where we offer private wealth services so we can start to align plans.

Q: What is the outlook for the Private Wealth Services service line?
A: A couple of weeks ago I hosted my first Private Wealth offsite in London where colleagues from Bahamas, BVI, Cayman Islands, Curacao, Guernsey, Hong Kong, Jersey, Switzerland and Singapore got together. We discussed business plans, strategy and growth plans for 2018.

We all agreed that our Private Wealth Services service line offering needs to become synonymous with excellence not only for the products we can provide but also for our client service. Our client service should be focused and geared around what the client wants and needs – the service line approach will help us achieve this.

We hope that our quality client portfolio will attract additional quality clients and our excellent relationships with global private banks will provide us with new business. We will also be looking at our clients from other services lines to see if there are opportunities with them especially with privately held corporations and businesses and the families behind them. Our strong global sales force will help us spot these opportunities.

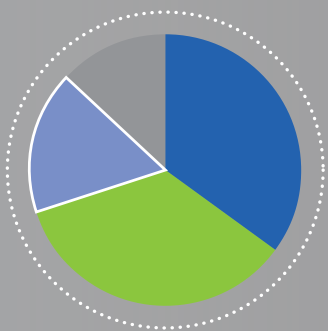
Profile
Ian Rumens

Job title	Global Head of Private Wealth
Joined Intertrust	October 2009
Experience	Extensive international experience in legal and fiduciary fields, specialising in the establishment and ongoing administration of structures for private clients with cross-jurisdictional requirements.

17%

of FY17 Group Revenue

(FY16: 19%)



Corporates

Funds

Private Wealth

Capital Markets

('16–'21E)

0–2%

Expected market growth[1]

[1] Market growth between 2016 – 2021 according to external market study

Q: What makes you especially proud about your Private Wealth Services team?

A: Their expertise. We have so much knowledge globally and each team has important experience on a local level; we're already starting to see the benefits of that. We've been collaborating across borders, sharing best practices and seeing where certain processes can be replicated in another jurisdiction. I'm proud to see us working together, using this knowledge and expertise to deliver the best possible service to our clients.

Q: How can your team (and others) contribute further to the service line strategy?

A: We all need to start communicating with each other much more – sharing best practices and learnings not only within our own service line but across service lines.

It's also important we all take the time to really get to know our clients so we can understand their needs and spot opportunities that could enhance their experience with us.

Q: What are we doing to raise our profile in the private wealth market?

A: As I said earlier, a priority is to get our name out there as a leader in private wealth services. We're using key industry events, conferences and exhibitions as a platform to network with key individuals and spread the word about how great we are. We're also developing a tailored look for our marketing material which will have the level of quality our business partners expect.

I think we all play a part in spreading the word of Intertrust. Talking more about our business, the experts within it and our global service offering, will only have a positive impact on each of our service lines.

Q: What makes our Private Wealth Services service line stand out amongst the crowd?

A: Compared to our competitors, we're unique because we're one of the only private wealth service providers who are global and independent. Our status as a listed company, which demonstrates long-term, stable ownership, also gives us a competitive advantage as it provides reassurance to our clients. And our high quality client service sets us apart.

You might not know, our team of experts is pretty big in the scale of private wealth teams. We have over 240 employees, who, as I mentioned earlier, have a huge amount of knowledge and expertise, both from a local and global perspective. Our largest teams are based in Bahamas, BVI, Cayman Islands, Curacao, Guernsey, Hong Kong, Jersey, Switzerland and Singapore.

Our hallmarks as inspiration

Intertrust's hallmarks are a focal point of Intertrust Private Wealth. These hallmarks – representing **Guidance**, **Partnership** and **Heritage** – will help us to work in partnership with the other service lines and enhance the Intertrust reputation and the strength of our employees who are the main power behind the brand.

Private Wealth Services

Intertrust's Private Wealth Services provide fund and trust formation services to private wealth clients such as international entrepreneurial families and high net worth individuals. In addition, we provide services to assist our private wealth clients in the management of their assets and in their estate planning. Our acquisition of Elian in 2016 broadened our spectrum of private wealth solutions in the Channel Islands. The integrated organisation enables Intertrust to service our global base of (ultra) high net worth individuals and families with a full suite of private wealth solutions in relevant jurisdictions.

Through Private Wealth Services, we structure, manage and administer trusts, foundations and other vehicles that assist our private wealth clients with asset management, asset preservation, estate planning and succession planning. We also administer personal pensions, wills and testamentary estates, and offer family office services. We assist our clients with their accounting, financial reporting and consolidation obligations.

Our private wealth directors are qualified lawyers, accountants or trust professionals and every member of our business is experienced in private practice.

Trust, company and foundation administration

We're specialists in the provision of administration services to trusts, companies and foundations for both individuals and families. Structures include:

- Private Trust Companies
- Foundations
- Family Limited Partnerships
- Discretionary Trusts
- VISTA Trusts
- STAR Trusts
- Charitable & Non-Charitable Purpose Trusts
- Settlor Directed Trusts
- Asset Holding Companies
- Protectorships and Directorships (in-house and external).

Family office

We focus on building lasting relationships. Your dedicated team will get to know you, so they can understand your exact needs. They'll be responsive and always have your best interests in mind. We've built a trusted network of contacts and have gained extensive experience in the many different assets held within the structures we administer. We can help you plan for the future whether for your personal or business needs.

Business succession

If you're handing a business down to the next generation, or selling an owner-managed business, with our support you can put in place the right framework for succession. Sometimes the service we offer might be simple; in other situations we might work with advisors to create a programme of consultation or education for younger family members. We understand your needs are unique and your circumstances may change. By getting to know you, we can adapt our services to suit your changing needs.

Philanthropy

Philanthropy or charitable giving are often important to our clients. Sometimes individuals or families will have a clear idea about what they want to achieve, others may require more guidance. Some will want a deep level of personal engagement with their chosen cause, while others may want a lighter touch. Whatever your objectives, we get to know you, to truly understand your values and aims. We're experts in trust and foundation administration for philanthropic purposes and our people span the globe. So, we can administer the right structures in a time zone that suits you. Our experience and network of contacts mean we can create a focused strategy that helps you get the most from your giving.

Private Trust Companies (PTCs)

If you have a family business which has been built over several generations and provides substantial income you may benefit from a PTC. PTCs can allow you to retain a degree of control, including in the running of your business. PTCs also provide great succession planning opportunities, allowing younger family members to become involved in decision making. Private trust companies act as a corporate trustee to a trust or a number of connected trusts, often for the same family.

Compliance and Risk Management

The role of Compliance and Risk Management has long been at the core of our strategy and business model – and continues to be of key importance to Intertrust.

We remain committed to being an industry leader when it comes to the application of compliance and risk best practices, and to be fully compliant with regulatory standards at every location we operate in. Constant regulatory change and new public scrutiny of our industry again show the necessity to understand and know our clients extremely well. Through this in-depth knowledge of our clients and their requirements, we are not only continually finding new and better ways to serve them but we are also ensuring that we operate to the highest level of regulatory standards.

Strategic progress

In 2017, we further integrated our Compliance and Risk Management teams and introduced a new format for local compliance and risk reporting into the Group Compliance and Risk Management team and our Executive Committee (ExCo), thereby generating and compiling more tactical and strategic information about our key and emerging compliance and risk matters.

In addition to the quarterly compliance and risk reports to the ExCo and the Supervisory Board, we also began our second group-wide Risk Self-Assessment in the fourth quarter.

Global standards and legislation for our industry tend to converge. Therefore we must ensure our compliance and risk staff are skilled subject matter experts and that our compliance and risk processes are well designed, efficient, controlled, monitored and lead to clear business outcomes. In that light we have made substantial investments in the design of a new client acceptance process and the new and thorough reporting structure for all compliance and risk matters.

Local management promote and support the Compliance and Risk Management teams and the importance of adherence to global policies and standards including the Code of Conduct, sanction monitoring, anti-bribery and corruption legislation and anti-money laundering regulations. Intertrust also has a whistle-blower policy in place, allowing employees to report activity which concerns them through an alternate channel, side-stepping their reporting line in order to ensure independence.

Risk appetite

During the year, we continued to apply our Group risk appetite and risk tolerances in alignment with our strategy, our Code of Conduct and our global policies and standards. In countries where we are not under supervision by local authorities, we internally strive to maintain the same best practice standards we apply elsewhere in our Group.

Compliance and Risk Management continues to work with ExCo and the Audit and Risk Committee of the Supervisory Board to constantly evaluate and reassess our Group risk appetite, while reacting to new risks, threats, opportunities and changes to regulation as they emerge. We are clear on those business activities that we will not accept and we also have strong robust internal controls to assess and monitor our higher risk and sensitive business activities and relationships.

It is vitally important for us to know and understand our clients fully and to make sure that the legal entities we provide services to are fully compliant with regulatory standards. We also see this in-depth knowledge and understanding, as being an opportunity to add real value and enhance our clients' satisfaction.

Our senior leadership, business teams and the Compliance and Risk Management function work together to apply our global policies and standards consistently. The looming implementation date for the General Data Protection Regulation (GDPR) in May 2018 is a significant regulatory change and an incentive for a continued focus on information security and on ensuring we remain fully compliant with data privacy regulations in the areas where we operate.

Risk management and internal controls

We use the risk categories of the COSO Enterprise Risk Management (ERM) framework (Committee of Sponsoring Organisations of the Treadway Commission) for our annual Risk Self-Assessment. This is widely accepted as a leading enterprise risk management model for larger companies. The COSO ERM framework takes a company's strategy as a starting point and defines four types of risk: strategic, operational, reporting and compliance.

We strongly advocate the 'three lines of defence model' that outlines the relationships and responsibilities of the business, compliance and risk management, and internal audit functions.

1st line of defence: Business

Intertrust's business teams bear primary responsibility for identifying, controlling and monitoring the risks within their processes, maintaining effective internal control frameworks and adherence to global compliance policies and standards.

2nd line of defence: Group Compliance and Risk Management

The Compliance and Risk Management team is globally responsible for coordinating, developing and monitoring Intertrust's risk management processes and adherence to compliance standards and procedures. Compliance and Risk Management is also responsible for the independent risk reports to the ExCo, Supervisory Board and Audit and Risk Committee.

The Compliance and Risk Management team also monitors changes that may impact the risk profile of the business; the appropriateness of providing new services to existing clients; and ensuring employees in every office receive compliance training, in addition to the mandatory Group-wide e-learning courses on Anti-Money Laundering, Information Security and other relevant topics.

3rd line of defence: Internal audit

The independent Internal Audit function conducts audits that provide insights into how and to what extent we control the risks that may jeopardise our strategic and other objectives. These audits provide management with additional assurance on the effectiveness of internal controls and risk management.

Developments 2017

Quarterly risk reporting

In the second quarter of 2017, we introduced a new format for jurisdictional reporting on compliance and risk matters into Group Compliance and Risk Management and our ExCo. The results were presented as an executive summary dashboard and a comprehensive supporting information deck, which enables senior management to focus on the actions necessary to further mitigate risks. The information also facilitates informed management decisions – both on a tactical and strategic level.

Client acceptance

In 2017, we initiated the design and testing of a new process for accepting clients using best practices from both Intertrust and the former Elian. This unified process will be applied by the local offices. The aim is to have a more efficient process with a clearer division of responsibilities between the first and second line of defence resulting in more reliable data in our local ViewPoint database and leading to more consistency creating the possibility of more central oversight. The new process will be tested in Luxembourg in the first quarter of 2018 and further rolled out with IT and workflow support.

Continuous monitoring of our clients

Apart from improving our acceptance process, we also put more emphasis on the ongoing monitoring of existing clients. We improved our technical capabilities for our sanctions screening systems, continued training our staff in applying these enhanced IT tools and rolled out a new global standard which further detailed the requirements for the monitoring of sanctions, enhanced due diligence, suspicious activities and other relevant public information. We have developed and tested a global policy and approach for transaction monitoring which will be rolled out in 2018. We continued our focus on meeting our targets for our risk based file review programme.

Business Continuity Management

In 2017, we looked at business continuity management within the Group, assessed the status of business continuity plans of local offices and learnt lessons from the severity of tropical storms during 2017. This was used to improve governance for the Group Crisis Management Team with a revised policy and handbook. In the first part of 2018, jurisdictions will be provided with more guidance for their local business continuity plans. We further assisted our IT team with establishing the systems of importance to offices for recovery in the event of any continuity incident.

Fraud Risk Management

In 2017, we agreed on further improvement of our fraud risk management approach. Although our business teams bear the primary responsibility for identifying, controlling and monitoring these risks within their process and control framework for prevention and detection, we started the design of a more comprehensive framework for a risk heat map including components from IT, HR, Compliance and Risk Management, and the Internal Audit function. After this risk assessment, short, medium and long term actions and mitigants were agreed including e-learning, access metrics and the roll out of a fuller fraud risk management framework in the second half of 2018.

General Data Protection Regulation (GDPR)

In 2017, we continued our preparation for the introduction of GDPR in May 2018 and making sure we are ready to meet all material requirements of this new regulation and avoid any of the potential financial penalties, reputational damage or loss of business that could be incurred if the organisation fails to conform to the new legal framework. An internal team of subject matters experts – including IT and information security staff – started a project supported by an external consultant.

Risk Self-Assessment

A Risk Self-Assessment (RSA) was rolled out to identify key risks in HR, IT, Finance, and Compliance and Risk Management. We also conducted this assessment across the majority of the jurisdictions in which we operate including our larger and regulated operational offices. During this exercise we discussed and identified concerns, risks and trends in strategic, operational, reporting and compliance areas. In each of these areas respondents established what actions and management controls were already in place to reduce inherent risks and assessed the likelihood and impact of any residual risks which then became the focus of our attention where they may not align with risk appetite.

The results of the individual scores by jurisdictions and Group functions were discussed by the ExCo and their attitude to these risks resulted in an agreement on a Group-wide risk register with owners, a local risk register approach, and clear time frames for further remediation to desired outcomes.

Assessing our main risks

In pursuing our strategic ambitions, we are prepared to take a certain level of risk to achieve our objectives while remaining in alignment with our mission. Operationally, the business continues to mitigate the downside risk of unexpected operational failures. Group Compliance and Risk Management have advised and supported management in respect of data security and business continuity. Our management of financial and reporting risks continue to focus on alignment and improvement of our global processes. Furthermore, we guide our employees on compliance risks through internal policies, procedures, and controls, and by ensuring that our Code of Conduct can be adhered to at all times.

Main risks

People and compliance

The inability to retain high calibre employees and attract new employees with the right knowledge, experience, qualifications and skill sets could have an adverse effect on the quality and level of our services our clients expect. The RSA also recognised this risk could have an impact on the capabilities of our IT and Compliance staff resource.

We are actively monitoring our ability to meet our key goals and objectives by delivering successful projects that will provide improvement to our business and make sure that we can stay abreast of a fast paced and changing legal and regulatory environment whilst ensuring we can continue to oversight and monitor that we remain compliant.

Our HR strategy remains focused on implementing our succession and resource planning process globally. Furthermore we will be more proactive in communicating our Code of Conduct by embedding a culture of openness and integrity throughout the activities of the business globally.

IT

Failures and disruptions in our information technology and other operational systems can have a material adverse effect on our business, its continuity, the results of operations, and our financial condition. Our IT Road map continues to address our IT risks and improve the resilience of our network. We continue to enhance our Business Continuity Management framework.

In those jurisdictions most affected by recent Group acquisition and integration we are actively managing the residual risk from the use of disparate or multiple systems to ensure proper oversight is maintained and the activities of the business reported so as to provide the Group with the combined assurance that it needs.

Internally changes have been implemented to our governance to assist with the alignment of IT project priorities to meet the greatest needs of our various stakeholders and deliver to their expectations.

Data integrity

Data is key to our business. Correct treatment and protecting our data is important to prevent loss of commercial and compliance oversight and possibly data leaks. It is important that we have a strategic view on the use of data, and master it in order to meet competitive challenges and develop and evolve with current systems trends.

The RSA provided the possibility of residual data integrity risks and highlighted that the Company should further invest in security, privacy and global alignment of workflows to improve the consistency of data quality and integrity across our jurisdictions globally.

Alongside the work taking place to meet the requirements of GDPR and similar legislation pending in jurisdictions beyond the reach of GDPR, we are also aligning this work to respond to many of data security and privacy risks.

Amongst our work we have an increased awareness amongst staff of the risks and impact that can result from cyber threats.

Competition, public opinion and regulation

We operate in a global and competitive market where demand for our services is influenced by trends in globalisation, regulatory changes and outsourcing. We operate in many jurisdictions and under several regulatory regimes. We recognise that, apart from integrity discussions, there are public concerns about the lack of data privacy as a result of leaks and cybercrime.

We are conscious of the fact that changes in law and regulation in many of the jurisdictions can have negative as well as positive effects on our business and bring uncertainties to our existing and new clients. This was recognised in our RSA regarding observing new legislation with an extraterritorial effect, e.g. the UK Criminal Finances bill.

We closely monitor the public debate about our industry (including discussion over the new EU Black List) and the (potential) development of new legislation in all jurisdictions and regions where we operate. We continue to invest in risk and compliance capabilities and have further prioritised necessary investments in training and development to ensure we continue to deliver high standards of quality and professionalism.

The RSA and ExCo discussions reinforced our conviction that more regulation means commercial opportunities for the Company. The Company is convinced and confident that it can deal well and comply with additional and changing laws and regulations.

Reporting

We operate across many countries and have numerous reporting entities and a low level of centralisation. It is critical that all of the Group's entities report to the same standards and deliver the same high quality of information in line with our financial accounting and compliance reporting principles. Any deviation from the common accounting and reporting processes and related controls could impair the accuracy of the data used for Group reporting and external communication

In the course of 2017, the Group Finance function was further strengthened and its review and control processes have been enhanced. The fundamentals of the internal control framework regarding financial reporting have been rolled out to all the Group's reporting entities

Further improvement and expansion of the internal control framework for financial reporting is scheduled as part of a wider strategic finance programme to align and improve local accounting and reporting processes. The aim of this programme is to further professionalise the finance function, both for processes and tooling. The Group's accounting policies, directives, standard reporting templates, and periodic training all form part of our control framework.

Financial risks

The Group is exposed to market risk, credit risk and liquidity risk:

- Our interest costs are subject to fluctuations in interest rates. We monitor interest rate evolution regularly. The financial liabilities related to loans and borrowings with variable rates are partially hedged with interest rate swaps paying a fixed rate. Therefore, cash flow volatility resulting from the interest rate fluctuation is limited to the non-hedged part.

- The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities. The exposures are mainly with respect to US dollars (USD) and Pound sterling (GBP). The loans and borrowings of the Group are denominated in Euro (EUR), Pound sterling (GBP) and US dollars (USD). The objective is to match the main cash flows generated by the underlying operations of the Group with the debt which provides an economic hedge. In managing foreign exchange risk, we aim to ensure the availability of these foreign currencies and to reduce the impact of short-term fluctuations on earnings. Over the longer term, however, permanent changes in foreign exchange rates and the availability of foreign currencies, especially in emerging markets, will have an impact on profit.

- We carry significant intangible assets on our balance sheet related to goodwill and intangibles for brand name and client relationships resulting from acquisitions. There is a risk of potential impairment if events arise such as significant underperformance relative to historical or projected future operating results, a significant decline in share price or market capitalisation or negative industry or economic trends. Pursuant to current accounting rules, management performs an impairment test on goodwill on an annual basis and for other intangible assets if impairment indicators are present. Sensitivity analysis to changes in assumptions are also performed. As per 31 December 2017, the recoverable amount for each cash generating unit was higher than its carrying amount.

- Credit risk is the risk that a counterpart will not meet its obligations under a financial instrument or client contract, leading to a financial loss. Client credit risk is managed by each of the Group entities subject to the Group's policy, procedures and control relating to client credit risk management. Outstanding client receivables (including accrued revenues) are monitored and followed up continuously.

- Liquidity risk includes the risk to a shortage of funds and the risk to encounter difficulty in meeting obligations associated with financial liabilities. The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool: global cash flow forecasts each three months covering the next six months periods and 12 months period for the one prepared each December. A cash pool and intercompany financing enables us to provide all Group entities with sufficient liquidity.

In the financial statements, the financial risks are discussed in the notes Financial instruments (see page 152) and Impairment testing for cash-generating units containing goodwill (see page 141).

Statement by the Management Board

Management Board responsibility statement under Dutch Corporate Governance Code

In accordance with best practice 1.4.3 of the Dutch Corporate Governance Code, the Management Board is responsible for establishing and maintaining adequate internal risk management and control systems. Intertrust manages strategic, operational, compliance and finance/reporting risks by applying a global internal risk management and control framework described in the Compliance and Risk Management chapter on page 68 of this Annual Report. During 2017, the design, alignment, monitoring and reporting on key processes and the internal control framework has become a key objective for the Company.

In 2017, various aspects of risk management were discussed by the Executive Committee, including the results of the Annual Risk Self-Assessment (RSA) and the Group and local risk registers. The responsibilities concerning risk management and compliance, as well as the role and responsibilities of our three lines of defense were also discussed with senior management. In addition, the results of the RSA and the design and harmonisation of key processes have been reviewed by the Audit and Risk Committee and the Supervisory Board. These assessments did not highlight any material risk and/or major control deficiency and concluded to an overall improvement of the organisation.

Intertrust prepared the 'In Control Statement' for 2017 in accordance with best practice provision 1.4.3 of the new Dutch Corporate Governance Code. With due consideration to the above and reference to the information described in the Compliance and Risk Management chapter on page 68 of this Annual Report, the Management Board believes that (i) its internal risk management and control systems provide reasonable assurance that the financial reporting does not contain any material inaccuracies; and (ii) that sufficient insights are provided into any failings in the effectiveness of the internal risk management and control systems.

The Management Board confirms that based on the current state of affairs and to the best of its knowledge, it is justified that the financial reporting is prepared on a going concern basis and that the Annual Report states those material risks and uncertainties that are relevant to the expectation of the Company's continuity for the period of twelve months after the preparation of the report.
However, the Company cannot provide certainty that its business and financial strategic objectives will be realized or that its approach to internal control over financial reporting can prevent or detect all misstatements, errors, fraud or violation of law or regulations. Financial reporting over 2017 was based upon the best operational information available throughout the year and the Company makes a conscious effort at all times to weigh the potential impact of risk and the cost of control in a balanced manner.

Conformity Statement

With reference to section 5.25c paragraph 2, sub c of the Financial Markets Supervision Act (*Wet op het financieel toezicht*), the Management Board states that, to the best of its knowledge:

- The annual financial statements for 2017 give a true and fair view of the assets, liabilities, financial position and profit or loss of Intertrust Group and its subsidiaries;
- The Annual Report gives a true and fair view of the position as per 31 December 2017 and that Intertrust's development during 2017 and that of its affiliated companies is included in the annual financial statements, together with a description of the principal risks facing Intertrust Group.

Amsterdam, 22 February 2018

Stephanie Miller, Chief Executive Officer
Henk Pieter van Asselt, Chief Commercial Officer

Report from the Supervisory Board

The Supervisory Board of Intertrust N.V. (Intertrust or the Company) is proud to present its report for 2017 – a year of transition in which the foundations for Intertrust's roadmap to long-term value creation and sustainable growth were further solidified.

In 2017, Intertrust experienced major changes in the composition of its Management Board with the arrival and departure of its CFO as well as the appointment of a CCO, added to reflect the Company's commercial interests. With the CEO's announcement not to seek a new term after the 2018 Annual General Meeting and the subsequent announcement of the new CEO to take his place, Intertrust demonstrated agility on its journey to a future based on confidence.

2017 was also the year we had to say goodbye to two valued members of the Supervisory Board who had been in their roles since our IPO and whose knowledge and expertise will be greatly missed. We are pleased with the three new Supervisory Board members who joined us.

With the changes in Management Board and Supervisory Board composition, Intertrust has established solid and diverse leadership and supervision while enhancing critical and creative thinking at its highest echelons.

In addition, 2017 was the year in which lengthy discussions were held between the Supervisory Board and the Management Board on the implementation of its renewed business processes, procedures and control framework aimed at creating a solid foundation for further growth of the Company. Throughout the entire year, the Supervisory Board and the Management Board also spent considerable time on the implementation of the principles and best practice provisions of the new Dutch Corporate Governance Code (the Code, refer to Corporate Governance (see page 88)), setting the tone for the years to come.

Composition, diversity and independence of the Supervisory Board

Intertrust has had a two-tier corporate structure under Dutch law since 21 August 2015. The Supervisory Board is a separate corporate body fully independent from the Management Board. It is responsible for supervising the policies of the Management Board and the general course of affairs of the Company and its subsidiaries.

The composition of the Supervisory Board is such that members act independently and critically towards each other, the Management Board and any one particular interest. Each of its members has a background, knowledge and expertise that augments the effectiveness of the Supervisory Board and enables it to fulfil its duties in the best interests of Intertrust.

The members of the Supervisory Board as of 31 December 2017 are listed in the table below. For individual biographies, please refer to the section Supervisory Board (see page 91) in the Corporate Governance chapter of this Annual Report.

The current composition of the Supervisory Board is such that it complies with the gender criteria prescribed by article 2:166 of the Dutch Civil Code. When a vacancy arises within the Supervisory Board, gender is an aspect that is taken into consideration during the search for a suitable candidate. Intertrust believes that diversity, both in terms of gender and background, is critical to its ability to be open to different ways of thinking and acting, eventually enhancing its long-term sustainability.

Currently, two out of six Supervisory Board members, Lionel Assant and Paul Willing, are not considered independent within the meaning of the Code. Lionel Assant is not considered independent as he is affiliated with Blackstone, Intertrust's major shareholder. As former CEO of Elian, Paul Willing is also not considered independent under the Code.

On 10 May 2017, Blackstone placed 10 million of its Intertrust shares with institutional investors via an accelerated book build, thereby increasing Intertrust's free float and decreasing Blackstone's shareholding from 34.26% to 23.39%. Pursuant to the Relationship Agreement, this reduction in shareholding below the threshold percentage of 25% implied that the Company was entitled to request that one of the Blackstone Supervisory Board members resigns – which the Company has done. As a result, Gerry Murphy resigned as member of the Supervisory Board as of 17 October 2017 and Lionel Assant remains on the Supervisory Board as the sole member nominated by Blackstone. The right of Blackstone to nominate and propose a replacement for its sole remaining Supervisory Board member will lapse if the shareholding of Blackstone falls below the 10% threshold percentage mentioned in the Relationship Agreement.

At the Annual General Meeting held on 16 May 2017, Toine van Laack was appointed, replacing Bert Groenewegen as member of the Supervisory Board and Chairperson of the Audit and Risk Committee. At the Extraordinary General Meeting held on 17 October 2017, two additional non-Dutch members were appointed to the Supervisory Board, Paul Willing and Charlotte Lambkin.

Name	Date of Birth	Gender	Nationality	Principal position	Year appointed	Year of possible re-appointment	Other non-executive positions
Hélène Vletter-van Dort	15 October 1964	Female	Dutch	Professor of Financial Law & Governance at Erasmus School of Law, University of Rotterdam	2015	2019	2
Lionel Assant	22 May 1972	Male	French	Senior Managing Director and European Head of Private Equity for the Blackstone Group	2015	2018	5
Toine van Laack	4 April 1963	Male	Dutch	Non-executive director	2017	2021	2
Anthony Ruys	20 July 1947	Male	Dutch	Non-executive director	2015	2019	2
Charlotte Lambkin	1 February 1972	Female	British	Non-executive director	2017	2021	0
Paul Willing	17 December 1965	Male	British	Non-executive director	2017	2021	3

Hélène Vletter-van Dort

Chairperson and independent Supervisory Board member

Member of the:

- Audit and Risk Committee
- Remuneration, Selection and Appointment Committee

Lionel Assant

Vice-Chairperson and Supervisory Board member representing major shareholder Blackstone

Member of the:

- Audit and Risk Committee

Toine van Laack

Independent Supervisory Board member

Chairperson of the:

- Audit and Risk Committee

Appointed per 16 May 2017

Anthony Ruys
Independent Supervisory Board member

Chairperson of the:
- Remuneration, Selection and Appointment Committee

Charlotte Lambkin
Independent Supervisory Board member

Member of the:
- Remuneration, Selection and Appointment Committee

Appointed per 17 October 2017

Paul Willing
Supervisory Board member
Former CEO of Elian – not considered independent under the Dutch Corporate Governance Code

Appointed per 17 October 2017

Activities and meetings of the Supervisory Board in 2017

During the year, the Supervisory Board had access to all necessary and relevant information and Company personnel to effectively carry out its fiduciary duties in a timely fashion.

The Supervisory Board met seven times in person during 2017 and twice by conference call. The in-person meetings had an attendance rate of 96%. All members dialled in for the meetings held by phone. The members of the Management Board attended all Supervisory Board meetings and some meetings were attended by one or more members of the Executive Committee as well. One meeting was attended by the external auditor to discuss the 2016 annual report and accounts. Most Supervisory Board meetings were preceded by a closed session of the Supervisory Board.

Recurring topics at these Board meetings included:

- CEO and CFO reports
- Monthly results
- Risk Reports
- Legal updates
- IT updates
- Mergers & Acquisitions
- HR related matters and succession planning
- Staff turnover
- Committee reports (where applicable)

Additional topics that were discussed in more depth in 2017 included:

- Succession planning Management Board
- Succession planning Supervisory Board
- New Dutch Corporate Governance Code implementation
- Amendment Remuneration Policy
- Intertrust share plan award and grants
- Share repurchase programme
- Interim dividend distribution
- Annual results 2016 and related reports and press releases
- External audit opinion and audit report 2016
- Nomination for reappointment external auditor
- Engagement external auditor
- Approval audit plan 2017
- Quarterly results 2017 and related reports and press releases
- Press release preliminary Q2 2017 results
- Budget 2018
- Financial plan 2018-2020
- Capital structure
- Tax matters
- Sales and business development strategy
- IT strategy and priorities
- Regulatory environment
- Compliance and risk management
- Internal audit policies and procedures manual
- Internal audit plan 2017

The Supervisory Board also had 'deep dive' sessions into some jurisdictions and service lines, during which they were given detailed information about the relevant Intertrust business operations, and the main risks and opportunities in these markets.

During the year, the Supervisory Board adopted written resolutions to approve, amongst others, the following items:

- Nomination of new CEO and CCO to the Management Board
- Management Agreement new CEO and CCO
- Share repurchase (programme)

In addition to various formal meetings, the Chairperson of the Supervisory Board had frequent contact with the CEO to address a number of topics during the year.

In 2017 the corporate strategy was an ongoing topic during the meetings and specifically during an extensive joint session between the Management Board, Supervisory Board and Executive Committee on 8 June 2017. In August 2017, the Company announced a review of its capital allocation and a suspension of its M&A activities. In November 2017, the Company furthermore announced its intention to start a share repurchase programme which commenced shortly thereafter.

Additionally, the Supervisory Board has continued to participate in a dedicated Permanent Education programme to remain updated on developments relevant for them to perform their supervisory task. In 2017, three Permanent Education sessions were held for the Supervisory Board. The Permanent Education sessions were attended by members of the Executive Committee and key staff as well. In addition, several onboarding sessions were held for the new joining Supervisory Board members. All sessions were presented by external parties.

Meeting attendance of Supervisory Board members per committee

Meeting attendance	Supervisory Board	Audit & Risk Committee	Remuneration, Selection and Appointment Committee	Total
Hélène Vletter-van Dort	9 out of 9	6 out of 6	4 out of 4	19
Lionel Assant	8 out of 9	6 out of 6	*n/a*	14
Toine van Laack	6 out of 6	*2 out of 2*	*n/a*	8
Anthony Ruys	8 out of 9	*n/a*	*3 out of 4*	11
Charlotte Lambkin	2 out of 2	*n/a*	1 out of 1	3
Paul Willing	1 out of 2	*n/a*	*n/a*	1
Total	9	6	4	19

Activities of the committees of the Supervisory Board

There are two committees that support the Supervisory Board: the Audit and Risk Committee, and the Remuneration, Selection and Appointment Committee. The Committees prepare the relevant items and the Chairperson of the Committee verbally reports on the discussions of each Committee and the recommendations to the Supervisory Board.

The charter of the Audit and Risk Committee was updated on 10 November 2017 and the charter of the Remuneration, Selection and Appointment Committee was updated on 5 October 2017 to comply with the new provisions under the Code. Both charters are published on the Company's website.

Audit and Risk Committee

The Audit and Risk Committee consists of three members. As at 31 December 2017, these were Toine van Laack (Chairperson), Lionel Assant and Hélène Vletter-van Dort. The Audit and Risk Committee assists the Supervisory Board in fulfilling its oversight responsibilities with regard to, amongst others: the integrity and quality of the Company's financial statements; the financial reporting process; the effectiveness of the Company's internal risk management and control systems; the internal and external audit process and the Company's process for monitoring compliance with applicable laws and regulations, the Code and the Company's Code of Conduct.

The Audit and Risk Committee met six times in 2017. The meetings were attended by all members of the Committee. In addition, most meetings were attended by the CFO, the External Auditor, the Group Head Compliance and Risk Management and the Group Head Internal Audit.

In addition, the Chairperson of the Audit and Risk Committee had several individual meetings with the CFO, with the Group Head Internal Audit and the Group Head Compliance and Risk Management.

The Audit and Risk Committee meetings included the following items and topics:

- Annual accounts and annual report 2016
- External audit opinion and audit report 2016
- Audit plan by the external auditor and the related audit fees
- Advice to the Supervisory Board regarding nomination for reappointment external auditor
- Proposal to the Supervisory Board regarding external auditor's engagement
- Approval audit plan 2017
- Report to the Supervisory Board on the functioning of the external auditor
- Quarterly and half-year results, financial statements and related press releases
- Review half-year results by external auditor
- Internal audit reports 2017
- Assessment Internal audit function 2017
- Internal audit plan 2018
- Internal Control Over Financial Reporting (ICFR)
- In Control Statement
- Compliance and Risk Management, Risk Self-Assessment and Fraud Risk Management Framework
- General Data Protection Regulation (GDPR)
- Internal control framework
- IT security roadmap
- New Dutch Corporate Governance Code
- Charter of the Audit and Risk Committee

One of the focus points of the Audit and Risk Committee for 2018 is to supervise the implementation and further strengthening of the internal control framework, including key control activities and key control reporting processes with respect to all aspects of the organisation. In addition, the Audit and Risk Committee will continue to focus on the Fraud Risk Management Framework and GDPR compliance.

Remuneration, Selection and Appointment Committee

The Remuneration, Selection and Appointment Committee consists of three members. As at 31 December 2017, these were: Anthony Ruys (Chairperson), Charlotte Lambkin and Hélène Vletter-van Dort. The Remuneration, Selection and Appointment Committee advises the Supervisory Board on the remuneration of the individual members of the Management Board and monitors the Remuneration Policy. Its responsibilities include, amongst others, setting Remuneration Policy and compensation standards; preparing proposals concerning the individual remuneration of the members of the Management Board; monitoring incentive and equity-based compensation plans. Furthermore, the Remuneration, Selection and Appointment Committee is responsible for the selection and appointment procedure of members of the Management Board and of the Supervisory Board. It meets at least two times a year.

The Remuneration, Selection and Appointment Committee had three official meetings in 2017. In addition, two preparatory meetings were held during the year. The official meetings were attended by 89% of the Remuneration, Selection and Appointment Committee members; the Chairperson was unable to attend one meeting. The following items and topics were on the agenda of the Remuneration, Selection and Appointment Committee meetings:

- Amendment Remuneration Policy
- Performance management framework
- Remuneration package new CEO
- Performance evaluation of the members of the Management Board
- Compensation package of the members of the Management Board
- Target setting members of the Management Board and Executive Committee
- LTIP allocation
- ESOP SFM Spain
- STI senior management (including members of the Management Board and Executive Committee)
- Succession issues and succession planning
- Remuneration chapter annual report
- Charter of the Remuneration, Selection and Appointment Committee
- New Dutch Corporate Governance Code

The Remuneration, Selection and Appointment Committee ensures that the remuneration of the members of the Management Board is consistent with the Remuneration Policy, with the discretion to deviate where this is required necessary to ensure the aforementioned principles are met. Please refer to the chapter Remuneration (see page 82) for more information on the Remuneration Policy.

The Remuneration, Selection and Appointment Committee assessed the Remuneration Policy in 2017 with the help of an external advisor and recommended the Supervisory Board to submit the amended proposal to the Annual General Meeting on 16 May 2017. The Annual General Meeting subsequently approved the proposed amendments.

In the second half of 2017, the Remuneration, Selection and Appointment Committee was deeply involved in the recruitment process of a new CEO and CFO. The Remuneration, Selection and Appointment Committee members had multiple calls and interviews with selected candidates and prepared the proposal on the remuneration package, for approval by the Supervisory Board.

Self-assessment

The Supervisory Board performed an assessment in 2017 of its own functioning, the functioning of its Chairperson and that of its two committees by making use of an extensive questionnaire. An executive summary with the outcome of the assessment and suggested changes for 2018 was shared with the members.

The Supervisory Board concluded that most of the topics discussed in 2017 were assessed positively, but that there is room for improvement on certain topics which will be addressed in 2018. The items identified will be reflected in the PE sessions for the Supervisory Board in 2018 and will be included in the agenda topics for the year.

Additionally, the Management Board conducted the evaluation of its own functioning by completing a questionnaire. The outcome of this self-evaluation and the steps to be taken in 2018 were discussed among the members of the Management Board.

Remuneration

The Remuneration Policy was originally adopted in September 2015 and an amended policy was approved at the Annual General Meeting of 16 May 2017. Any subsequent amendments to it as applicable to the Management Board are subject to adoption by shareholders at a General Meeting.

This Remuneration report is issued by the Supervisory Board upon recommendation by the Remuneration, Selection and Appointment Committee. The Remuneration, Selection and Appointment Committee reports an overview of the Remuneration Policy, the remuneration structure, the application of the Remuneration Policy and the components of the remuneration of the Management Board. In addition, the Remuneration, Selection and Appointment Committee is informed about the remuneration of the direct reports to the Management Board, including the short-term and long-term incentive arrangements applicable thereto.

Remuneration principles

The Management Board is responsible for executing the Company's strategic plan. The Remuneration, Selection and Appointment Committee ensures that the performance metrics used in the Company's variable remuneration incentive plans hold the members of the Management Board accountable for the successful delivery of this plan. Therefore, it is the Remuneration, Selection and Appointment Committee's view that variable compensation component should be directly linked to the Company's strategic objectives and key performance indicators, i.e. a combination of financial and non-financial performance measures and individual performance objectives.

The Remuneration Policy is designed based on the following remuneration principles:

1. The Remuneration Policy should enable the Company to attract, motivate and retain qualified employees (including members of the Management Board and other senior management);
2. The Remuneration Policy should provide for a balanced remuneration package that is focused on achieving sustainable financial results, is aligned with the long-term strategy of the Company and shall foster alignment of interests of management with shareholders;
3. Remuneration structure and performance metrics should be generally consistent for the Management Board and senior managers to build a cohesive culture, facilitate international rotation of management, encourage teamwork and establish a common approach to drive Company success;
4. The Remuneration Policy should be simple, clear and transparent.

The Remuneration, Selection and Appointment Committee ensures that the remuneration of the members of the Management Board is consistent with this Remuneration Policy, with the discretion to deviate where this is necessary to ensure the aforementioned principles are met.

Management Board remuneration policy and 2017 results

Name	Date of Birth	Gender	Nationality	Position	Member Since	Term Until
David de Buck	16 January 1967	Male	Dutch	Chief Executive Officer	8 September 2014	*Resigned per 8 February 2018*
Ernesto Traulsen	21 November 1961	Male	German	Chief Financial Officer	8 September 2014	*Resigned per 16 January 2017*
Maarten de Vries	17 January 1962	Male	Dutch	Chief Financial Officer	16 January 2017	*Resigned per 31 December 2017*
Henk Pieter van Asselt	24 May 1970	Male	Dutch	Chief Commercial Officer	9 November 2017	2021

Effective 16 January 2017, Maarten de Vries replaced Ernesto Traulsen as Intertrust's CFO. The remuneration for Maarten de Vries was approved by the shareholders of the Company on 12 January 2017. Ernesto Traulsen was with Intertrust up to 31 March 2017 in an advisory role.

Effective 9 November 2017, Henk Pieter van Asselt has joined the Management Board. The remuneration for Henk Pieter van Asselt was approved by the shareholders of the Company on 17 October 2017. Details of his remuneration can be found in the agenda of the Extraordinary General Meeting (EGM) of 17 October 2017.

The remuneration structure for members of the Management Board is designed to balance short-term operational performance with the long-term objectives of the Company and value creation for its shareholders. The remuneration package consists of:

- Annual base salary
- Short-term incentive
- Long-term incentive

Annual base salary

The base salary represents a fixed cash compensation that is set based on the level of responsibility and performance of each executive. The base salary of the members of the Management Board is based on a benchmark, as performed by the external advisor PwC, with 16 relevant peers in the AMX index comparable with Intertrust in terms of level of business complexity and scope.

Variable income

The variable income policy comprises the following instruments, which help to strengthen the Management Board's commitment to the Company's objectives and business strategies:

- Short-term incentive (STI) in cash;
- Long-term incentive (LTI) awards of conditional shares, subject to achieving predetermined performance targets and continued employment; and
- Executive Ownership Plan (EOP) being a long-term investment arrangement to encourage the long-term commitment and retention of senior management.

The Supervisory Board will decide upon each award of variable compensation, taking into account both financial and non-financial performance for each individual member of the Management Board. The award is subject to financial performance criteria based on the Company's strategic objectives and key performance indicators and his or her specific responsibilities to determine their relative weighting.

For 2017, the Supervisory Board has set specific criteria for the Management Board that reflect the relevant performance indicators of Intertrust Group as a listed company.

The Supervisory Board analyses possible outcomes of the variable income components and the effect on Management Board remuneration. This analysis is conducted annually.

Short-term incentive (STI)

The STI is an annual cash bonus. The objective of the STI is to ensure that management is focused on realising pre-established short-term objectives that are aligned to the Company strategy and appropriately reflect both quantitative and qualitative criteria. The target and maximum bonus opportunity, and the targets pertaining to these are for the Management Board to set annually at the discretion of the Remuneration, Selection and Appointment Committee, in accordance with the Remuneration Policy.

Management Board	STI award as % of base salary
CEO	30% - 100%
Other members	30% - 100%

The short-term incentive for 2017 was based on the following criteria:

70% financial targets

- Revenue growth
- EBITA growth
- Cash conversion

30% non-financial targets

- Strategic
- Compliance / Risk
- People

The cash bonus for 2017 was approved by the Supervisory Board of the Company on 7 February 2018. The resulting STI pay-out for 2017 amounted to EUR 250,000 for the former CEO, David de Buck, and EUR 36,500 for Henk Pieter van Asselt, the CCO, during his time in the Management Board.

Long-term incentive (LTI)

The LTI intends to drive long-term performance of key employees, support retention and to further strengthen the alignment with shareholders' interest. An LTI award consists of an award of conditional performance shares that become unconditional at the end of a three-year performance period. It is subject to achieving predetermined targets based on adjusted Earnings per Share (EPS) growth and to continued employment. The number of conditional performance shares that vest after three years may vary between 0% and 150% of the number of conditionally awarded shares, where the shares will vest for 100% upon attainment of an average annual growth of 9% of the adjusted EPS of the Company during the three-year performance period.

	Adjusted EPS Growth	Vesting
Threshold	< 6.00%	0.00%
At target	9.00%	100.00%
Maximum	≥ 12.00%	150.00%

The vesting percentage is allocated linearly between the threshold, at target and maximum levels, based on the principles set out in the Remuneration Policy and will be a number between 0% and 150% of the number of performance shares awarded, as set out above.

Shares acquired at the end of the performance period by members of the Management Board are required to be held for a further period of two years in accordance with the best-practice provisions of the Dutch Corporate Governance Code, except for the LTIP shares that can be sold to cover income taxes due. LTI awards to members of the Management Board

Management Board LTIP awards outstanding and movements during the financial year

	2017 LTIP awards and movements						
	Award date	Outstanding as at 1 Jan 2017	Granted in 2017	Movements in 2017[1]	Outstanding as at 31 Dec 2017	Fair value per share at grant date (EUR)	Vesting date[2]
David de Buck							
LTIP shares	1 Apr 2017	-	4,000	-	4,000	16.03	1 Apr 2020[3]
LTIP shares	1 Apr 2016	4,925	-	-	4,925	17.95	1 Apr 2019[3]
Ernesto Traulsen							
LTIP shares	1 Apr 2016	4,925	-	(4,925)	-	17.95	
Maarten de Vries							
LTIP shares	1 Apr 2017	-	14,352	(14,352)	-	16.03	
Henk Pieter van Asselt							
LTIP shares	1 Apr 2017	-	-	4,000	4,000	16.03	1 Apr 2020
LTIP shares	1 Apr 2016	-	-	4,925	4,925	17.95	1 Apr 2019

1 The movements are caused by the following changes to the Management Board during the year: Ernesto Traulsen resigned per 16 January 2017; Maarten de Vries resigned per 31 December 2017; Henk Pieter van Asselt joined effective 9 November 2017.

2 Following the vesting date, the LTIP shares granted to members of the Management Board are subject to an additional two-year lock up period, except for the LTIP shares that can be sold to cover income taxes due.

3 Vesting of LTIP shares for David de Buck will remain as per the original vesting dates of the respective grants.

Management Board Long-term incentive (LTIP & EOP) costs

	2017 Long-term incentive costs		
(EUR 000)	LTIP	EOP	Total[1]
David de Buck	82	323	405
Henk Pieter van Asselt	7	17	24
	89	340	429

1 Long-term incentive represents the expense recognised during the year in accordance with IFRS 2, Share-based Payment, related to the EOP and LTIP awards.

are made at the discretion of the Supervisory Board in accordance with this Remuneration Policy.

Management Board	LTI award as % of base salary
CEO	50% - 75%
Other members	50% - 75%

The LTIP awards of 2017 for the members of the Management Board were set by the Supervisory Board of the Company on 31 March 2017.

The former CEO, David de Buck, was awarded 4,000 shares, the CCO, Henk Pieter van Asselt, was awarded 4,000 shares and the former CFO, Maarten de Vries, was awarded 14,352 shares.

Executive Ownership Plan (EOP)

The EOP consists of a one-off investment arrangement that intends to encourage the long-term commitment and retention of senior management, including the members of the Management Board. On the IPO Settlement Date, EOP participants invested in and acquired ordinary shares (the EOP shares) in the Company. The EOP shares are subject to a lock up of 36 months after Settlement Date following the completion of the IPO on 19 October 2015. In consideration of such lock up, participants have been granted a 14% discount on the purchase price per EOP share, reflected in the allocation of an increased number of EOP shares to the participant. Participants are awarded the conditional right to receive, for no consideration, one additional matching EOP share (Matching EOP share) for every three EOP shares acquired on the Settlement Date. The conditional right to the Matching EOP shares will be transferred on the third anniversary of the Settlement Date and will after transfer be subject to an additional two-year lock-up period for the members of the Management Board, except for the EOP shares that must be sold to cover income taxes due.

Pension arrangements

The CEO, David de Buck participated in a Defined Contribution Plan with the age-based contribution level ranging from 6.9% to 24.5%. Additionally, he received a pension compensation of EUR 18,570 following pension harmonisation in 2016. The CFO, Ernesto Traulsen, participated in the Swiss pension plan similar to the arrangement applicable to employees based in Switzerland. This plan is a Defined Contribution plan with total contribution level of 21% of which ⅔ is paid by the Company and ⅓ by the participant. Under IFRS, the Swiss pension plan is required to be accounted for as a defined benefit arrangement. Economically, the Swiss pension plan operates as a Defined Contribution plan.

The CFO Maarten de Vries received a pension compensation of EUR 120,265 gross paid out in cash.

The CCO Henk Pieter van Asselt participated in a Defined Contribution Plan with the age-based contribution level ranging from 6.9% to 24.5%. Additionally, during his time in

Management Board EOP awards outstanding and movements during the financial year

	2017 EOP awards and movements					
	Award date	Outstanding as at 1 Jan 2017	Movements in 2017[1]	Outstanding as at 31 Dec 2017	Fair value per share at grant date (EUR)	Vesting date[2]
David de Buck						
EOP - Matching shares	19 Oct 2015	50,013	-	50,013	14.28	1 May 2018
Ernesto Traulsen						
EOP - Matching shares	19 Oct 2015	12,503	(12,503)	-	14.28	
Henk Pieter van Asselt						
EOP - Matching shares	19 Oct 2015	-	25,006	25,006	14.28	19 Oct 2018

1 The movements are caused by the following changes to the Management Board during the year: Ernesto Traulsen resigned per 16 January 2017; Henk Pieter van Asselt joined effective 9 November 2017.

2 Following the vesting date, the EOP shares granted to members of the Management Board are subject to an additional two-year lock up period, except for the EOP shares that can be sold to cover income taxes due.

2017 Management Board Remuneration (in EUR '000)

(EUR 000)	2017 remuneration[1] Base salary	Other benefits[2]	Short-term incentive[3]	Deferred remuneration[4]	Total
David de Buck	350	50	250	420	1,070
Ernesto Traulsen	197	117	-	15	329
Maarten de Vries	481	140	-	-	621
Henk Pieter van Asselt	50	3	37	25	115
	1,078	310	287	460	2,135

1 The above reflects remuneration while in in the Management Board. Refer to the table above for appointment dates.

2 Other benefits include life course compensation, car allowance, relocation or other allowances such as termination benefits when applicable, and pension compensation.

3 Short Term Incentive is an accrual during 2017 but is payable in March 2018.

4 Deferred remuneration includes long-term incentive costs and pension contribution.

the Management Board, he received a pension compensation of EUR 440 in 2017, put in place following pension harmonisation effective from 2016.

Other benefits

Members of the Management Board were eligible for a range of other benefits, such as healthcare insurance, lease car and representation allowances (CFO, Ernesto Traulsen only). As per 31 December 2017, the members of the Management Board have no loans outstanding with Intertrust Group and no guarantees or advanced payments are granted to members of the Management Board. No member of the Management Board is under his contract entitled to be paid a severance payment upon termination of their appointment that exceeds one time their gross annual base pay in the preceding financial year.

The 2017 remuneration accrued by the Company for the former CEO, David de Buck, and former CFOs, Ernesto Traulsen and Maarten de Vries, and CCO Henk Pieter van Asselt amounted to EUR 650,000, EUR 314,000, EUR 621,000 and EUR 90,000 respectively, excluding LTIP and EOP costs.

Comparative 2016 tables relating to the Management Board's LTIP and EOP commitments and movements and their overall Management Board remuneration can be found in note 31.2 on page 159 of the Financial Statements.

Application of the Remuneration Policy in 2018

Effective 22 January 2018, Stephanie Miller replaced David de Buck as Intertrust's new CEO. The remuneration for Stephanie Miller was approved by the shareholders of the Company on 19 January 2018. Details of her remuneration can be found in the agenda of the Extraordinary General Meeting (EGM). The former CEO, David de Buck, has stepped down as CEO, effective 22 January 2018, but will remain with Intertrust up to 17 May 2018.

In order to stimulate long-term value creation, the Supervisory Board will focus on the long term when performing the target setting for 2018 for the Management Board.

Remuneration ratio

The median gross total remuneration, including the variable remuneration, for all Intertrust employees (excluding the ExCo) amounted to EUR 75,117 in 2017.

This amount compared with the actual salary earned by David de Buck in 2017 (including base salary, cash allowances, short term incentive paid over 2017, and long term incentive granted in 2017), amounting to EUR 714,267, equates to a remuneration ratio of 1:9.5.

Remuneration – Supervisory Board

The remuneration of the members of the Supervisory Board consists of fixed annual fees for their role as Supervisory Board members. In addition, the Chairpersons of the Audit and Risk Committee and the Remuneration, Selection and Appointment Committee, respectively, receive a fixed annual fee for these roles. The Blackstone representatives on the Supervisory Board do not received remuneration for their role.

The various board compositions in 2017 are further explained in the Report from the Supervisory Board chapter on page 74 of this Annual Report.

Annual fees per function in the Supervisory Board (in EUR '000 and gross)

Function in Supervisory Board	Fixed annual fee
Chairperson	80
Independent Member	50[1]

1 An additional attendance fee may be applicable depending on the circumstances.

Annual fees per function in committees of the Supervisory Board (in EUR '000 and gross)

Function in committees of Supervisory Board	Fixed annual fee
Audit and Risk Committee	
Chairperson	15
Remuneration, Selection and Appointment Committee	
Chairperson	10

The Company does not grant variable remuneration, shares or options to the members of the Supervisory Board. As per 31 December 2017, the members of the Supervisory Board have no loans outstanding with Intertrust N.V. and no guarantees or advanced payments are granted to members of the Supervisory Board.

Company-related travel and lodging expenses in relation to meetings are paid by Intertrust.

2017 Fees of Supervisory Board members (in EUR '000 and gross)

Name	Role/Committees	Member since/ (until)	Total 2017 fees
Hélène Vletter-van Dort	Chairperson of the Supervisory Board Member of the Remuneration, Selection and Appointment Committee Member of the Audit and Risk Committee	21 August 2015	80
Bert Groenewegen[1]	(Former) Member (Former) Chairperson of the Audit and Risk Committee	*(Resigned per 16 May 2017)*	24
Toine van Laack	Member Chairperson of the Audit and Risk Committee	16 May 2017	40
Anthony Ruys	Member Chairperson of the Remuneration, Selection and Appointment Committee	21 August 2015	60
Charlotte Lambkin	Member Member of the Remuneration, Selection and Appointment Committee	17 October 2017	12
Paul Willing	Member	17 October 2017	10
Total			226

1 Up until 16 May 2017, Bert Groenewegen was Chairman of the Audit and Risk Committee and as of 16 May 2017, Toine van Laack is Chairman of the Audit and Risk Committee.

Corporate Governance

With the implementation of the new Dutch Corporate Governance Code (the Code) in 2017, Intertrust took the opportunity to further strengthen its corporate governance foundation for the future. Intertrust believes that solid corporate governance will facilitate effective, entrepreneurial and prudent management under engaged supervision enhancing long-term value creation and sustainable growth in the interest of all stakeholders. Intertrust attaches great value to compliance with the Code in leading the Company into a confidence-based future.

This chapter contains an overview of Intertrust's governance structure and describes the extent to which it deviates from the Code, and the reasons for such deviations.

General

Intertrust is a public limited liability company *(naamloze vennootschap)* incorporated on 8 September 2014 under the laws of the Netherlands. On 15 October 2015, part of the share capital of the Company was offered to the public and its shares were listed on Euronext Amsterdam in an Initial Public Offering (IPO).

Intertrust's management and supervision are embedded in two corporate bodies by maintaining a two-tier board structure thus enhancing effective corporate governance and independent supervision. In the second half of 2017, the Management Board was extended to three members and the Supervisory Board to six members. In addition, Intertrust has an Executive Committee which has day-to-day management responsibility for Intertrust. The Executive Committee comprises of members of the Management Board and leaders with business area or functional responsibility, allowing both the functions and the business areas to be represented at the highest levels in our organisation.

Each member of the Management Board, Supervisory Board, and Executive Committee has a duty to the Company to properly perform the duties assigned to them and to act in the interest of the Company, extending to the interests of all its stakeholders.

Management Board

Duties

The Management Board is responsible for Intertrust's strategy, policies, objectives and results, under the supervision of the Supervisory Board. The Management Board focuses on long-term value creation for the Company and its affiliated enterprise, and takes into account the interests of all stakeholders (refer to the Strategy chapter on page 22 of this Annual Report). The Rules for the Management Board (Management Board Rules) were revised on 20 December 2017 to comply with the new provisions of the Code. The Management Board Rules describe the duties, tasks, composition, procedures and decision-making of the Management Board, its relationship with the Supervisory Board and with the Executive Committee as well as the individual tasks and responsibilities of each member of the Management Board.

Stephanie Miller (since 7 February 2018)

Stephanie started as Chief Executive Officer (CEO) on 22 January 2018 and became member of the Management Board on 7 February 2018[1]. She has over 17 years international leadership experience in the financial services sector, including executive roles in fund and corporate services businesses at listed companies. Most recently, she was senior vice president and managing director, alternative assets, at SS&C Technologies, a global provider of investment and financial software-enabled services. Stephanie holds a BA in Accounting and Management Information Systems from Queens College, City University of New York, USA.

[1] Approval from shareholders for her appointment was given in the EGM held on 19 January 2018, full regulatory approval was obtained on 7 February 2018.

David de Buck (until 8 February 2018)

David was Chief Executive Officer (CEO) and member of the Management Board until early in 2018, when he was succeeded by Stephanie Miller. He has over 25 years of international experience in the financial services industry, including (global) responsibilities for (structured) commodity finance and trading, project & acquisition finance for the energy and utilities industry. Under his leadership, Fortis gained a global leading position as (project) financier and (tax) investor in renewable energy. Before his appointment as CEO of Fortis Intertrust in 2009, David was CEO of Fortis Lease Group. David holds a BBA from the University of Nyenrode, Breukelen, the Netherlands.

David resigned as member of the Management Board on 8 February 2018 after the appointment of Stephanie became effective. David will be available until the AGM of 17 May 2018 to support a smooth transition.

Henk Pieter van Asselt (since 9 November 2017)

Henk Pieter is the Company's Chief Commercial Officer (CCO) and since 9 November 2017[1] also member of the Management Board. He started his career in 1997 at ABN AMRO Bank, where he held legal, commercial and management positions in the Netherlands, Curaçao and USA. He joined the Company in 2005 and expanded operations in North America before moving to London to re-start the UK and Ireland offices. He was appointed Global Head of Business Development in 2008 and became member of the Executive Committee as Global Head of Sales one year later. Henk Pieter holds a Master's degree in Civil Law from the University of Amsterdam.

[1] Approval from shareholders for his appointment was given in the EGM held on 17 October 2017, full regulatory approval was obtained on 9 November 2017.

Certain resolutions of the Management Board require the approval of the Supervisory Board. These resolutions are outlined in the Articles of Association and in the Management Board Rules, both of which are available on the Company's website: www.intertrustgroup.com/investors.

Appointment, removal and suspension

The General Meeting appoints a member of the Management Board pursuant to and in accordance with a proposal of the Supervisory Board or upon a binding nomination drawn up by the Supervisory Board. A resolution of the General Meeting to appoint a member of the Management Board pursuant to and in accordance with a proposal of the Supervisory Board, can be adopted by an absolute majority of the votes cast irrespective of the capital present or represented at the relevant shareholders' meeting. The General Meeting can overrule a binding nomination of the Supervisory Board by a majority vote of at least two-thirds of the votes cast, provided such a majority represents at least one-third of the issued share capital.

If the General Meeting, with an absolute majority of the votes cast overrules the binding nomination, but this majority does not represent at least one-third of the issued share capital, then a new meeting may be convened in which the nomination can be overruled by an absolute majority of the votes cast irrespective of the capital present or represented at the meeting.

The Articles of Association provide that the General Meeting has the authority to suspend and dismiss a member of the Management Board. A resolution of the General Meeting to suspend or dismiss a member of the Management Board requires an absolute majority of the votes cast if the suspension or dismissal is proposed by the Supervisory Board. However, such resolution requires a majority of at least two-thirds of the votes cast, which majority must represent at least one-third of the issued share capital if the suspension or dismissal has not been proposed by the Supervisory Board. If the shareholders support the suspension or dismissal with an absolute majority of the votes cast, but such majority does not represent at least one-third of the issued capital, a new meeting may be convened at which the resolution may be passed with an absolute majority of the votes cast, irrespective of the part of the capital represented at the meeting.

Composition

The Company's Articles of Association stipulate that the Management Board must consist of two or more members, the number of which is to be determined by the Supervisory Board. As at 31 December 2017, the Management Board was composed of David de Buck and Henk Pieter van Asselt. Maarten de Vries stepped down as CFO and member of the Management Board per 31 December 2017. Hans Turkesteen has been designated as CFO ad interim to replace Maarten de Vries; Hans Turkesteen is a member of the Executive Committee.

In 2017, David de Buck indicated that he does not wish to be re-appointed at the Annual General Meeting in 2018. Subsequently, the Supervisory Board nominated Stephanie Miller to succeed him as CEO and member of the Management Board. David will be available until the Annual General Meeting of 17 May 2018 to support a smooth transition.

The Company aims to have a balanced and diverse composition of its Management Board, which is reviewed in more detail in this chapter under 'Diversity'. At the Extraordinary General Meeting held on 19 January 2018, the shareholders approved the appointment of Stephanie Miller as CEO and member of the Management Board. Her role as CEO came into effect on 22 January 2018, and she joined the Management Board on 7 February 2018 when all regulatory approvals in the Netherlands were obtained.

Remuneration

Information on the remuneration of the members of the Management Board can be found in the Remuneration chapter on page 82 of this Annual Report.

Composition Management Board

Name	Date of birth	Gender	Nationality	Position	Member since	Term - until
Stephanie Miller	28 May 1968	Female	American	Chief Executive Officer	7 February 2018	4 years - 2022
David de Buck	16 January 1967	Male	Dutch	Chief Executive Officer	8 September 2014	*Resigned per 8 February 2018*
Ernesto Traulsen	21 November 1961	Male	German	Chief Financial Officer	8 September 2014	*Resigned per 16 January 2017*
Maarten de Vries	17 January 1962	Male	Dutch	Chief Financial Officer	16 January 2017	*Resigned per 31 December 2017*
Henk Pieter van Asselt	24 May 1970	Male	Dutch	Chief Commercial Officer	9 November 2017	4 years - 2021

Supervisory Board

Duties

The Supervisory Board is charged with the supervision of the policy of the Management Board of the Company and the general affairs of the Company and the business affiliated with it, and for advising the Management Board. In doing so, the Supervisory Board also focusses on the effectiveness of the Company's internal risk management and control systems and the integrity and quality of the financial reporting.

In the performance of their duties, the members of the Supervisory Board are guided by the interests of the Company and the business affiliated with it, taking into consideration the interests of the Company's stakeholders. The Rules for the Supervisory Board (Supervisory Board Rules) were revised on 5 October 2017 to comply with the new provisions under the Code and describe the duties, tasks, composition, procedures, and decision-making of the Supervisory Board as well as its relations with the Management Board, the General Meeting and the Executive Committee. The Supervisory Board Rules are available on the Company's website: https://www.intertrustgroup.com/investors.

Appointment, removal and suspension

The General Meeting appoints a member of the Supervisory Board pursuant to and in accordance with a proposal of the Supervisory Board or upon a binding nomination drawn up by the Supervisory Board.

A resolution of the General Meeting to appoint a member of the Supervisory Board, in accordance with a proposal of the Supervisory Board, can be adopted by an absolute majority of the votes cast, irrespective of the capital present or represented at the relevant shareholders' meeting.

The General Meeting can overrule a binding nomination by the Supervisory Board by a majority vote of at least two-thirds of the votes cast, provided such majority represents at least one-third of the issued share capital. If the General Meeting, with an absolute majority of the votes cast overrules the binding nomination, but this majority does not represent at least one-third of the issued share capital, then a new meeting may be convened in which the nomination can be overruled by an absolute majority of the votes cast irrespective of the capital present or represented at the meeting.

Each member of the Supervisory Board shall be appointed for a maximum period of four years. A member's term of office shall lapse in accordance with the rotation schedule drawn up by the Supervisory Board. The rotation schedule is available on the Company's website: https://www.intertrustgroup.com/investors. A member of the Supervisory Board may be re-appointed once for another four-year period and thereafter be re-appointed again for a period of two years. In the event of a re-appointment after an eight-year period, the report of the Supervisory Board shall state the reasons for that.

The General Meeting has the authority to suspend and dismiss a member of the Supervisory Board. A resolution of the General Meeting to suspend or dismiss a member of the Supervisory Board requires an absolute majority of the votes cast if the suspension or dismissal is proposed by the Supervisory Board. However, such resolution of the General Meeting requires a majority of at least two-thirds of the votes cast, which majority must represent at least one-third of the issued share capital if the suspension or dismissal has not been proposed by the Supervisory Board.

Composition Supervisory Board

Name	Date of birth	Gender	Nationality	Position	Member since	Maximum term – rotation schedule
Hélène Vletter-van Dort	15 October 1964	Female	Dutch	Chairperson of the Supervisory Board	21 August 2015	4 years – 2019
Lionel Assant	22 May 1972	Male	French	Member of the Supervisory Board	21 August 2015	4 years – 2018
Bert Groenewegen	11 February 1964	Male	Dutch	Member of the Supervisory Board	21 August 2015	*Resigned per 16 May 2017*
Toine van Laack	4 April 1963	Male	Dutch	Member of the Supervisory Board	16 May 2017	4 years – 2021
Anthony Ruys	20 July 1947	Male	Dutch	Member of the Supervisory Board	21 August 2015	4 years – 2019
Gerry Murphy	6 November 1955	Male	British/ Irish	Member of the Supervisory Board	21 August 2015	*Resigned per 17 October 2017*
Charlotte Lambkin	1 February 1972	Female	British	Member of the Supervisory Board	17 October 2017	4 years – 2021
Paul Willing	17 December 1965	Male	British	Member of the Supervisory Board	17 October 2017	4 years – 2021

Composition

The Supervisory Board must consist of a minimum of three members and a maximum of seven members, the number of which is to be determined by the Supervisory Board. The profile of the Supervisory Board was revised on 5 October 2017 to comply with the new provisions under the Code and is available on the Company's website: https://www.intertrustgroup.com/investors. The Company aims to have a balanced and diverse composition of its Supervisory Board, which is reviewed in more detail in this chapter under 'Diversity'.

At the start of 2017, the Supervisory Board consisted of five members, two of which were appointed upon nomination of Blackstone in accordance with the Relationship Agreement. These members are therefore deemed not to be independent within the meaning of best practice provision 2.1.8 section vii of the Code. In addition to these two members, the Supervisory Board consisted of three independent members and has appointed one of these independent members as Chairperson. Bert Groenewegen resigned as member of the Supervisory Board and Chairperson of the Audit and Risk Committee per 16 May 2017 and was succeeded by Toine van Laack.

Pursuant to the Relationship Agreement, Blackstone's right to nominate and propose replacements for two Supervisory Board members will lapse in accordance with the following thresholds: (i) if the percentage of shares held by Blackstone falls below 25%, Blackstone will have the right to appoint one Supervisory Board member; and (ii) if the percentage of shares held by Blackstone falls below 10%, Blackstone shall no longer have the right to nominate a Supervisory Board member.

On 10 May 2017, Blackstone placed 10 million of its Intertrust shares with institutional investors via an accelerated book build, thereby increasing Intertrust's free float and decreasing Blackstone's shareholding from 34.26% to 23.39%.

Pursuant to the Relationship Agreement, this reduction in shareholding below the threshold percentage of 25% implied that the Company was entitled to request that one of the Blackstone Supervisory Board members resigns. As a result of the Company's request, Gerry Murphy resigned as member of the Supervisory Board per 17 October 2017 and Lionel Assant remains on the Supervisory Board as the sole member nominated by Blackstone.

At the Extraordinary General Meeting held on 17 October 2017, two additional non-Dutch members were appointed to the Supervisory Board, Paul Willing and Charlotte Lambkin, as a result of which the Supervisory Board now consists of three Dutch and three non-Dutch members. As the former CEO of Elian, the business Intertrust acquired in 2016, Paul Willing is not considered independent within the meaning of best practice provision 2.1.8 section i of the Code. To date, the total number of non-independent members on the Supervisory Board therefore remains two.

As at 31 December 2017, the Supervisory Board was composed of the following six members:

Hélène Vletter-van Dort is a professor of (European) Financial Law & Governance at the Erasmus School of Law of the University of Rotterdam. She is the author of numerous books and articles on Financial Law and Corporate Governance. Her PhD research focused on the equal treatment of shareholders of listed companies when distributing price sensitive information. Hélène started her career in 1988 as an M&A lawyer at Clifford Chance in Amsterdam. Between 2004 and 2008 she served as a judge at the Enterprise Chamber of the Court of Appeal of Amsterdam. Hélène has held non-executive board positions with a variety of financial institutions, including Fortis Bank Netherlands and the Dutch Central Bank. From 2009-2018 she has been a member of the Dutch Monitoring Committee on Corporate Governance, appointed by the Dutch government. In October 2015, she was appointed to the Supervisory Board of NN Group N.V, where she also serves as chair of the Nomination & Governance Committee. Per 1 August 2017, she was appointed as non-executive director in the Board of Barclays International and chair of the Remuneration Committee.

Lionel Assant is a Senior Managing Director and European Head of Private Equity for the Blackstone Group, based in London. Since joining the Blackstone Group in 2003, Lionel has been involved in various European investments and investment opportunities. Before joining the Blackstone Group, Lionel was an Executive Director at Goldman Sachs where he worked for seven years in the Mergers & Acquisitions, Asset Management and Private Equity divisions. He graduated from the Ecole Polytechnique with a Master's degree in Economics. He serves as a Director of Tangerine, Armacell, Rhodia Acetow, Clarion Events and Schenck Process. Lionel served on the boards of Gerresheimer, Kloeckner Pentaplast, Mivisa, United Biscuits and Alliance Automotive Group. He is also a Trustee of Impetus-PEF, a charitable foundation which provides resources to improve the lives of children and young people living in poverty.

Toine van Laack is a Registered Accountant with extensive international experience in the finance and accounting sector. He spent 25 years at Ernst & Young where he held several senior positions, including Senior Audit Partner, Managing Partner for Transaction Advisory Services and Managing Partner Markets. More recently, he was managing director of Janivo Holding B.V., an investment company and family office based in Zeist, The Netherlands. He has also held supervisory positions on various boards including TomTom N.V., LBi N.V. and Nidera Capital B.V. Earlier in his career at Ernst & Young, Toine spent several years working in Asia, including Singapore and Indonesia. He holds an Accounting degree from NIVRA (now NBA) and also completed the Harvard Advanced Management Program. Toine was recently appointed as non-executive director at Vroon Shipping B.V., an international shipping company with headquarters in The Netherlands, and as non-executive chairman of Favorita Holdings Ltd, an investment holding company in Malta.

Anthony Ruys is the former Chairman of the Executive Board of Heineken N.V. He holds a degree in commercial law from the University of Utrecht and a Master's degree from Harvard Business School. He was appointed an Officer of the Order of Orange-Nassau by the Dutch government in 2005. Thony commenced his career at Unilever in 1974. During his tenure at Unilever, he served at various senior positions, including that of Marketing Director and Chairman of various subsidiary companies in the Netherlands, Colombia and Italy. In 1993, he joined Heineken as a member of its Executive Board, became Vice Chairman in 1996 and Chairman in 2002 and remained in that position until 2005. Thony has served as a Non-Executive Chairman of the Board of the Schiphol Group until April 2015, and he has served as a non-executive board member of ABN AMRO N.V., BAT plc (UK), ITC plc (India), Lottomatica Spa (Italy) and Janivo Holding B.V. Currently, Thony holds a non-executive position at Stichting Beelden aan Zee. In January 2017, Thony was appointed as member of the Board of Directors of HunterDouglas Group.

Charlotte Lambkin is an experienced corporate affairs and communications professional with extensive experience serving in strategic communications positions within large listed companies. Most recently, she served as Executive Committee member and Corporate Relations Director at Diageo, the UK headquartered FTSE 10 listed global alcoholic beverages company. Prior to that, she spent 10 years at BAE Systems, a UK-headquartered FTSE 30 listed defence, aerospace and security solutions company, as Executive Committee member and Group Communications Director. Charlotte started her career in a communications consultancy, advising boards of large multi-nationals. She is a graduate in History from Bristol University.

Paul Willing is the former CEO of Elian, having held that position from 2009 until the acquisition of Elian by Intertrust in 2016. After joining Intertrust as a result of that acquisition, he became Managing Director Atlantic Region for the combined organisation, until he stepped down from his executive responsibilities in July 2017. He has over 25 years of financial services experience, with an extensive career at PwC in both Jersey and Geneva. He is a graduate of the University of London and qualified as a chartered accountant in 1991. Paul is resident in Jersey and holds several non-executive Director positions at fund groups there.

Remuneration

Information on the remuneration of the members of the Supervisory Board can be found in the Remuneration chapter on page 82 of this Annual Report.

Committees of the Supervisory Board

General

The Supervisory Board has established two committees from among its members: the Audit and Risk Committee and the Remuneration, Selection and Appointment Committee. The function of these committees is to assist the Supervisory Board in its decision making. The organisation, duties and working methods of the committees of the Supervisory Board are detailed within the committee charters that are available on the Company's website: https://www.intertrustgroup.com/investors. The charter of the Audit and Risk Committee was updated on 10 November 2017 and the charter of the Remuneration, Selection and Appointment Committee was updated on 5 October 2017 to comply with the new provisions of the Code.

Audit and Risk Committee

The Audit and Risk Committee assists the Supervisory Board in fulfilling its oversight responsibilities with regard to, amongst others, the integrity and quality of the Company's financial statements, the financial reporting process, the effectiveness of the Company's internal risk management and control systems, the internal and external audit process, as well as the Company's process for monitoring compliance with applicable laws and regulations, the Code and the Company's Code of Conduct.

The Audit and Risk Committee consists of three members. As at 31 December 2017, these were: Toine van Laack (Chairperson), Lionel Assant and Hélène Vletter-van Dort. Further details on the Audit and Risk Committee are given in the Report from the Supervisory Board on page 79 of this Annual Report.

Remuneration, Selection and Appointment Committee

The Remuneration, Selection and Appointment Committee advises the Supervisory Board on the remuneration of the individual members of the Management Board and monitors the remuneration policy. Its responsibilities include, amongst others, setting Remuneration Policy and compensation standards, preparing proposals concerning the individual remuneration of the members of the Management Board, monitoring incentive and equity-based compensation plans. Furthermore, the Remuneration, Selection and Appointment Committee is responsible for the selection and appointment procedure of members of the Management Board and of the Supervisory Board. It meets at least two times a year.

The Remuneration, Selection and Appointment Committee consists of three members. As at 31 December 2017, these were: Anthony Ruys (Chairperson), Charlotte Lambkin and Hélène Vletter-van Dort. Further details on the Remuneration, Selection and Appointment Committee are given in the Report from the Supervisory Board on page 79 of this Annual Report.

Diversity

Diversity is taken seriously in connection with the appointment, or nomination for the appointment, of members of the Management Board and drafting the criteria for the size and composition of the Supervisory Board, as well as the designation, appointment, recommendation and nomination for appointment of members of the Supervisory Board. Intertrust strives for a diverse and balanced composition of both the Management Board and the Supervisory Board in terms of gender, nationality, age, education, experience and expertise.

Pursuant to Article 2:166 of the Dutch Civil Code, large public companies must strive for a balanced distribution of seats on their boards between men and women. Such balanced distribution entails that at least 30% of the seats on the Management Board and the Supervisory Board are held by women and at least 30% by men. During 2017, the Company has not been successful in its effort to distribute the seats on the Management Board in accordance with the above requirement. With the appointment of Stephanie Miller as CEO and member of the Management Board early 2018, the Management Board reached a balanced composition as referred to above.

With the appointment by the shareholders of Charlotte Lambkin to the Supervisory Board of the Company on 17 October 2017, the Company reached its goal to have at least 30% of its Supervisory Board seats held by female members.

Executive Committee

To create a well-balanced division of functional and jurisdictional responsibilities, Intertrust has opted for the installation of an Executive Committee. The Executive Committee is entrusted with the day-to-day management of the Company in particular with respect to setting, implementing and achieving the Group's strategic, operational and financial objectives. The Executive Committee is furthermore actively involved in all important topics related to, amongst others, integration, innovation, culture, leadership and CSR. In the performance of its responsibilities the Executive Committee shall act in accordance with the interests of the Intertrust Group and the business affiliated with it and takes into account the stakeholder interests that are relevant in this context.

On 20 December 2017, the Management Board adopted the Rules for the Executive Committee (Executive Committee Rules) including, amongst others, the role, duty and composition of the Executive Committee as well as how the contacts between the Supervisory Board and the Executive Committee have been given shape. Members of the Executive Committee will attend meetings of the Supervisory Board if so requested by the Supervisory Board and shall provide the Supervisory Board with such information to properly perform its duties, through the Management Board. The Executive Committee Rules are available on the Company's website.

Members of the Executive Committee, not being the members of the Management Board, are appointed, suspended and dismissed by the CEO, after consultation with the Supervisory Board. The Executive Committee consists of (i) the members of the Management Board, (ii) the chief human resource officer, (iii) the managing directors of Intertrust Cayman, Intertrust Netherlands, Intertrust Luxembourg and Intertrust Jersey, and (iv) such other members as appointed by the CEO from time to time.

A number of changes in the membership of the Executive Committee took place during the year.

On 21 July 2017, Paul Willing resigned from Intertrust and as member of the Executive Committee. Paul Willing was appointed as member of the Supervisory Board of the Company on 17 October 2017. Simon Mackenzie, Managing Director Intertrust Jersey, replaced Paul as member of the Executive Committee.

On 1 August 2017, Madelein Smit resigned as member of the Executive Committee.

On 9 November 2017, Hans Turkesteen was appointed to the Executive Committee as interim CFO succeeding Maarten de Vries.

Per 31 December 2017, Dick Niezing, Managing Director Intertrust Netherlands, resigned from Intertrust. Dick was succeeded by Sara Douwes per 1 January 2018; Sara also joined the Executive Committee.

Daniel Jaffe, Managing Director of Rest of the World, was appointed to the Executive Committee to represent the other offices across Europe, Asia and Middle-East, effective 1 January 2018.

As at 1 January 2018, the Executive Committee consisted of the Management Board members and the following seven additional members:

Hans Turkesteen

Hans is interim CFO and member of the Executive Committee. Hans is a registered accountant and senior finance professional with over 25 years' experience in the professional services industry including roles at Arthur Andersen and Deloitte. More recently he served as CFO and member of the Management Board at listed Royal Imtech N.V. and before that at private equity-owned Stork.

Johan Dejans

Johan is Chief Human Resources Officer (CHRO) since 2016 and was previously Managing Director of Intertrust Luxembourg. He joined ATC (Luxembourg) in 2006. Before that, he worked as a tax lawyer in Belgium before moving to Luxembourg in 1994 to become the Managing Director of BBL Trust, later ING Trust, a position he held for twelve years. He holds degrees in Law and European Law from the University of Leuven and the University of Brussels respectively, and subsequently specialised in EU and International Tax Law at ICHEC, Brussels. Additionally, Johan finished a Harvard Business School Leadership programme.

Frank Welman

Frank is the Managing Director of Intertrust Luxembourg and member of the Executive Committee, having re-joined Intertrust in 2015. Previously, Frank held various management positions within the trust, corporate and fund services industry. From 2005 to 2015, he held senior roles at TMF, including Head of Benelux, Global Head of International Structuring, Managing Director of the Luxembourg office and member of the Executive Committee of TMF Group. Prior to that, Frank was responsible for a number of MeesPierson Trust subsidiaries. Frank holds a Master's degree in Dutch tax law from the University of Leiden, The Netherlands.

Colin MacKay

Colin is the Managing Director of Intertrust Cayman, having joined Intertrust in 2016 following the acquisition of the Elian Group. Colin was previously a Group Director of Elian with global responsibility for Elian's Fund Services division. In 2003 he joined Elian's predecessor business, the Ogier Group, becoming a partner in 2006 and subsequently a director of the trust, corporate and fund administration business in 2007. Prior to joining Ogier, Colin worked at a number of law firms in the UK and Cayman, where he has lived since relocating in 1999. Colin holds a Bachelor of Laws degree with Honours from the University of Glasgow. Per 1 January 2018, Colin became regional director, Caribbean, responsible for Bahamas, BVI, Cayman and Curaçao.

Simon Mackenzie

Simon is Managing Director of Intertrust Jersey and member of the Executive Committee. Until Elian was acquired by Intertrust in 2016, Simon was Group Director and global Head of Corporate Services with global responsibility for the growth and development of Elian's corporate services businesses in Jersey, Guernsey, Luxembourg, London, BVI, Cayman and Hong Kong. He was previously a Partner in the Ogier Group. Simon has significant fund administration experience including board positions on mezzanine, private equity and real estate fund managers / GPs, as well as extensive experience acting as a director in various sectors. Simon graduated in 1992 from Dundee University as a Bachelor of Law (LLB). He is a member of the Society of Trust and Estate Practitioners (STEP) and holds the STEP Diploma in International Trust Management with distinction (2002). He is also a member of the Institute of Directors.

Daniel Jaffe (since 1 January 2018)

Daniel is Managing Director Rest of the World, and joined Intertrust's Executive Committee per 1 January 2018. Previously, Daniel worked in London as Relationship Banker for a major European Bank, ultimately also spending time in the USA as Vice President for their West Coast operations specialising in Infrastructure, Retail and Service clients. In 2009 he joined Intertrust UK as Commercial Director and became Managing Director in 2012, after which he moved to Singapore in 2015 to become as Managing Director there. In 2017 he returned to the UK to take on his current role. Daniel's knowledge and experience during his career entails working with Corporates, Private Equity, Venture Capital, Pension Funds and Private Clients. During his time in both San Francisco and London Daniel has specialised in European & Transatlantic M&A as well as structuring and corporate planning.

Sara Douwes (since 1 January 2018)

Sara succeeded Dick Niezing as Managing Director Intertrust Netherlands and member of the Executive Committee in January 2018. Sara has a strong track record in the trust, corporate and fund services industry. Before joining Intertrust, Sara headed the Netherlands office of Link Group, formerly known as Capita Asset Services, where she was responsible for Capita's corporate services in continental Europe since 2015, managing various integration and transformational programs. Earlier in her career, Sara held various prominent positions at SGG Group, ING Trust, ING Investment Management and Orangefield. Sara holds a Master's degree in International Business Law from the University of Amsterdam, The Netherlands and has completed various courses at the London Business School, INSEAD and the Amsterdam School of Real Estate.

Composition Executive Committee 2018

Name	Date of birth	Gender	Nationality	Position
Stephanie Miller	16 January 1967	Female	American	Chief Executive Officer
Henk Pieter van Asselt	24 May 1970	Male	Dutch	Chief Commercial Officer
Hans Turkesteen	3 November 1963	Male	Dutch	Interim Chief Financial Officer
Johan Dejans	17 November 1966	Male	Belgian	Chief HR Officer
Colin MacKay	7 June 1969	Male	British	Regional Director, Caribbean
Frank Welman	21 September 1963	Male	Dutch	MD Luxembourg
Simon Mackenzie	13 May 1972	Male	British	MD Jersey
Sara Douwes	5 June 1978	Female	Dutch	MD Netherlands
Daniel Jaffe	19 August 1975	Male	British	MD Rest of the World

General Meeting

Frequency, notice and agenda

The annual General Meeting must be held within six months after the end of each financial year. An extraordinary General Meeting may be convened by the Supervisory Board or the Management Board, whenever the Company's interests so require. Shareholders individually or in aggregate representing at least one-tenth of the issued and outstanding share capital may, pursuant to the Dutch Civil Code, request that a General Meeting be convened. If no General Meeting has been held within eight weeks of the shareholders making such request, they may be authorised upon request by a District Court in summary proceedings to convene a General Meeting.

Notice of a General Meeting must be given at least 42 days prior to the day of the meeting as required by Dutch law. The notice convening any General Meeting must include, among other items, an agenda indicating the place and date of the meeting, the items for discussion and voting, the proceedings for registration including the registration date, as well as any proposals for the agenda. Shareholders holding at least 3% of the issued and outstanding share capital may request that an item be added to the agenda. Such requests must be made in writing, must either be substantiated or include a proposal for a resolution, and must be received by the Company at least 60 days before the day of the General Meeting.

Admission to General Meetings

The General Meeting is chaired by the Chairperson of the Supervisory Board. Members of the Management Board and of the Supervisory Board shall have the right to attend the General Meeting in such capacity. In these General Meetings, they have an advisory vote. The chairperson of the General Meeting may decide at his or her discretion to admit other persons to the General Meeting.

Each shareholder, as well as other persons with voting rights or meeting rights, may attend the General Meeting, address the General Meeting and, in so far as they have such right, to exercise voting rights *pro rata* to its shareholding, either in person or by proxy. Shareholders may exercise these rights, if they are the holders of shares on the registration date, which is currently the 28th day before the day of the meeting, and they or their proxy have notified Intertrust of their intention to attend the meeting in writing at the address and by the date specified in the notice of the meeting.

Voting and resolutions

Each shareholder may cast one vote for each share held. Pursuant to Dutch law, no votes may be cast at a General Meeting in respect of shares which are held by the Company. Resolutions of the General Meeting are taken by an absolute majority, except where Dutch law or the Articles of Association provide for a qualified majority.

Powers of the General Meeting

The most important powers of the General Meeting are to:

- Authorise the Management Board to issue shares, to restrict or exclude the pre-emptive rights of shareholders and to repurchase shares;
- Appoint members of the Management Board upon a proposal of the Supervisory Board or upon a nomination of the Supervisory Board;
- Suspend or dismiss members of the Management Board;
- Appoint members of the Supervisory Board upon a proposal of the Supervisory Board or upon a nomination of the Supervisory Board;
- Suspend or dismiss members of the Supervisory Board.
- Adopt the annual accounts of the Company;
- Adopt the remuneration policy for the members of the Management Board;
- Resolve on the reservation or distribution of the profits upon a proposal of the Management Board that has been approved by the Supervisory Board;
- Amend the Articles of Association of the Company upon a proposal of the Management Board that has been approved by the Supervisory Board.

General Meetings held in 2017

In 2017, a total of three General Meetings were held as follows:

1. On 12 January 2017, the Company held an Extraordinary General Meeting at which meeting the appointment of Maarten de Vries as CFO and member of the Management Board was approved.

2. On 16 May 2017, the Company held its Annual General Meeting at which meeting, inter alia, the following resolutions were adopted:
- Adoption of the Company's Annual Accounts 2016;
- Discharge of the members of the Management Board for their functioning throughout financial year 2016;
- Discharge of the members of the Supervisory Board for their functioning throughout financial year 2016;
- Amendment of the Company's Remuneration Policy;
- Appointment of KPMG as the External Auditor for the financial statements for 2017;
- Re-appointment of Gerry Murphy as member of the Supervisory Board of the Company; and
- Appointment of Toine van Laack as member of the Supervisory Board of the Company.

3. On 17 October 2017, the Company held an Extraordinary General Meeting at which meeting the following resolutions were adopted:
- Appointment of Henk Pieter van Asselt as member of the Management Board of the Company;
- Appointment of Paul Willing as member of the Supervisory Board of the Company; and
- Appointment of Charlotte Lambkin as member of the Supervisory Board of the Company.

On 19 January 2018, the Company held an Extraordinary General Meeting at which meeting the shareholders approved the appointment of Stephanie Miller as CEO and member of the Management Board.

Share Capital

Issuance of Shares

The authorised share capital of the Company consists of ordinary shares only. The General Meeting may resolve to issue shares in the share capital of the Company, or grant rights to subscribe for such shares, upon a proposal by the Management Board that has been approved by the Supervisory Board.

The Articles of Association provide that the General Meeting may delegate the authority to issue shares, or grant rights to subscribe for such shares, to the Management Board, pursuant to and in accordance with a proposal thereto of the Management Board, which has been approved by the Supervisory Board. At the designation, the number of shares which may be issued by the Management Board must be determined. No resolution of the General Meeting or the Management Board is required for an issue of shares pursuant to the exercise of a previously granted right to subscribe for shares.

On 16 May 2017, the Annual General Meeting extended the authority of the Management Board to resolve to issue shares and grant rights to subscribe for shares, subject to the approval of the Supervisory Board and for a period of 18 months, until 16 November 2018. The authority of the Management Board is limited to a maximum of 10% of the number of issued shares at the time of issue or grant, plus an additional 10% of the outstanding share capital, at the time of issue or at the time of granting the right to subscribe for shares, if the issue or the granting of the right to subscribe takes place in view of a merger or an acquisition.

As per 31 December 2017, the issued share capital amounted to EUR 55,199,635.20, divided into 91,999,392 shares with a nominal value of EUR 0.60 each of which 952,137 shares were placed with the Company.

Pre-emptive rights

Each shareholder has a pre-emptive right to subscribe on a *pro rata* basis for any issue of new shares or upon a grant of rights to subscribe for shares. Exceptions to these pre-emptive rights include the issue of shares and the grant of rights to subscribe for shares (i) to Intertrust's employees; (ii) in return for non-cash consideration; or (iii) to persons exercising a previously granted right to subscribe for shares.

On 16 May 2017, the Annual General Meeting extended the authority of the Management Board as the competent corporate body to limit or exclude the pre-emptive rights in respect of the issue of shares or the granting of rights to subscribe for shares pursuant to the authorisation given above.

Acquisition of own shares

The Company may acquire fully paid-up shares in its own capital for consideration, subject to the authorisation by the General Meeting and subject to Dutch law, and after prior approval of the Supervisory Board. The authorisation is not required for shares quoted in the listing of any stock exchange in order to transfer them to employees of the Company or of a Group company pursuant to a scheme applicable to such employees. The Company is not entitled to any distributions from shares in its own capital. No vote may be cast at the General Meeting for shares held by the Company or by a subsidiary.

At the Annual General Meeting of the Company of 16 May 2017, the authority granted to the Management Board to repurchase shares in the share capital of the Company up to a maximum of 10% of the issued share capital was extended for a period of 18 months, until 16 November 2018.

On 13 November 2017, Intertrust commenced a programme to repurchase ordinary shares in its capital for a total aggregate consideration of up to EUR 50,000,000. Of the repurchased shares, approximately 850,000 shares will be used for employee stock ownership and incentive plans vesting in 2018 and 2019, with the remainder of the repurchased shares to be cancelled, subject to approval of the General Meeting. The repurchase programme is expected to be completed by 29 June 2018 or earlier when the maximum aggregate value has been reached. The programme is conducted in accordance with the Market Abuse Regulation (EU) 596/2014 and the Commission Delegated Regulation (EU) 2016/1052 and within the safe harbour parameters for repurchase programmes. Additionally, the programme is executed within the existing authority granted to the Management Board at the Annual General Meeting on 16 May 2017. The shares are repurchased at a price that does not exceed the lower of (i) a maximum of 110% of the average of the highest quoted price per share on the last five consecutive trading days immediately preceding the date of repurchase, according to the Official Price List of Euronext Amsterdam and (ii) the threshold stipulated by Article 3(2) of Commission Delegated Regulation (EU) 2016/1052. The share repurchase is funded from Intertrust's available cash resources.

Transfer of shares and transfer restrictions

The transfer of shares in the share capital of the Company included in the Statutory Giro System must take place in accordance with the provisions of the Dutch Securities Giro Act (*Wet giraal effectenverkeer*). The Articles of Association of the Company do not restrict the transfer of shares in the share capital of the Company.

The Company is not aware of the existence of any agreement pursuant to which the transfer of shares in the share capital of the Company is restricted other than lock-up arrangements under the Executive Ownership Plan (EOP) and the Long Term Incentive Plan (LTIP) of Intertrust.

Articles of Association

The General Meeting can only resolve to amend the Articles of Association on proposal of the Management Board, which proposal has been approved by the Supervisory Board.

External Auditor

The External Auditor is appointed by the General Meeting. At the Annual General Meeting held on 16 May 2017, the General Meeting appointed KPMG Accountants N.V. as the external auditor for the financial year 2017. The External Auditor may be questioned at the Annual General Meeting in relation to its audit opinion on the financial statements. The External Auditor will therefore attend and be entitled to address this meeting.

Financial reporting

A description of the most important characteristics of the management- and control systems of the Company with respect to the financial reporting process of the Company and its Group companies of which the financials are consolidated can be found in the chapter Compliance and Risk Management (see page 68) and note 27 on page 152 of the Financial statements.

Dutch Corporate Governance Code

The Company is subject to the Code. The Code is based on a 'comply or explain' principle. Accordingly, companies are required to disclose in their annual report whether or not they comply with the various principles and best practice provisions that are addressed to the Management Board and the Supervisory Board and provide a substantive and transparent explanation for any departures from the principles and best practice provisions.

Considering the Company's interests and the interest of its stakeholders, Intertrust deviates from a limited number of principles and best practice provisions, which are described as follows:

Best practice provision 2.1.8 in conjunction with best practice provision 2.1.7 (independence of supervisory board members)
Until 17 October 2017, Intertrust did not comply with best practice provision 2.1.8 section vii in conjunction with best practice provision 2.1.7 section iii. Best practice provision 2.1.7 section iii provides that in order to safeguard its independence, the supervisory board is composed in accordance with the following criterion: for each shareholder, or group of affiliated shareholders, who directly or indirectly hold more than ten percent of the shares in the company, there is at most one supervisory board member who can be considered to be affiliated with or representing them as stipulated in best practice provision 2.1.8, sections vi and vii. Best practice provision 2.1.8 section vii provides that a supervisory board member is not independent if they or their spouse, registered partner or life companion, foster child or relative by blood or marriage up to the second degree is a member of the management board or supervisory board – or is a representative in some other way – of a legal entity which holds at least ten percent of the shares in the company, unless the entity is a group company. As there were two members of the Supervisory Board who were affiliated with Blackstone, these two members were not considered independent. Intertrust believes this deviation was justified given the involvement of the non-independent Supervisory Board members in Intertrust prior to the IPO and considering their specific knowledge of and relevant experience in the business conducted by Intertrust. Following the IPO, Intertrust believes this deviation continued to be justified in view of Blackstone's shareholding in the Company. In accordance with the Relationship Agreement, Blackstone's right to nominate and propose replacements for the two non-independent Supervisory Board members will lapse in accordance with the thresholds mentioned in this chapter under 'Composition'. With the sell-down by Blackstone in 2017 and the subsequent resignation of Gerry Murphy per 17 October 2017, Intertrust is in compliance with best practice provision 2.1.8 in conjunction with best practice provision 2.1.7.

Best practice provision 2.3.2 (establishment of committees)
Intertrust does not comply with best practice provision 2.3.2, which provides that if the supervisory board consists of more than four members, it shall appoint an audit committee, a remuneration committee and a selection and appointment committee. For efficiency purposes, the Supervisory Board has combined the functions and responsibilities of the remuneration committee and the selection and appointment committee in one committee, the Remuneration, Selection and Appointment Committee.

Best practice provision 4.3.3 (cancelling the binding nature of a nomination or dismissal)
Intertrust does not comply with best practice provision 4.3.3, which provides that the general meeting of shareholders of a company may pass a resolution to cancel the binding nature of a nomination for the appointment of a member of the management board or of the supervisory board and/or a resolution to dismiss a member of the management board or of the supervisory board by an absolute majority of the votes cast. It may be provided that this majority should represent a given proportion of the issued capital, which proportion may not exceed one-third. Pursuant to the Articles of Association, the General Meeting may only overrule the binding nature of such nominations by resolution of the General Meeting adopted with a two-thirds majority of the votes cast, representing at least one-third of the issued share capital. If the shareholders support overruling the binding nature of the nomination with an absolute majority of the votes cast, but such majority does not represent at least one-third of the issued capital, a new meeting may be convened at which the resolution may be passed with an absolute majority of the votes cast, irrespective of the part of the capital represented at such meeting. A similar provision is included in the Articles of Association regarding the removal of members of the management board and supervisory board. These provisions are stricter than best practice provision 4.3.3. Intertrust believes this to be justified in the interest of the continuity of Intertrust and its group companies.

Corporate Governance Statement

This chapter, including parts of this Annual Report incorporated by reference, also serves as the corporate governance statement referred to in section 2a of the Management Report Decree (*Vaststellingsbesluit nadere voorschriften bestuursverslag*).

Legal transparency obligations

This section includes an overview which sets out where the information that is required to be disclosed under Article 1 of the Decree on Article 10 of the Takeover Directive can be found.

Capital Structure

Information on the capital structure of the Company, the shares and the rights attached thereto is provided in the Shares chapter of this Annual Report. and in this Corporate Governance chapter of this Annual Report.

Limitations on transferability of shares

There are no limitations on the transferability of the shares. See also the paragraph "Transfer of shares and transfer restrictions" in this Corporate Governance chapter of this Annual Report.

Major Shareholders

Shareholders are obliged to give notice of interests exceeding certain thresholds to the Netherlands Authority for the Financial Markets (AFM).

As per 31 December 2017, the following parties had made a notification to the AFM with respect to their shareholding in the Company:

Shareholder	Interest
The Blackstone Group LP	23.39%
12 West Capital Management LP	6.90%
Parvus Asset Management Europe Limited	6.82%
FMR LLC	4.98%
Harbor Spring Capital LLC	3.10%
Lucerne Capital Management LLC	3.06%

More information can be found in the chapter Shares (see page 42) of this Annual Report.

Special rights of control

The Company has not issued shares to which special rights of control are attached.

Control mechanisms relating to employee participation plans

Employees are able to exercise the voting rights on the shares that are awarded to them under the EOP. Under the LTIP and ESOP the voting rights on the shares can only be exercised after the shares awarded have vested.

Voting limitations

There are no limitations on the voting rights attached to the shares in the Company.

Lock-up agreements

This information is included in the paragraph "Transfer of shares and transfer restrictions" in this Corporate Governance of this Annual Report.

Diversity

On 14 December 2017, the Supervisory Board adopted a Diversity Policy which is available on the Company's website: https://www.intertrustgroup.com/investors

For Intertrust, diversity means a workforce reflective of different genders, nationalities, cultures, generations, ethnic groups, abilities, education and social backgrounds. Intertrust does not discriminate on the basis of age, skin colour, disability, gender, marital status, nationality, race, religion, sexual orientation or other ethnic or cultural aspects.

Intertrust attaches great value to diversity within its main corporate bodies and senior leadership. Intertrust believes that diversity in its broadest meaning makes the organisation stronger and more sustainable. Diversity is critical to the ability to be open to different ways of thinking and acting enhancing long-term sustainability. The Company will continue to strive for an adequate and balanced composition of the Management Board, the Supervisory Board and the Executive Committee (the Boards) in future appointments, by taking into account all relevant selection criteria.

Intertrust applies the following principles to the composition of its Boards:

i. to increase the number of women on the Boards, whereby the preferred composition includes at least 30% female members and at least 30% male members and to maintain these percentages;
ii. to create a diverse mix of knowledge, skills and expertise, in line with the required profiles;
iii. to strive for sufficient complementarity, pluralism and diversity with regard to age, gender and background;
iv. to ensure relevant professional and educational backgrounds within the Boards, including among other things:

- financial expertise;
- relevant industry knowledge;
- international experience;
- risk management experience;
- experience in the planning and implementation of company strategies;
- knowledge of IT; and
- governance and leadership experience.

During 2017, the Company has not been successful in its effort to distribute the seats on the Management Board in accordance with the requirement above under (i). However, with the appointment of Stephanie Miller as CEO and member of the Management Board effective 7 February 2018, the Management Board reached a desired balanced composition as referred to above. The Executive Committee was composed of one female member for part of 2017 and therefore has not reached a balanced distribution of seats. With the appointment of Sara Douwes to the Executive Committee per 1 January 2018, the number of female members on the Executive Committee remains at one member. In 2018, Intertrust will strive to add an additional female member to the Executive Committee should a vacancy arise. Intertrust wishes to recruit the best candidate for the job with a preference for a female candidate in case of equal capabilities.

Intertrust believes that the diversity pillars as referred to under (ii)-(iv) are sufficiently represented in its Boards as further described in the Management Board, Supervisory Board and Executive Committee paragraph of this Corporate Governance chapter of this Annual Report.

Provisions regarding the appointment and dismissal of members of the Management Board and Supervisory Board

This information is included in the subparagraphs "Appointment, removal and suspension" of the sections Management Board (see page 88) and Supervisory Board (see page 91) respectively of the chapter Corporate Governance of this Annual Report.

Authority of the Management Board to issue and repurchase shares

Information on the authority of the Management Board to issue and repurchase shares is included in the subparagraphs "Issuance of Shares" and "Acquisition of Own Shares" in the section Share Capital (see page 99) included in this Corporate Governance chapter of this Annual Report.

Change of control

A change of control provision is included in the revolving credit facility of the Company and in the Management Agreement of Henk Pieter van Asselt.

Severance payments

The agreements of the members of the Management Board provide for severance payments in the event of a termination other than for urgent cause.

Office locations

Intertrust N.V.
Prins Bernhardplein 200
P.O. Box 990
1000 AZ Amsterdam
The Netherlands
tel +31 (0)20 521 4777
fax +31 (0)20 521 4888
info@intertrustgroup.com

Americas

Intertrust Bahamas
Providence House
East Wing, East Hill Street
P.O. Box CB12400, Nassau
Bahamas
tel +1 242 322 5316
fax +1 242 322 4455
nassau@intertrustgroup.com

Intertrust Brazil
Rua Viradouro, 63
7° andar – Cj 71 Itaim Bibi
SP-04538-110 São Paulo
Brazil
tel +55 11 3073 0765
saopaulo@intertrustgroup.com

Intertrust BVI
Ritter House, Wickhams Cay II
P.O. Box 4041 Road Town
VG1110 Tortola
British Virgin Islands
tel +1 284 394 9100
fax +1 284 494 9101
bvi@intertrustgroup.com

Intertrust Canada
330 Bay Street – Suite 820
Toronto ON M5H 2S8
Canada
tel +1 416 907 2191
fax +1 416 907 2183
toronto@intertrustgroup.com

Intertrust Cayman Islands
190 Elgin Avenue
George Town
Grand Cayman, KY1-9005
Cayman Islands
tel +1 345 943 3100
fax +1 345 945 4757
cayman@intertrustgroup.com

Intertrust Curaçao
Zeelandia Office Park
Kaya W.F.G. (Jombi)
Mensing 14
Willemstad, Curaçao
tel +599 9 433 1000
fax +599 9 461 4129
curacao@intertrustgroup.com

Intertrust United States
715 Peachtree Street NE, 1st floor
Atlanta, GA 30308
United States of America
tel +1 404 885 6075
atlanta@intertrustgroup.com

200 South Wacker Drive, 31st floor
Chicago, IL 60606
United States of America
tel +1 312 674 4672
chicago@intertrustgroup.com

200 Bellevue Parkway - Suite 210
Wilmington, DE 19809
United States of America
tel +1 302 798 5867
fax +1 302 798 5841
delaware@intertrustgroup.com

1200 Smith Street - Suite 1600
Houston, TX 77002
United States of America
tel +1 713 353 8873
houston@intertrustgroup.com

275 Madison Avenue - Suite 1614
New York, NY 10016
United States of America
tel +1 212 949 5530
fax +1 212 949 1271
newyork@intertrustgroup.com

505 Montgomery Street - Suite 1022
San Francisco, CA 94111
United States of America
tel +1 415 874 3146
fax +1 415 283 3046
sanfrancisco@intertrustgroup.com

Asia & Middle East

Intertrust China
Room 1009, 10th Floor
CBD International Mansion
16 Yong An Dong Li, Chaoyang District
Beijing, China 100022
tel +86 10 6514 8686
fax +86 10 6512 1378
beijing@intertrustgroup.com

Room 911,Yingkai Plaza
No. 16 Huaxia Road, Tianhe District
Guangzhou, China 510623
tel +86 20 3885 8686
fax +86 20 3885 0686
guangzhou@intertrustgroup.com

Unit 01, 3rd Floor, 100 Bund Square
No. 100 Zhong Shan Road South,
Huangpu, Shanghai, China 200010
tel +86 21 5098 8686
fax +86 21 5049 1378
shanghai@intertrustgroup.com

Intertrust Dubai
Unit 1306, Level 13
Tower II, Al Fattan Currency House, DIFC
P.O. Box 506615, Dubai
United Arab Emirates
tel +971 4 3780 600
fax +971 4 3780 606
dubai@intertrustgroup.com

Intertrust Hong Kong
3806 Central Plaza
18 Harbour Road
Wanchai, Hong Kong
tel +852 2802 7711
fax +852 2802 7733
hongkong@intertrustgroup.com

Intertrust Japan
Otemachi First Square, East Tower 4F,
1-5-1 Otemachi, Chiyoda-ku,
Tokyo 100-0004
Japan
tel +81 3 5219 1216
japan@intertrustgroup.com

Intertrust Singapore
77 Robinson Road
13-00 Robinson 77
Singapore 068896
tel +65 6500 6400
fax +65 6438 6221
singapore@intertrustgroup.com

Europe

Intertrust Belgium
97 Rue Royale, 4th floor
1000 Brussels, Belgium
tel +32 2209 22 00
fax +32 2209 22 99
brussels@intertrustgroup.com

Intertrust Cyprus
Spyrou Kyprianou 47
1st floor, Mesa Geitonia
4004 Limassol, Cyprus
tel +357 2525 7120
fax +357 2525 7121
cyprus@intertrustgroup.com

Intertrust Denmark
Harbour House
Sundkrogsgade 21
2100 Copenhagen
Denmark
tel +45 3318 9000
fax +45 3318 9001
copenhagen@intertrustgroup.com

Intertrust Finland
Kaisaniemenkatu 4,
FI-00100 Helsinki
Finland
tel +358 9 8560 6303
helsinki@intertrustgroup.com

Intertrust Germany
Grüneburgweg 58 -62
60322 Frankfurt am Main
Germany
tel +49 69 643 508 900
frankfurt@intertrustgroup.com

Intertrust Guernsey
P.O. Box 119
Martello Court, Admiral Park
St. Peter Port, Guernsey GY1 3HB
tel +44 1481 211 000
fax +44 1481 211 001
guernsey@intertrustgroup.com

Intertrust Ireland
2nd Floor, 1-2 Victoria Buildings
Haddington Road
Dublin 4 D04 XN32
Ireland
tel +353 16686 152
fax +353 16688 968
dublin@intertrustgroup.com

Intertrust Jersey
44 Esplanade
St Helier
Jersey JE4 9WG
tel +44 1534 504000
fax +44 1534 504444
jersey@intertrustgroup.com

Intertrust Luxembourg
Vertigo Naos Building
6, Rue Eugène Ruppert
L-2453 Luxembourg
Luxembourg
tel +352 26 44 91
fax +352 26 44 9900
luxembourg@intertrustgroup.com

Intertrust Netherlands
Prins Bernhardplein 200
P.O. Box 990
1000 AZ Amsterdam
The Netherlands
tel +31 20 521 4777
fax +31 20 521 4888
amsterdam@intertrustgroup.com

Beurs - World Trade Center
Beursplein 37, P.O. Box 30055
3001 DB Rotterdam
The Netherlands
tel +31 10 205 4300
fax +31 10 205 4309
rotterdam@intertrustgroup.com

Intertrust Norway
Bryggegata 6, 5th floor
P.O. Box 2051 Vika
0125 Oslo, Norway
tel +47 23 30 83 20
fax +47 23 30 83 29
oslo@intertrustgroup.com

Intertrust Spain
Serrano 41, 4º
28001 Madrid, Spain
tel +34 91 781 1671
fax +34 91 781 8094
madrid@intertrustgroup.com

Intertrust Sweden
Norra Vallgatan 70
211 22 Malmö, Sweden
tel +46 40 973 250
fax +46 40 973 252
malmo@intertrustgroup.com

Sveavägen 9
P.O. Box 162 85
103 25 Stockholm, Sweden
tel +46 8 402 72 00
tel +46 8 402 72 01
stockholm@intertrustgroup.com

Intertrust Switzerland
Rue Philippe-Plantamour 18-20
1201 Geneva, Switzerland
tel +41 22 317 80 00
fax +41 22 317 80 11
geneva@intertrustgroup.com

Alpenstrasse 15
6300 Zug, Switzerland
tel +41 41 726 82 00
fax +41 41 726 82 50
zug@intertrustgroup.com

Limmatquai 72
P.O. Box 475
8024 Zürich, Switzerland
tel +41 44 233 30 20
fax +41 44 233 30 21
zurich@intertrustgroup.com

Intertrust Turkey
Çeçen Sokak Akasya Business Tower
Floor 28, Suite No. 172 34660
Acıbadem, Üsküdar, Istanbul, Turkey
tel +90 216 510 5465
fax +90 216 510 5419
turkey@intertrustgroup.com

Intertrust United Kingdom
35 Great St. Helen's
London EC3A 6AP
United Kingdom
tel +44 20 7160 6300
fax +44 20 7160 6325
london@intertrustgroup.com

Glossary

Defined terms

The following list of defined terms is not intended to be an exhaustive list of definitions, but provides a list of the defined terms used in this Annual Report

Adjusted EBITDA
EBITDA excluding specific items

Adjusted EBITA
Adjusted EBITA is defined as Adjusted EBITDA excluding depreciation and amortisation of other intangible assets

Adjusted EBITA margin
Adjusted EBITA divided by revenue, and is expressed as a percentage

Adjusted earnings per share
Adjusted net income divided by the average number of shares outstanding at 31 December 2017.
Average for FY 2017: 91,020,700

Adjusted net income
Adjusted EBITA less net interest costs, less tax costs and share of profit of equity accounted investees (net of tax)

AEoI
Automatic Exchange of Information

AMX
Amsterdam Midkap Index

AFM
The Netherlands Authority for the Financial Markets or *Stichting Autoriteit Financiële Markten*

AIFMD
The Alternative Investment Fund Managers Directive (2011/61/EU)

Articles of Association
The articles of association (*statuten*) of the Company

ATC
ATC Midco S.à r.l. and its subsidiaries

ATC acquisition
The acquisition by Intertrust Group B.V. of ATC on 9 August 2013

ARPE
Average Revenue Per Entity

Audit and Risk Committee
The Audit and Risk Committee of the Supervisory Board

BEPS
The Base Erosion and Profit Shifting Project

Blackstone
Blackstone Perpetual Topco S.à r.l.

CAGR
Compounded Annual Growth Rate

Capital expenditure
Investments in property, plant, equipment and software not related to acquisitions

CIMA
The Cayman Islands Monetary Authority

Close Brothers Cayman
Close Brothers (Cayman) Limited and Close Bank (Cayman) Limited

Close Brothers Cayman acquisition
The acquisition of Close Brothers Cayman by Intertrust Holding (Cayman) Limited as completed on 1 June 2011

Company
Intertrust N.V.

CorpNordic
CorpNordic Holding A/S and its subsidiaries

CorpNordic acquisition
The acquisition of CorpNordic by Intertrust (Denmark) A/S as completed on 4 June 2015

COSO
Committee of Sponsoring Organizations of the Treadway Commission

COSO-ERM Framework
COSO Enterprise Risk Management-Integrated Framework

CSSF
The Luxembourg Commission for the Supervision of the Financial Sector or *Commission de Surveillance du Secteur Financier*

CRS
Corporate Risk Solutions Limited and its subsidiaries

CRS
Common Reporting Standard

CxO
CEO: Chief Executive Officer
CFO: Chief Financial Officer
CCO: Chief Commercial Officer

DNB
The Dutch Central Bank or *De Nederlandsche Bank*

Dutch Corporate Governance Code or the Code
The Dutch Corporate Governance Code 2016

EBITDA
Profit/(loss) from operating activities excluding depreciation and amortisation

Elian
Elian Topco Limited and its subsidiaries

Elian acquisition
The acquisition of Elian by Intertrust as completed on 23 September 2016

EOP
Executive Ownership Plan

ESOP
Employee Stock Ownership Plan

Euronext Amsterdam
The regulated market operated by Euronext Amsterdam N.V.

EUR or €
The single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty on the functioning of the European Community, as amended from time to time

Executive Committee or ExCo
The Executive Committee of Intertrust

FATCA
The Foreign Account Tax Compliance Act

FDI
Foreign Direct Investment

First trading date
15 October 2015, the date on which trading in the Offer Shares on Euronext Amsterdam commenced

FTEs
Full-Time Equivalents

GBP or £
The lawful currency of the United Kingdom

General Meeting
The general meeting (*algemene vergadering*) of the Company

Group
The Company and its subsidiaries from time to time

GFSC
The Guernsey Financial Services Commission

IaaS
Infrastructure as a Service

IFRS
International Financial Reporting Standards as adopted by the European Union

Infrastructure 2.0
A project to modernise the IT datacentre infrastructure, by consolidating core data from various on-premise data centres, onto private cloud (Infrastructure-as-a-Service) and public cloud (Microsoft Online), where permitted

IPO
Initial Public Offering

KPMG
KPMG Accountants N.V.

LTIP
Long-Term Incentive Plan

Management Board
The Management Board (*bestuur*) of the Company

Net debt leverage ratio
Net debt leverage ratio is defined as total net debt divided by the adjusted EBITDA of Intertrust, including adjusted EBITDA proforma contribution for acquisitions and full year run-rate synergies related to acquisitions

Net interest
Net finance cost excluding Forex gains and losses and fair value adjustments for interest rate hedges recognised in the Income Statement

OECD
Organisation for Economic Co-operation and Development

Shares
The ordinary shares in the capital of the Company

Relationship Agreement
The relationship agreement dated on or about 2 October 2015 between the Company and Blackstone

Remuneration, Selection and Appointment Committee
The Remuneration, Selection and Appointment Committee of the Supervisory Board

SaaS
Software as a Service

SFM
Structured Finance Management (SFM) Europe, acquired by Elian in 2015

Shareholder
Any holder of Ordinary Shares at any time

Specific items
Income and expenses items that, based on their significance in size or nature, should be separately presented to provide further understanding about the financial performance. Specific items include Transaction costs, Integration and transformation costs, Restructuring costs, Share-based payment upon IPO, Share-based payment upon integration, and Income/expenses related to disposal of assets. Specific items are not of an operational nature and do not represent the core operating results.

Supervisory Board
The Supervisory Board (*raad van commissarissen*) of the Company

Underlying
2017 at constant currency and 2016 including Elian and Azcona figures (Management Estimate)

UBO
Ultimate beneficial owner

USD or $
The lawful currency of the United States

Consolidated and Company Financial Statements

Consolidated statement of profit or loss

(EUR 000)	Note	2017	2016
Revenue	5	485,216	385,753
Staff expenses	7	(214,501)	(170,656)
Rental expenses		(24,155)	(20,116)
Other operating expenses	9	(61,950)	(50,460)
Other operating income		219	107
Depreciation and amortisation of other intangible assets	10	(11,019)	(8,741)
Amortisation of acquisition-related intangible assets	10	(41,029)	(33,774)
Profit/(loss) from operating activities		132,781	102,113
Finance income		2,193	172
Finance expense		(28,089)	(30,780)
Financial result	11	(25,896)	(30,608)
Share of profit and result of transactions with equity-accounted investees and subsidiaries (net of tax)	16	689	(29)
Profit/(loss) before income tax		107,574	71,476
Income tax	12	(18,893)	(19,518)
Profit/(loss) for the year after tax		88,681	51,958
Profit/(loss) for the year after tax attributable to:			
Owners of the Company		88,324	51,884
Non-controlling interests		357	74
Profit/(loss) for the year		88,681	51,958
Basic earnings per share (EUR)	13	0.97	0.58
Diluted earnings per share (EUR)	13	0.94	0.58

Consolidated statement of comprehensive income

(EUR 000)	Note	2017	2016
Profit/(loss) for the year after tax		88,681	51,958
Actuarial gains and losses on defined benefit plans	24	(245)	133
Items that will never be reclassified to profit or loss		(245)	133
Foreign currency translation differences – foreign operations		(49,072)	7,520
Net movement on cash flow hedges in other comprehensive income	17	1,040	(1,744)
Income tax on net movement on cash flow hedges in other comprehensive income	18	(261)	436
Items that are or may be reclassified to profit or loss		(48,293)	6,212
Other comprehensive income/(loss) for the year, net of tax		(48,538)	6,345
Total comprehensive income/(loss) for the year		40,143	58,303
Total comprehensive income/(loss) for the year attributable to:			
Owners of the Company		39,794	58,229
Non-controlling interests		349	74
Total comprehensive income/(loss) for the year		40,143	58,303

The Notes on pages 118 to 164 are an integral part of these consolidated financial statements.

Consolidated statement of financial position

(EUR 000)	Note	31.12.2017	31.12.2016
Assets			
Property, plant and equipment	14	16,470	20,167
Other intangible assets	15	14,849	15,120
Acquisition-related intangible assets	15	1,474,188	1,565,367
Investments in equity-accounted investees	16	196	707
Other non current financial assets	17	3,368	3,820
Deferred tax assets	18	1,357	2,480
Non-current assets		**1,510,428**	**1,607,661**
Trade receivables	19	103,103	99,160
Other receivables	20	18,937	15,021
Work in progress		33,078	31,984
Current tax assets		614	945
Other current financial assets	17	857	1,627
Prepayments		9,058	8,167
Cash and cash equivalents	21	66,620	69,858
Current assets		**232,267**	**226,762**
Total assets		1,742,695	1,834,423
Equity			
Share capital		55,200	55,200
Share premium		630,441	630,441
Reserves		(56,308)	42,345
Retained earnings		75,585	29,887
Equity attributable to owners of the Company		**704,918**	**757,873**
Non-controlling interests		225	1,930
Total equity	**22**	**705,143**	**759,803**
Liabilities			
Loans and borrowings	23	770,367	781,221
Other non current financial liabilities	17	2,216	1,763
Employee benefits liabilities	24	1,963	3,082
Deferred income	25	5,750	8,677
Provisions	26	579	1,147
Deferred tax liabilities	18	80,405	85,659
Non-current liabilities		**861,280**	**881,549**
Loans and borrowings	23	375	18,072
Other current financial liabilities	17	5,000	-
Deferred income	25	62,602	71,467
Provisions	26	497	2,219
Current tax liabilities		34,400	23,703
Trade payables		6,625	10,636
Other payables	20	66,773	66,974
Current liabilities		**176,272**	**193,071**
Total liabilities		**1,037,552**	**1,074,620**
Total equity and liabilities		1,742,695	1,834,423

The Notes on pages 118 to 164 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

		For the period ended 31 December 2017									
		Attributable to owners of the Company									
(EUR 000)	Note	Share capital	Share premium	Retained earnings	Translation reserve	Hedging reserve	Treasury share reserve	Other reserve	Total	Non-controlling interests	Total equity
Balance at 01 January 2017		55,200	630,441	29,887	7,627	(1,324)	(76)	36,118	757,873	1,930	759,803
Profit/(loss) for the year		–	–	88,324	–	–	–	–	88,324	357	88,681
Other comprehensive income/(loss) for the year, net of tax		–	–	(245)	(49,064)	779	–	–	(48,530)	(8)	(48,538)
Total comprehensive income/(loss) for the year		–	–	88,079	(49,064)	779	–	–	39,794	349	40,143
Contributions and distributions											
Equity-settled share-based payment	8	–	–	5,142	–	–	–	–	5,142	–	5,142
Deferred consideration delivered	6	–	–	2,556	–	–	33,056	(35,612)	–	–	–
Purchase of treasury shares	22	–	–	–	–	–	(47,995)	–	(47,995)	–	(47,995)
Treasury shares delivered	8	–	–	(689)	–	–	689	–	–	–	–
Dividends paid	22	–	–	(48,290)	–	–	–	(506)	(48,796)	(54)	(48,850)
Total contributions and distributions		–	–	(41,281)	–	–	(14,250)	(36,118)	(91,649)	(54)	(91,703)
Changes in ownership interests											
Changes in non-controlling interest	33	–	–	150	–	–	–	–	150	(250)	(100)
Acquisition of subsidiary with non-controlling interest	6	–	–	(1,250)	–	–	–	–	(1,250)	(1,750)	(3,000)
Total changes in ownership interest		–	–	(1,100)	–	–	–	–	(1,100)	(2,000)	(3,100)
Total transactions with owners of the Company		–	–	(42,381)	–	–	(14,250)	(36,118)	(92,749)	(2,054)	(94,803)
Balance at 31 December 2017		55,200	630,441	75,585	(41,437)	(545)	(14,326)	–	704,918	225	705,143

The Notes on pages 118 to 164 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity (continued)

For the period ended 31 December 2016

Attributable to owners of the Company

(EUR 000)	Note	Share capital	Share premium	Retained earnings	Translation reserve	Hedging reserve	Treasury share reserve	Other reserve	Total	Non-controlling interests	Total equity
Balance at 01 January 2016		51,133	513,423	(2,457)	107	(16)	-	-	562,190	124	562,314
Profit/(loss) for the year		-	-	51,884	-	-	-	-	51,884	74	51,958
Other comprehensive income/(loss) for the year, net of tax		-	-	133	7,520	(1,308)	-	-	6,345	-	6,345
Total comprehensive income/(loss) for the year		-	-	52,017	7,520	(1,308)	-	-	58,229	74	58,303
Contributions and distributions											
Issue of ordinary shares	22	4,067	117,018	-	-	-	-	-	121,085	-	121,085
Equity-settled share-based payment	8	-	-	5,988	-	-	-	-	5,988	-	5,988
Business combination	6	-	-	-	-	-	-	36,118	36,118	-	36,118
Purchase of treasury shares		-	-	-	-	-	(3,657)	-	(3,657)	-	(3,657)
Treasury shares delivered		-	-	(3,581)	-	-	3,581	-	-	-	-
Dividends paid	22	-	-	(22,080)	-	-	-	-	(22,080)	-	(22,080)
Total contributions and distributions		4,067	117,018	(19,673)	-	-	(76)	36,118	137,454	-	137,454
Changes in ownership interests											
Dividends paid to non-controlling interests		-	-	-	-	-	-	-	-	(177)	(177)
Acquisition of subsidiary with non-controlling interest	6	-	-	-	-	-	-	-	-	1,909	1,909
Total changes in ownership interest		-	-	-	-	-	-	-	-	1,732	1,732
Total transactions with owners of the Company		4,067	117,018	(19,673)	-	-	(76)	36,118	137,454	1,732	139,185
Balance at 31 December 2016		55,200	630,441	29,887	7,627	(1,324)	(76)	36,118	757,873	1,930	759,803

The Notes on pages 118 to 164 are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

(EUR 000)	Note	2017	2016
Cash flows from operating activities			
Profit/(loss) for the year		88,681	51,958
Adjustments for:			
Income tax expense	12	18,893	19,518
Share of profit and result of transactions with equity-accounted investees and subsidiaries (net of tax)		(689)	29
Financial result	11	25,896	30,608
Depreciation and amortisation of other intangible assets	10	11,019	8,741
Amortisation of acquisition-related intangible assets	10	41,029	33,774
(Gain)/loss on sale of non-current assets		61	473
Other non cash items		4,171	6,380
		189,061	151,481
Changes in:			
(Increase)/decrease in trade working capital	(*)	(21,451)	4,691
(Increase)/decrease in other working capital	(**)	3,150	2,475
Increase/(decrease) in provisions		(2,155)	1,136
Changes in foreign currency		1,625	(1,735)
		170,230	158,048
Income tax paid		(13,296)	(5,653)
Net cash from/(used in) operating activities		156,934	152,395
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		10	23
Proceeds from sale of Investments	33	1,589	-
Purchase of property, plant and equipment	14	(2,498)	(7,086)
Purchase of intangible assets	15	(5,791)	(4,284)
Acquisitions, net of cash acquired		(7,652)	(171,541)
(Increase)/decrease in other financial assets		1,469	577
Dividends received		55	-
Interest received	11	43	172
Net cash from/(used in) investing activities		(12,775)	(182,139)

(*) Trade Working capital is defined by the net (increase)/decrease in Trade receivables, Work in progress, Trade payables and Deferred income

(**) Other Working capital is defined by the net (increase)/decrease in Other receivables, Prepayments and Other payables (excl. liabilities for cash held on behalf of clients)

The Notes on pages 118 to 164 are an integral part of these consolidated financial statements.

Consolidated statement of cash flows (continued)

(EUR 000)	Note	2017	2016
Cash flows from financing activities			
Proceeds from issue of share capital	22	–	120,780
Proceeds from bank borrowings	23	–	296,295
Acquisition of treasury shares		(46,966)	(3,657)
Payment of financing costs		(100)	(6,822)
Repayment of loans and borrowings banks		(18,000)	(344,579)
Interest and other finance expenses paid		(23,212)	(17,218)
Dividends paid		(48,290)	(22,080)
Dividends paid to non-controlling interest		(54)	(177)
Net cash from/(used in) financing activities		**(136,622)**	**22,542**
Net increase/(decrease) in cash		7,537	(7,202)
Cash attributable to the Company at the beginning of the period	21	51,733	66,472
Effect of exchange rate fluctuations on cash attributable to the Company		(3,113)	(7,537)
Cash attributable to the Company at the end of the period		**56,157**	**51,733**
Cash held on behalf of clients at the end of the period	21	10,463	18,125
Cash and cash equivalents at the end of the period	21	66,620	69,858

The Notes on pages 118 to 164 are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1. Reporting entity

Intertrust N.V. (the "Company") is a company domiciled in the Netherlands and was incorporated on 8 September 2014. The address of the Company's registered office is Prins Bernhardplein 200, Amsterdam, the Netherlands.

The financial statements of the Company for the period from 1 January 2017 to 31 December 2017 comprise the Company and its subsidiaries (together referred as the "Group" and individually as "Group entities") and the Group's interest in associates.

The Company began trading its shares on Euronext Amsterdam on 15 October 2015 following an Initial Public Offering (IPO). The Group provides trust, corporate and fund services, private client services and capital markets services. As at 31 December 2017, the Group has operations in 28 countries and employs 2,468 FTEs (full time equivalent) (31 December 2016: 2,359 FTEs).

2. Basis of preparation

2.1. Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union for use in the EU (EU IFRS) effective as at 31 December 2017 and in accordance with Title 9 Book 2 of the Dutch Civil Code.

These consolidated financial statements were authorised for issue by the Management Board on 22 February 2018. They are subject to approval by the Annual General Meeting to be held on 17 May 2018.

2.2. Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the consolidated statement of financial position:
- Derivative financial instruments are measured at fair value;
- Defined benefit liabilities/(assets) are recognised at the fair value of plan assets less the present value of defined benefit obligation, as explained in note 3.4.

2.3. Functional and presentation currency

These consolidated financial statements are presented in Euro, which is the Company's functional currency. All financial information presented in Euro has been rounded to the nearest thousand (EUR 000), unless otherwise indicated.

2.4. Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is included in the following notes:

- Note 15.1: impairment test: key assumptions underlying recoverable amounts of cash generating units.
- Note 18: recognition of deferred tax assets: availability of future taxable profit against which carry forward tax losses can be used.
- Note 26: recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses market observable data as much as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about assumptions made in measuring fair values is included in the following notes:

- Note 3.5 "Equity-settled share-based payment arrangements"
- Note 27.6 "Fair values of financial instruments"

3. Significant accounting policies and standards

3.1. Changes in accounting policies and new standards

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities. There have been no significant changes compared to the prior year consolidated financial statements as at and for the year ended 31 December 2016.

To the extent relevant, all IFRS standards and interpretations including amendments that were in issue and effective from 1 January 2017, have been adopted by the Group from 1 January 2017:

- Disclosure Initiative (Amendments to IAS 7)
- Recognition of Deferred Tax Assets of Unrealised Losses (Amendment to IAS12)
- Annual Improvements to IFRSs 2014-2016 Cycle (Amendments to IAS12)

These standards and interpretations had no material impact for the Group.

New standards and interpretations issued but not yet effective

A number of amendments to existing, as well as the issue of new accounting standards are applicable from or after the beginning of the Group's next annual reporting period. The expected impact of these standards is summarised below:

IFRS 9 'Financial Instruments', published in July 2014, replaces existing guidance in IAS 39 'Financial Instruments': Recognition and Measurement. IFRS 9 includes revised guidance on classification and measurement of financial instruments, including an expected credit loss model for calculating impairment on financial assets. In addition, IFRS 9 provides a revised hedging model. All of the Group's hedge relationships are expected to continue under IFRS 9. The Group implemented IFRS 9 per 1 January 2018. Based on our assessments, IFRS 9 does not have a material impact on the consolidated financial statements for:
- Future expected losses (additional allowances for trade receivables will be provided for).
- Cash flow hedging (no impact identified).
- Classification and measurement (no impact identified).

IFRS 15 'Revenue from Contracts with Customers', published in May 2014, establishes a framework for determining whether, how much and when revenue is recognised. It replaces existing guidance, including IAS 18 'Revenue' and IAS 11 'Construction Contracts' and was implemented by the Group per 1 January 2018. The Group has made an impact assessment. Based on this assessment, the Group is aware that the impact on annual reporting is not material and mainly relates to fixed fee services provided to customers.

IFRS 16 'Leases', published in January 2016, introduces a new definition of a lease and eliminates the current dual accounting model for lessees, bringing most leases on-balance in the financial statements of the lessee. It replaces existing guidance on leases, including IAS 17. The Group expects to implement IFRS 16 per 1 January 2019. The Group has a significant number of operating lease contracts (see note 28), mainly for real estate, and therefore the following changes are expected upon transition to IFRS 16:
- Assets and liabilities of the Group are expected to increase due to recognition of the right-of-use asset and a lease liability.
- Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA) will increase as the lease payments will be presented as depreciation and net finance expense rather than operational cost. Net income is not expected to materially change.
- Operating cash flow will increase and investing and financing cash flow will decrease as the lease payments will no longer be considered as operational.

A more detailed impact assessment will be made during 2018.

The following new or amended standards are not expected to have a significant impact on the consolidated financial statements:
- Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS2);
- Transfers of Investment Property (Amendments to IAS40);
- Annual Improvements to IFRSs 2014-2016 Cycle-various standards (Amendment to IFRS1 and IAS28);
- IFRIC 22 Foreign Currency Transactions and Advance Consideration.

3.2. Basis of consolidation

Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Non-controlling interests

Non-controlling interests are measured either at their proportionate share of the acquiree's identifiable net assets or at fair value at the acquisition date. The choice of measurement is made on an acquisition-by-acquisition basis.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise only interests in associates.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Investments in associates are accounted for using the equity method. They are recognised initially at cost, which includes transactions costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.3. Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates and sales taxes or duty. Revenue is recognised in profit or loss to the prorate part of the services rendered to the client during the reporting date. When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group.

Revenue comprises trust, corporate and fund services, private wealth services and capital markets services. Revenue also includes subleasing rental income to Group clients.

3.4. Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

To calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income.

The Group determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability/(asset), taking into account any changes in the net defined benefit liability/(asset) during the period as a result of contributions and benefits payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

3.5. Equity-settled share-based payment arrangements

The Company operates equity-settled share-based payment arrangements, under which services are received from Management Board members and eligible employees.

The total amount to be expensed for services received is determined by reference to the grant date fair value of the share-based payment awards made, including the impact of any non-vesting conditions and market conditions.

Service conditions and non-market performance conditions are taken into account in the number of awards expected to vest. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the number of awards that will eventually vest, with a corresponding credit to equity.

At each reporting date, the Company revises its estimates of the number of awards that are expected to vest. The impact of the revision of original estimates, if any, is recognised in the income statement for the period.

The employer social security contributions payable in connection with an award made is considered an integral part of the award, and the charge is treated as a cash-settled share-based payment transaction.

3.6. Leases

The Group principally enters into operating leases for the rental of equipment and buildings. Payments done under such leases are typically charged to profit or loss on a straight line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be done to the lessor by way of penalty is recognised as an expense in the period in which termination takes place. Any incentives received from the lessor in relation to operating leases are recognised as a reduction of rental expense over the lease term on a straight line basis.

3.7. Finance income and finance costs

Finance income comprises interest income on loans and receivables, gains on the disposal of available-for-sale financial assets, fair value gains on financial assets at fair value through profit or loss and gains on the remeasurement to fair value of any pre-existing interest in an acquiree. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expenses on loans and borrowings, unwinding of the discount on provisions and contingent consideration, losses on disposal of available-for-sale financial assets, fair value losses on financial assets at fair value through profit and loss, impairment losses on financial assets (other than trade receivables), gains and losses on hedging instruments that are recognised in profit or loss and reclassifications of amounts previously recognised in other comprehensive income.

Transaction costs that are directly attributable to the acquisition or issuance of a financial instrument are capitalised to the associate instrument and amortised to the profit or loss over the contractual term using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or loss position.

3.8. Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

However, foreign currency differences arising from the translation of the following items are recognised in other comprehensive income:

- available-for-sale equity investments (except on impairment in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss);
- financial liabilities designated as hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent the hedge is effective.

Foreign operations
The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Euro at the exchange rates at the reporting date (closing rates). The income and expenses of foreign operations are translated into Euro at exchange rates at the dates of the transactions.

The Group doesn't own nor control any foreign operations in hyperinflationary economies.

Foreign currency differences are recognised in other comprehensive income, and accumulated in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportion of the translation difference is allocated to non-controlling interests.

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign currency gains and losses arising from such item are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income, and presented in the translation reserve in equity.

Hedge of a net investment in foreign operations
The Group applies hedge accounting to foreign currency differences arising between the functional currency of foreign operation and the Company's functional currency (euro).

To the extent that the hedge is effective, foreign currency differences arising on the translation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised in Other comprehensive income (OCI) and accumulated in the translation reserve. Any remaining differences are recognised in profit or loss. When the hedged net investment is disposed of, the relevant amount in the translation reserve is transferred to profit or loss as part of the gain or loss on disposal.

3.9. Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax
Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax
Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:
- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available, against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

3.10. Financial instruments

Classification and measurement

The Group classifies issued financial instruments, or its component parts, on initial recognition as a financial liability, a financial asset or an equity instrument in accordance with the substance of the contractual arrangement. Instruments are classified as equity if, and only if:

- the instrument includes no contractual obligation to deliver cash (or another financial asset) to another entity or to exchange financial assets or financial liabilities under conditions that are potentially unfavourable; and
- the instrument will or may be settled in the Group's own equity instruments, it is a non-derivative that includes no contractual obligation for the issuer to deliver a variable number of its own equity instruments or a derivative that will be settled only by the issuer exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial asset that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the consolidated statement of financial position if, and only if, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise loans, trade receivables and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances bank accounts, cash on hand and cash in short-term deposits with maturities of three months or less.

Available-for-sale financial assets
Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale, or are not classified in any of the above categories of financial assets. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments, are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

When investments in equity instruments do not have a quoted market price in an active market and its fair value cannot be reliably measured, they are measured at cost.

Available-for-sale financial assets comprise equity shares.

Non-derivative financial liabilities
The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. Other financial liabilities comprise loans and borrowings and trade and other payables.

Derivative financial instruments, including hedge accounting
The Group holds derivative financial instruments to hedge its interest rate risk exposures.

Derivatives are initially recognised at fair value; any directly attributable transaction costs are recognised in profit or loss as they are incurred. Subsequent to initial recognition, derivatives are measured at fair value and the accounting for the changes therein depend on whether the derivative is designated as a hedging instrument or not.

Cash flow hedges
When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in fair value of the derivative is recognised in other comprehensive income and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The amount accumulated in equity is retained in other comprehensive income and reclassified to profit or loss in the same period or periods during which the hedged item affects profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the amount accumulated in equity is reclassified to profit or loss.

Other non-trading derivatives
When a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognised immediately in profit or loss.

3.11. Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset and all costs directly attributable to bringing the asset to working condition for its intended use. Such cost includes the cost of replacing part of the plant and equipment and borrowing cost, if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is calculated to write off the cost of property, plant and equipment less their residual values on a straight-line basis over their expected useful lives as follows:

- Leasehold improvements — 5 to 15 years – not exceeding the remaining lease terms
- Equipment & motor vehicles — 3 to 10 years
- IT equipment — 3 to 5 years

An item of property, plant and equipment and any significant part initially recognised, is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss when the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial period end, and adjusted prospectively, if appropriate.

3.12. Intangible fixed assets and goodwill

Goodwill

Goodwill that arises on the acquisition of subsidiaries is presented with intangible assets. For the measurement of goodwill at initial recognition, see note 3.2.

After initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and any impairment loss is allocated to the carrying amount of the equity-accounted investee as a whole.

Intangible assets acquired separately

Intangible assets that are acquired separately by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses. The Group does not have intangible assets with indefinite useful lives.

Amortisation is recognised in profit or loss on a straight-line basis over their estimated useful lives from the date that they are available for use. The amortisation expense is recognised in the consolidated statement of profit and loss in the "Amortisation of acquisition-related intangible assets" caption. The estimated useful lives are as follows:

- Other intangible assets — 1 to 5 years
- Brand name — 20 years
- Customer relationships — 14 to 17 years

Amortisation methods, estimated useful lives and residual value, are reviewed at each reporting date and adjusted if appropriate, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are measured at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

3.13. Work in progress

Work in progress represents the net unbilled amount expected to be collected from clients for work performed to date. It is measured at the chargeable rate agreed with the individual clients less progress billed.

3.14. Impairment of assets

Non-derivative financial assets

Financial assets not classified at fair value through profit or loss, including an interest in an equity-accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

Financial assets measured at amortised cost

The Group considers evidence of impairment for financial assets measured at amortised cost (loans and receivables) at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in cumulative impairment losses attributable to application of the effective interest method are reflected as a component of interest income.

If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

Non-financial assets
The carrying amounts of the Group's non-financial assets, other than work in progress, current and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Goodwill is tested annually for impairment. An impairment loss is recognised if the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.15. Share capital

Ordinary shares
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Repurchase and reissue of ordinary shares (treasury shares)
When shares are repurchased, those are recognised as a debit to equity for the amount of the consideration paid, which includes directly attributable costs and is net of any tax effects. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to or from retained earnings.

Dividends
Dividends are recognised as a liability in the period in which they are declared.

3.16. Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the impact of time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Legal matters
A provision is recognised to cover the costs for legal proceedings or legal requirements, in those cases where a probable outflow of cash is identified.

Restructuring

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

Onerous contracts

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with the contract.

4. Non IFRS Financial measures

4.1. Definitions

For the definitions of non-financial measures we refer to the Glossary. Other than those defined there, we give more clarification as listed below on:

- Specific items of income or expenses are income and expenses items that, based on their significance in size or nature, should be separately presented to provide further understanding about the financial performance. Specific items include:
  - Transaction costs
  - Integration and transformation costs
  - Restructuring costs
  - Share-based payment upon IPO
  - Share-based payment upon integration
  - Income/expenses related to disposal of assets

  Specific items are not of an operational nature and do not represent the core operating results.
- EBITDA is defined as profit/(loss) from operating activities excluding depreciation and amortisation.
- Adjusted earnings per share is defined as adjusted net income divided by the weighted-average number of basic shares for the period.
- Adjusted EBITDA is defined as EBITDA excluding specific items.
- Adjusted net income is defined as Adjusted EBITA less net interest costs, less tax costs and share of profit of equity accounted investees (net of tax).
- Adjusted EBITA is defined as Adjusted EBITDA excluding depreciation and amortisation of other intangible assets.
- Net debt leverage ratio is defined as total net debt divided by the adjusted EBITDA of Intertrust, including adjusted EBITDA proforma contribution for acquisitions and full year run-rate synergies related to acquisitions.

5. Operating segments

5.1. Basis for segmentation

The Management Board is the Chief Operating Decision Maker of the Group (CODM). The responsibility of the Management Board is to assess performance and to make resource allocation decisions across the Group.

The analysis of the business is organised and managed on a geographical perspective. From 1 January 2017, due to integration of Elian, the Group no longer breaks out Elian results but defines the operating segments as Netherlands, Luxembourg, Cayman, Jersey and Rest of the World, whereby Guernsey is included in Rest of the World due to its size compared to the other bigger operating segments. The following table shows the reconciliation between old and new segmentation for 2016:

(EUR 000)	2016 presented in 2017 Adjusted Revenue	2016 presented in 2017 % Adjusted Revenue	2016 Adjusted Revenue	2016 % Adjusted Revenue
Netherlands	117,117	30%	116,882	30%
Luxembourg	82,514	21%	80,907	21%
Cayman Islands	57,525	15%	52,669	14%
Jersey	14,000	4%	-	0%
Guernsey	-	0%	27,675	7%
Elian	-	0%	28,496	7%
Rest of the World	114,597	30%	79,124	21%
Segment Revenue	385,753	100%	385,753	100%

(EUR 000)	2016 presented in 2017 Adjusted EBITA	2016 presented in 2017 % Adjusted EBITA	2016 Adjusted EBITA	2016 % Adjusted EBITA
Netherlands	74,750	49%	74,795	49%
Luxembourg	43,624	28%	43,187	28%
Cayman Islands	32,845	21%	30,546	20%
Jersey	6,108	4%	-	0%
Guernsey	-	0%	10,560	7%
Elian	-	0%	9,726	6%
Rest of the World	38,478	25%	25,346	16%
Group HQ and IT costs[1]	(42,034)	-27%	(40,389)	-26%
Segment Adjusted EBITA	153,771	100%	153,771	100%

1 *Group HQ and IT costs are not allocated by operating segment.*

All operating segments are regarded as reportable segments due to their size/importance for the overall understanding of the geographical business. They are reported in a manner consistent with the internal reporting provided to and used by the Management Board.

The Management Board evaluates the performance of its segments based on Revenue and Adjusted EBITA ("segment Revenue" and "segment Adjusted EBITA"). Management considers that such information is the most relevant in evaluating the results of the respective segments.

(EUR 000)	Note	2017	2016
EBITDA		184,829	144,628
Specific items - Transaction costs	9	83	4,153
Specific items - Integration and transformation costs	9	7,804	8,462
Specific items - Share-based payment upon IPO	7	2,098	4,119
Specific items - Share-based payment upon integration	7	1,060	358
Specific items - Other operating (income)/expenses	9	277	453
One-off expenses		-	339
Adjusted EBITDA		196,151	162,512
Depreciation and amortisation of other intangible assets	10	(11,019)	(8,741)
Adjusted EBITA		185,132	153,771

The individual Adjusted EBITA by operating segment excludes the allocation of Group IT and HQ costs, which is subsequently deducted from the total.

Profit/(loss) before income tax is not used to measure the performance of the individual segment as items like amortisation of intangibles (except for software) and net finance costs are not allocated to individual segments.

Consistent with the aforementioned reasoning, segment assets/liabilities are not reviewed regularly on a segment basis by management and are therefore not included in the IFRS segment reporting.

5.2. Information about reportable segments

(EUR 000)	2017 Adjusted Revenue	2017 % Adjusted Revenue	2016 Adjusted Revenue	2016 % Adjusted Revenue
Netherlands	117,181	24%	117,117	30%
Luxembourg	97,103	20%	82,514	21%
Cayman Islands	68,854	14%	57,525	15%
Jersey	58,511	12%	14,000	4%
Rest of the World	143,567	30%	114,597	30%
Segment Revenue	485,216	100%	385,753	100%

(EUR 000)	2017 Adjusted EBITA	2017 % Adjusted EBITA	2016 Adjusted EBITA	2016 % Adjusted EBITA
Netherlands	71,967	39%	74,750	49%
Luxembourg	51,372	28%	43,624	28%
Cayman Islands	40,631	22%	32,845	21%
Jersey	29,975	16%	6,108	4%
Rest of the World	54,437	29%	38,478	25%
Group HQ and IT costs[1]	(63,250)	-34%	(42,034)	-27%
Segment Adjusted EBITA	185,132	100%	153,771	100%

1 Group HQ and IT costs are not allocated by operating segment.

5.3. Reconciliation of reportable segment to profit/(loss) before income tax

(EUR 000)	Note	2017	2016
Adjusted EBITA reportable segment		185,132	153,771
Specific items - Share-based payment upon IPO	7	(2,098)	(4,119)
Specific items - Share-based payment upon integration	7	(1,060)	(358)
Specific items - Transaction costs	9	(83)	(4,153)
Specific items - Integration and transformation costs	9	(7,804)	(8,462)
Specific items - Other operating (income)/expenses	9	(277)	(453)
One-off expenses		-	(339)
Amortisation of acquisition-related intangible assets	10	(41,029)	(33,774)
Financial result	11	(25,896)	(30,608)
Share of profit and result of transactions with equity-accounted investees and subsidiaries (net of tax)		689	(29)
Profit/(loss) before income tax		107,574	71,476

5.4. Entity-wide disclosures

Management does not distinguish between revenue streams resulting from different products or services. Therefore no further split of revenues is presented.
There is no single customer amounting to 10% or more of Group's revenues.

6. Acquisition of subsidiaries

6.1. Acquisition of remaining SFM Spain stake and affiliated local service provider

The Group acquired a 75% stake in SFM Spain as part of the acquisition of Elian on 23 September 2016. The remaining 25% of SFM Spain was held by Azcona, a local Spanish competitor that specialises in the provision of corporate secretarial, accounting and tax compliance services.

On 1 February 2017, the Group acquired the remaining 25% stake in Intertrust Management Spain, S.L. ("SFM Spain") together with the affiliated professional services activities of Azcona y Asociados de Consultoría Tributaria, Jurídica y Contable, S.L. ("Azcona").

The transaction strengthens the Group's position in Spain, making it a leading independent provider of capital markets, funds and corporate services. All Azcona staff members have transferred to the Intertrust team, thereby more than doubling the headcount of the Madrid office to a total of 63 employees. The increased scale of the combined office strengthens the Group's client service capabilities and broadens its career opportunities for employees.

Other than the acquisition of the remainder of the shares, the significant asset recognised was mainly attributable to revenue from new customers. The transaction does not have a material impact on the Company's financial position or results.

6.2. Acquisition of Elian Group

On 23 September 2016, the acquisition of Elian Group ("Elian") from Elian's management and funds managed by Electra Partners LLP was completed. Elian was a Jersey-based regional trust & corporate services provider, specialist in Capital Markets and Private Equity & Real Estate fund administration, with a leadership position in Jersey and a strong presence in the United Kingdom and 13 other jurisdictions.

From acquisition to 31 December 2016, Elian contributed revenue of EUR 28,496 thousand and Adjusted EBITA of EUR 9,726 thousand. Based on management estimates, Elian's revenue for 2016 was GBP 92.2 million and Adjusted EBITA was GBP 30.4 million.

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

(EUR 000)	Note	Fair Value recognised on acquisition
Property, plant and equipment	14	6,638
Intangible assets	15	192,699
Investments in equity-accounted investees		479
Trade receivables		13,326
Other receivables		1,401
Work in progress		10,010
Other financial assets		857
Current tax assets		337
Deferred tax assets	18	5
Prepayments		3,680
Cash and cash equivalents		26,172
Assets		255,604
Other financial liabilities		322,621
Deferred income		14,015
Provision	26	250
Current tax liabilities		4,858
Deferred tax liabilities	18	18,851
Trade payables		1,617
Other payables		9,713
Liabilities		371,925
Total identifiable net assets at fair value		(116,321)

The trade receivables comprise gross contractual amounts due of EUR 14,433 thousand, of which EUR 1,108 thousand was expected to be uncollectible at the acquisition date. The cash and cash equivalents include cash held on behalf of clients of EUR 92 thousand.

Consideration transferred and deferred

The total consideration of EUR 227,534 thousand includes:

1. EUR 172,427 thousand paid to the sellers;
2. Settlement of forex forward contracts to fix the EUR/GBP rates for Elian acquisition of EUR 18,613 thousand net of tax; and

3. EUR 36,494 thousand of deferred consideration to be paid in shares 12 months and 10 business days post-closing of the acquisition.

In addition to the consideration, the Group has, at the same date of the acquisition, repaid the existing loans and borrowings of the acquired entity for EUR 322,389 thousand.

The deferred consideration of 1,803,054 shares has been recognised as an equity instrument on the basis it represents a nonderivative bearing non-contractual obligation to deliver a variable number of the Group's own equity instruments. The deferred consideration has been recognised at fair value as at acquisition date (EUR 20.24 per share).

Goodwill

Goodwill arising from the acquisition has been recognised as follows:

(EUR 000)	Note	2016
Consideration transferred		227,534
Non-controlling interests		1,909
Fair value of identifiable net assets		116,321
Goodwill	15	345,763

The goodwill is attributable mainly to revenues from new customers and the workforce. None of the recognised goodwill is expected to be deductible for tax purposes.

Acquisition-related costs

The Group incurred acquisition-related costs of EUR 4,003 thousand related to external legal fees and due diligence costs. These costs have been recognised in other operating expenses transaction costs (Note 9) in the Group's consolidated statement of comprehensive income.

Impact on cash flow

(EUR 000)	2016
Consideration transferred	(227,534)
Cash acquired (excluding cash on behalf of clients)	26,080
Deferred consideration shares	36,118
Current Income Tax receivable on foreign exchange forward contracts	(6,205)
Acquisition	(171,541)
Repayment of loans	(322,389)
Total impact cash	(493,930)

7. Staff expenses

(EUR 000)	Note	2017	2016
Salaries and wages		(164,513)	(131,014)
Other personnel expenses		(21,547)	(12,698)
Social security contributions		(15,657)	(13,226)
Pensions and benefits		(7,578)	(7,601)
Share-based payment upon IPO	8	(2,098)	(4,119)
Share-based payment upon integration	8	(1,060)	(358)
Share-based payment long term incentive plan	8	(2,048)	(1,640)
Staff expenses		(214,501)	(170,656)

Pension and benefits includes defined contributions of EUR 7,920 thousand (2016: EUR 6,796 thousand) and defined benefits amounting to a gain of EUR 342 thousand (2016: loss of EUR 805 thousand).

Staff expenses include specific items for share based payment upon IPO of EUR 2,098 thousand (2016: EUR 4,119 thousand) and upon integration of EUR 1,060 thousand (2016: EUR 358 thousand). These programs are related to the awards made:

- under the equity-settled share-based payment arrangements implemented following the listing of the Company's shares on Euronext Amsterdam in 2015;
- following the Elian acquisition in September 2016; and
- following the Azcona asset deal in February 2017.

The number of FTEs at year end amounts to 2,468 (2016: 2,359). Average headcount in FY 2017 amounts to 2,444 (2016: 1,882).

8. Share-based payment arrangements

8.1. Description of share-based payment arrangements

Following the listing on Euronext Amsterdam in 2015 and Elian acquisition in 2016, the Company has implemented and made awards to members of the Management Board and selected eligible employees under the three equity-settled share-based payment plans:
a) Executive Ownership Plan ('EOP')
b) Employee Stock Ownership Plan ('ESOP')
c) Long Term Incentive Plan ('LTIP')

a) Executive Ownership Plan

In 2015, the members of the Management Board and selected eligible members of senior management were invited to make a one-off investment in the Company's shares at a share price equal to the introduction price of one Company share on Euronext Amsterdam at the time of the IPO. In addition, shares representing 14% of the total investment amount were allocated to the eligible participants for no consideration.

The grant date fair value of each of the 216,605 additional EOP shares allocated for no consideration is equal to the introduction share price at the date of listing of EUR 15.50. As there are no vesting conditions related to the additional EOP shares, the total grant date fair value was expensed immediately.

For each of the acquired/allocated shares, the participants were awarded the conditional right to receive one Company share for every three EOP shares (the Matching Shares) for no consideration. These Matching Shares will vest on the third anniversary of the IPO settlement date to the extent that the participant still (i) holds all the EOP shares and (ii) is employed by the Company on this date. The grant date fair value of the Matching Shares is therefore expensed over a period of 3 years starting on the IPO settlement date.

Details of the number of Matching Shares outstanding are as follows:

In number of shares	2017	2016
Outstanding at the beginning of the year	495,146	515,758
Forfeited during the year	(60,017)	(20,612)
Outstanding at the end of the year	435,129	495,146

The Matching Shares awarded in 2015 do not entitle the participants to receive dividends during the vesting period.

As dividends are expected during the vesting period, the grant date fair value of the Matching Shares of EUR 14.28 is equal to the introductory share price at the date of listing of EUR 15.50 less the discounted value of expected future dividends.

b) Employee Stock Ownership Plan

On 23 September 2016, the Management Board made a one-time award of the Company's shares (ESOP Shares) to eligible employees from Elian, to celebrate Elian and Intertrust joining forces. These awards entitled each eligible employee to receive 100 shares for no consideration, subject to continued employment for a period of one year from the acquisition date. Participants were not entitled to receive dividends during the vesting period. As dividends were expected during the vesting period of the new ESOP shares, the grant date fair value of the Celebration Shares of EUR 19.92 (2016) is equal to grant date share price less the discounted value of expected future dividends. The grants vested in September 2017.

On 19 October 2015, the Management Board made a one-time award of Company's shares (ESOP Shares) to eligible employees, excluding any participants in the EOP, to celebrate the completion of the listing on Euronext Amsterdam. These ESOP Shares vested in October 2016.

On 1 February 2017, the Management Board has made a one-time award of the Company's shares (ESOP Shares) to eligible employees from Azcona, to celebrate Azcona and Intertrust joining forces. These awards entitled each eligible employee to receive shares for no consideration, subject to continued employment for a period of one year from the acquisition date. Participants are not entitled to receive dividends during the vesting period. As dividends are expected during the vesting period of the new ESOP shares, the grant date fair value of the Celebration Shares of EUR 16.82 is equal to grant date share price less the discounted value of expected future dividends. The grants will vest in February 2018. Only these ESOP shares remained outstanding at the end of 2017.

Details of the movement of the number of ESOP Shares were as follows:

In number of shares	2017	2016
Outstanding at the beginning of the year	52,400	208,780
Awarded during the year	4,440	53,300
Forfeited during the year	(11,660)	(37,820)
Vested during the period	(41,100)	(171,860)
Outstanding at the end of the year	4,080	52,400

c) Long term Incentive Plan

As referred to in the 2015 remuneration policy, the LTIP was implemented during the first half year of 2016. Conditional performance shares were awarded to members of the Management Board and eligible members of senior management on 1 April 2016 and on the same basis on 1 April 2017 .

Performance shares are awarded on an annual basis and vest on the third anniversary of the grant date subject to (i) the participant remaining in continuous employment during the performance period and (ii) the Group meeting the pre-determined performance criteria. For Management Board members, the vested performance shares will be subject to an additional holding period of 2 years. Participants are not entitled to receive dividends during the vesting period.

For both performance cycles 2016-2019 and 2017-2020, an adjusted Earnings per Share ("adjusted EPS") growth performance target applies. Subject to meeting the service condition, the number of LTIP Shares that vest will be between 0% (adjusted EPS growth below the threshold) and 150%. The vesting percentage is allocated linearly between the threshold level and the maximum level. In 2017, management estimated the conditions to result in vesting on 100% therefore valuation was adjusted accordingly.

In addition, following the acquisition of Elian, the Management Board awarded performances shares under the LTIP to eligible Elian employees on 1 November 2016. These awards have the same vesting conditions (including the same vesting date) as the performance shares granted on 1 April 2016.

Details of the number of LTIP Shares awarded and outstanding (at target) are as follows:

In number of shares	2017	2016
Outstanding at the beginning of the year	421,275	-
Awarded during the year	433,352	442,825
Forfeited during the year	(143,277)	(21,550)
Outstanding at the end of the year	711,350	421,275

As dividends are expected during the vesting period, the grant date fair value of the performance shares is equal to grant date share price less the discounted value of expected dividends. The weighted-average fair value of the LTIP Shares granted in 2017 is EUR 16.03 (2016: EUR 17.82).

The Management Board's EOP and LTIP awards outstanding and movements during the financial year are disclosed in note 31.

8.2. Expenses recognised during the period

The equity-settled share-based payment expenses recognised during the period, per plan and in total are as follows:

(EUR 000)	2017	2016
Executive Ownership Plan	(2,071)	(1,907)
Employee Stock Ownership Plan	(708)	(2,339)
Long Term Incentive Plan (including integration cost)	(2,363)	(1,744)
Total	(5,142)	(5,990)

In addition, the Group recognised expenses of EUR 64 thousand (2016: EUR 127 thousand) for employer social security contributions payable.

9. Other operating expenses

(EUR 000)	2017	2016
IT expenses	(14,588)	(9,083)
Professional fees	(8,526)	(5,656)
Integration costs	(7,804)	(8,462)
Travelling	(4,516)	(3,577)
Marketing and sales expenses	(3,422)	(2,688)
Insurance	(1,914)	(1,652)
Transaction costs	(83)	(4,153)
Other expenses	(21,097)	(15,189)
Other operating expenses	(61,950)	(50,460)

10. Depreciation and amortisation

(EUR 000)	Note	2017	2016
Amortisation of acquisition-related intangible assets	15	(41,029)	(33,774)
Depreciation of property, plant and equipment	14	(6,003)	(4,256)
Amortisation of other intangible assets	15	(5,016)	(4,485)
Depreciation and amortisation		(52,048)	(42,515)

11. Financial result

Recognised in profit or loss

(EUR 000)	2017	2016
Net foreign exchange gain	1,898	-
Net change in fair value of derivatives (ineffective cash flow hedge)	108	-
Other financial income	187	172
Finance income	2,193	172
Interest expense on financial liabilities measured at amortised cost	(27,344)	(20,498)
Net foreign exchange loss	-	(9,572)
Other financial expense	(745)	(710)
Finance expense	(28,089)	(30,780)
Financial result	(25,896)	(30,608)

Interest expense on financial liabilities measured at amortised cost includes the interests on debt of EUR 22,870 thousand (2016: EUR 16,511 thousand) and the amortisation of capitalised financing fees EUR 4,474 thousand (2016: EUR 3,987 thousand).

12. Income tax expense

12.1. Income tax recognised in profit or loss

(EUR 000)	2017	2016
Current year	(25,531)	(20,331)
Prior years	1,126	295
Current tax (expense)/gain	(24,405)	(20,036)
Origination and reversal of temporary differences	3,939	180
Recognition of previously unrecognised tax losses	1,604	417
Change in recognised deductible temporary differences	(31)	(79)
Deferred tax gain/(expense)	5,512	518
Income tax (expense)/gain for continuing operations	(18,893)	(19,518)

The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience.

In 2017, income tax previous year includes an adjustment in relation to tax expense accounted as integration cost of EUR 353 thousand and as such excluded from the adjusted net income.

12.2. Tax recognised in other comprehensive income

(EUR 000)	2017	2016
Cash flow hedges	(261)	436
Income tax expense recognised in OCI	(261)	436

12.3. Reconciliation of effective tax rate

(EUR 000)	Note	2017		2016	
Profit for the year			88,681		51,958
Total income tax expense			(18,893)		(19,518)
Profit before income tax			107,574		71,476
Income tax using the Company's domestic tax rate		25.00%	(26,894)	25.00%	(17,869)
Effect of tax rates in foreign jurisdictions			10,438		4,866
Non deductible expenses			(7,221)		(6,325)
Tax exempt income			2,357		305
Change in recognised deductible temporary differences			(31)		(79)
Recognition of previously unrecognised tax losses			1,604		417
Current year losses for which no deferred tax has been recognised			(87)		(490)
(Under) over provided in previous years			1,126		295
Others			(185)		(638)
Effective income tax		17.6%	(18,893)	27.3%	(19,518)

13. Earnings per share

	2017	2016
Earnings per share		
Basic earnings per share (euro)	0.97	0.58
Diluted earnings per share (euro)	0.94	0.58

13.1. Basic earnings per share

The calculation of basic earnings per share is based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

Profit attributable to ordinary shareholders (basic)

(EUR 000)	2017	2016
Profit for the period, attributable to the owners of the Company	88,324	51,884
Profit/(loss) attributable to ordinary shareholders	88,324	51,884

Weighted-average number of ordinary shares (basic)

In number of shares	2017	2016
Issued ordinary shares at 01 January	91,995,687	85,221,614
Effect of issue of ordinary shares in June 2016	-	3,722,222
Effect of distribution of treasury shares for ESOP vesting and deferred share considerations	391,518	-
Effect of treasury shares held	(1,366,505)	(893)
Weighted-average number of ordinary shares at 31 December	91,020,700	88,942,943

13.2. Diluted earnings per share

The calculation of diluted earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

Profit attributable to ordinary shareholders (diluted)

(EUR 000)	2017	2016
Profit for the period, attributable to Ordinary shareholders (basic)	88,324	51,884
Profit/(loss) attributable to ordinary shareholders (diluted)	88,324	51,884

Weighted-average number of ordinary shares (diluted)

In number of shares	2017	2016
Weighted-average number of ordinary shares (basic)	91,020,700	88,942,943
Effect of share-based payment on issue	3,100,937	286,073
Effect of share-based payment cancellation	(478,772)	-
Effect of deferred consideration shares	-	487,711
Weighted-average number of ordinary shares at 31 December	93,642,865	89,716,728

13.3. Adjusted net income per share

The Group calculates the Adjusted net income for 2017 to be EUR 139.5 million (2016: EUR 113,2 million). Adjusted net income is defined as Adjusted EBITA, less net interest costs of EUR 27.8 million (2016: EUR 21,0 million) , plus share of profit and result of transactions with equity-accounted investees and subsidiaries (net of tax) of EUR 0.7 million (2016: EUR 29 thousand loss) and less adjusted tax costs of EUR 18.5 million (2016: EUR 19,5 million).

Based on this Adjusted net income and taking the weighted-average number of basic shares for the year of 91,020,700 (2016: 88,942,943), the adjusted net income per share is EUR 1.53 (2016: EUR 1,27).

14. Property, plant and equipment

The movements of the tangible assets are as follows:

(EUR 000)	Leasehold improvements	Equipment & motor vehicles	IT equipment	TOTAL
Cost	6,325	4,835	10,878	22,038
Accumulated depreciation and impairment losses	(2,777)	(2,198)	(5,792)	(10,767)
Balance at 1 January 2016	3,548	2,637	5,086	11,271
Business combinations, incoming entities	5,052	251	1,335	6,638
Additions	2,193	629	4,264	7,086
Disposals	(404)	(51)	(66)	(521)
Depreciation of the period	(1,345)	(784)	(2,127)	(4,256)
Effect of movements in exchange rates	(43)	(8)	–	(51)
Movements in 2016	5,453	37	3,406	8,896
Cost	11,877	5,014	14,188	31,079
Accumulated depreciation and impairment losses	(2,876)	(2,340)	(5,696)	(10,912)
Balance at 31 December 2016	9,001	2,674	8,492	20,167
Business combinations, incoming entities	49	–	–	49
Additions	1,256	366	876	2,498
Disposals	11	(27)	(5)	(21)
Depreciation of the period	(1,901)	(810)	(3,292)	(6,003)
Effect of movements in exchange rates	(299)	(68)	147	(220)
Movements in 2017	(884)	(539)	(2,274)	(3,697)
Cost	12,664	5,060	14,604	32,328
Accumulated depreciation and impairment losses	(4,547)	(2,925)	(8,386)	(15,858)
Balance at 31 December 2017	8,117	2,135	6,218	16,470

No interest costs have been capitalised in property, plant and equipment during the period under review.

15. Intangible assets and goodwill

The movements of the intangible assets and goodwill are as follows:

(EUR 000)	Goodwill	Brand name	Customer relationships	Other intangible assets	TOTAL
Cost	627,102	34,908	467,361	23,967	1,153,338
Accumulated depreciation and impairment losses	–	(4,800)	(75,333)	(8,745)	(88,878)
Balance at 1 January 2016	627,102	30,108	392,028	15,222	1,064,460
Business combinations, incoming entities	345,763	–	192,593	106	538,462
Additions	–	–	–	4,250	4,250
Disposals	–	–	–	25	25
Amortisation of the period	–	(1,712)	(32,062)	(4,485)	(38,259)
Effect of movements in exchange rates	8,463	(282)	3,366	2	11,549
Movements in 2016	354,226	(1,994)	163,897	(102)	516,027
Cost	981,328	34,602	663,961	32,550	1,712,442
Accumulated depreciation and impairment losses	–	(6,488)	(108,036)	(17,430)	(131,955)
Balance at 31 December 2016	981,328	28,114	555,925	15,120	1,580,487
Business combinations, incoming entities	5,875	–	5,798	–	11,673
Additions	–	–	–	4,967	4,967
Disposals	(421)	–	–	–	(421)
Amortisation of the period	–	(1,688)	(39,341)	(5,016)	(46,045)
Effect of movements in exchange rates	(38,261)	(1,160)	(21,981)	(222)	(61,624)
Movements in 2017	(32,807)	(2,848)	(55,524)	(271)	(91,450)
Cost	948,521	33,135	642,892	37,136	1,661,684
Accumulated depreciation and impairment losses	–	(7,869)	(142,491)	(22,287)	(172,647)
Balance at 31 December 2017	948,521	25,266	500,401	14,849	1,489,037

During the year, the Group invested in other intangible assets for an amount of EUR 4,967 thousand (2016: EUR 4,250 thousand). At 31 December 2017 an amount of EUR 12 thousand (2016: EUR 859 thousand) remains payable in balance sheet.

The brand name "Intertrust" is a registered trade name for all countries in which the Company has operational activities or will expand in a near future. The remaining useful life is 15 years at 31 December 2017.

The customer relationship is the Company's client portfolio acquired and has a remaining useful life of 13 years on average as of 31 December 2017.

15.1. Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions. The aggregate carrying amounts of goodwill allocated to each CGU are as follows:

(EUR 000)	Balance at 01 January 2017	Business combinations	Outgoing entity	Movements exchange rates	Balance at 31 December 2017
CGU Netherlands	268,788	-	-	-	268,788
CGU Luxembourg	137,211	-	-	-	137,211
CGU Cayman	253,127	-	-	(30,641)	222,486
CGU Jersey	183,410	-	-	(6,419)	176,991
CGU Rest of the world	138,792	5,875	(421)	(1,201)	143,045
Total	981,328	5,875	(421)	(38,261)	948,521

(EUR 000)	Balance at 01 January 2016	Business combinations	Outgoing entity	Movements exchange rates	Balance at 31 December 2016
CGU Netherlands	268,788	-	-	-	268,788
CGU Luxembourg	128,164	9,047	-	-	137,211
CGU Cayman	167,108	75,543	-	10,476	253,127
CGU Jersey	-	182,755	-	655	183,410
CGU Rest of the world	63,042	78,418	-	(2,668)	138,792
Total	627,102	345,763	-	8,463	981,328

The recoverable amount of goodwill has been determined for the five cash generating units as at 31 December 2017 and 31 December 2016. For each of the CGUs, the recoverable amount is individually and collectively higher than its carrying amount.

Key assumptions used in discounted cash flow projection calculations

The recoverable amount of all CGUs has been determined based on a value-in-use calculation using cash flow projections. The year 1 cash flow projections are based on detailed financial budget, the year 2 to 3 on detailed outlook and the years 4 to 5 on estimates, prepared by management for each cash generating unit based on expectation of future outcomes taking into account past experience. The revenue growth rate assumed beyond the initial 5-year period is 2.0% (2016: 2.0%), that has been based on the expected long term inflation rate.

The values assigned to the key assumptions used in the value in use calculations are as follows for the years 4 to 5:

- Market growth: between 4% to 6%
- Annual Margin Evolution: Improvement
- Terminal value growth rate: 2%
- Discount rate: between 7.95% to 8.61%

Discount rate

Discount rates represent a post-tax measure that reflect management's estimate of the time value of money and the risks specific to each unit that are not already reflected in the cash flows. In determining appropriate discount rates for each unit, regard has been given to the industry average weighted average cost of capital. The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is determined by adding a debt risk premium to the risk free bonds rate with a maturity of 20 years. CGU-specific risk is incorporated by applying industry beta factors that are evaluated annually based on publicly available market data.

Sensitivity to changes in assumptions

Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the recoverable amount of the CGUs.

16. Investment in equity-accounted investees

In 2016, as part of the Elian acquisition, the Group acquired participations in Structured Finance Management Italia SRL and Elian Middle East B.S.C ©.

The Group's share of profit in its equity-accounted investees for the year 2017 was a gain of EUR 689 thousand including the result of the sale of the shares in ATC Switzerland sarl (see note 33) (2016: loss of EUR 29 thousand). In 2017 the Group received a declared dividend of EUR 129 thousand from which EUR 75 thousand is not yet received as cash (2016: nil).

The Group's equity-accounted investees are not publicly listed and consequentially do not have published price quotations. As the equity-accounted investees are not material to the Group, no further information is provided other than that detailed below. The Group has no commitment in providing additional financing to any of its associates. The (estimated) full year revenue and net profits of the associates and their assets and liabilities are as follows:

(EUR 000)	Balance at 31 December 2017		Balance at 31 December 2016			
	Structured Finance Management Italia SRL[1]	Total	Titrisation Belge Effectisering SA/NV[2]	Structured Finance Management Italia SRL	Elian Middle East B.S.C. ©[3]	Total
Country of incorporation	Italy		Belgium	Italy	Bahrain	
Percentage ownership interest	50%		50%	50%	50%	
Current assets	1,302	1,302	497	1,515	667	2,679
Non-current assets	-	-	-	-	47	47
Total assets	**1,302**	**1,302**	**497**	**1,515**	**713**	**2,725**
Current liabilities	949	949	3	987	321	1,311
Non-current liabilities	-	-	-	-	-	-
Total liabilities	**949**	**949**	**3**	**987**	**321**	**1,311**
Net assets (100%)	353	353	494	528	392	1,414
Group's share of net assets	**177**	**196**	**247**	**264**	**196**	**707**
Revenues	501	501	22	115	(51)	86
Expenses	(399)	(399)	(42)	(77)	(25)	(143)
Profit / (loss) (100%)	102	102	(20)	38	(76)	(58)
Group's share of profit	**51**	**51**	**(10)**	**19**	**(38)**	**(29)**

1 *This associate has a 30 September year-end. Data for calculating the result of associate, based on the equity method, is obtained from January through to December. The summarised financial information presented above is based on financial statements for the year ending 30 September 2017.*

2 *Titrisation Belge Effectisering SA/NV was liquidated in 2017.*

3 *Ownership in Elian Middle East B.S.C. was sold for no consideration in 2017. Related losses are included in 'Share of profit and result of transactions with equity-accounted investees and subsidiaries (net of tax)'.*

17. Other financial assets and other financial liabilities

17.1. Other financial assets

(EUR 000)	31.12.2017	31.12.2016
Financial instruments at fair value through other comprehensive income		
Interest rate swaps - cash flow hedge assets	494	-
Total financial instruments at fair value	**494**	**-**
Loans and receivables		
Loans and receivables	337	1,075
Guarantee deposits	2,939	3,432
Total loans and receivables	**3,276**	**4,507**
Available for sale investments		
Unquoted equity shares	455	940
Total available for sale investments	**455**	**940**
Total other financial assets	4,225	5,447
Total current	**857**	**1,627**
Total non-current	**3,368**	**3,820**

Cash flow hedges

See details in note 17.2.

Loans and receivables

It is mainly related to the receivable of USD 375 thousand (31 December 2016: USD 750 thousand) deferred in 2 instalments for the sale of Intertrust Bank (Cayman) Limited.

Guarantee deposits

Includes guarantee deposits mainly for rent and utility contracts held in banks or non-financial institutions. These funds are restricted.

Unquoted equity shares

Valued at cost and includes participations in non consolidated companies and special purpose companies for EUR 293 thousand (2016: EUR 622 thousand) and shelf companies for EUR 162 thousand (2016: EUR 318 thousand).

None of the "Other financial assets" are past due or impaired.

17.2. Other financial liabilities

(EUR 000)	31.12.2017	31.12.2016
Financial instruments at fair value through other comprehensive income		
Interest rate swaps - cash flow hedge liabilities	966	1,763
Total financial instruments at fair value	966	1,763
Other loans and payables		
Deferred consideration	6,250	-
Total loans and payables	6,250	-
Total other financial liabilities	7,216	1,763
Total current	5,000	-
Total non-current	2,216	1,763

Cash flow hedges

Includes interest rate swaps to cover part of the fluctuations on the floating interest on the USD, GBP and EUR debt.

The USD and GBP hedges were assessed to be effective at 31 December 2017, the EUR hedge was assessed as ineffective since 1 January 2017 therefore accounted fair value change in the profit and loss and started recycling of Other comprehensive income position as at 1 January 2017 also to the profit and loss. Balance sheet positions recognised as assets at 31 December 2017 were EUR 494 thousand (2016: nil), liabilities EUR 966 thousand respectively (2016: 1,763 thousand).

Other loans and payables

Other loans and payables consists of the deferred earn-out estimate on the acquisition of Azcona described in note 6.

18. Deferred tax assets and liabilities

18.1. Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of tax losses for EUR 6,170 thousand (2016: EUR 7,570 thousand). Tax losses for an amount of EUR 977 thousand (2016: EUR 965 thousand) will expire in the next 5 years and EUR 5,193 thousand (2016: EUR 6,605 thousand) do not expire. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group entities can utilise the benefits.

18.2. Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

(EUR 000)	Balance at 31 December 2017		Balance at 31 December 2016	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	33	-	119	-
Intangible assets	1	(80,374)	1	(85,442)
Other non-current financial assets or liabilities	118	(31)	441	(32)
Other items	126	-	4	(185)
Tax loss carry-forwards	1,079	-	1,915	-
Total	1,357	(80,405)	2,480	(85,659)

18.3. Movements in temporary differences during the period

(EUR 000)	Balance at 01 January 2017	Acquired in business combinations	Recognised in profit or loss	Recognised in OCI[1]	Effect of foreign exchange differences	Balance at 31 December 2017
	Net					Net
Property, plant and equipment	119	-	(86)	-	-	33
Intangible assets	(85,441)	-	6,179	-	(1,111)	(80,373)
Other non-current financial assets or liabilities	409	-	(58)	(108)	(156)	87
Other items	(181)	-	247	-	60	126
Tax loss carry-forwards	1,915	-	(770)	-	(66)	1,079
Total	(83,179)	-	5,512	(108)	(1,273)	(79,048)

(EUR 000)	Balance at 01 January 2016	Acquired in business combinations	Recognised in profit or loss	Recognised in OCI[1]	Effect of foreign exchange differences	Balance at 31 December 2016
	Net					Net
Property, plant and equipment	119	-	-	-	-	119
Intangible assets	(72,113)	(18,818)	5,530	-	(40)	(85,441)
Other non-current financial assets or liabilities	5	(32)	-	436	-	409
Other items	(200)	5	14	-	-	(181)
Tax loss carry-forwards	6,955	-	(5,026)	-	(14)	1,915
Total	(65,234)	(18,845)	518	436	(54)	(83,179)

1 *Other comprehensive income ("OCI")*

19. Trade receivables

The ageing analysis of trade receivables net of the allowance for impairment is as follows:

(EUR 000)	31.12.2017	31.12.2016
Neither past due nor impaired	40,975	34,330
Past due 1-90 days	41,399	49,209
Past due 91-180 days	11,390	8,102
Past due 181-360 days	7,544	5,004
Past due more than 361 days	1,795	2,515
Total	103,103	99,160

The movements in the allowance for impairment in respect of trade receivables during the period were as follows:

(EUR 000)	
Balance at 01 January 2016	**(4,844)**
Business combinations	(1,108)
Impairment losses recognised in profit or loss	(3,505)
Amounts written off during the year	2,570
Unused amounts reversed	1,070
Effect of movements in exchange rates	(3)
Balance at 31 December 2016	**(5,820)**
Balance at 01 January 2017	**(5,820)**
Impairment losses recognised in profit or loss	(5,280)
Amounts written off during the year	2,153
Unused amounts reversed	2,715
Effect of movements in exchange rates	332
Outgoing entity	111
Balance at 31 December 2017	(5,789)

The impairment losses and unused amounts reversed during the period are recognised in "Other operating expenses" under "Other expenses". For credit risk refer to note 27.2.

Trade accounts receivable include amounts denominated in the following major currencies:

(EUR 000)	31.12.2017	31.12.2016
EUR	46,476	41,890
USD	32,751	38,831
GBP	15,827	10,823
Other	8,049	7,616
Total	103,103	99,160

20. Other receivables and other payables

20.1. Other receivables

(EUR 000)	31.12.2017	31.12.2016
Due from customers	8,744	5,841
Accrued income	7,291	6,297
VAT and other tax receivable	1,567	1,691
Others	1,335	1,192
Other receivables	18,937	15,021

Due from customers relates to i) EUR 8,744 thousand (2016: EUR 5,547 thousand) of receivables from clients for disbursements and expenses and ii) none (2016: EUR 294 thousand) of the receivables related to intellectual property activities from royalties invoiced to licensees that will be subsequently paid to the licensors. Consequently no offsetting liabilities (2016: EUR 295 thousand) are accounted for in "Other payables – due to customers".

None of the "Other receivables" are past due or impaired.

20.2. Other payables

(EUR 000)	Note	31.12.2017	31.12.2016
Accrued expenses for short term employee benefits		20,342	18,669
VAT and other tax payable		13,085	12,237
Accrued expenses		12,781	10,267
Liabilities for cash held on behalf of clients	21	10,463	18,125
Due to customers		9,645	7,427
Others		457	249
Other payables		66,773	66,974

Due to customers relates to i) advances from clients for future fees, unapplied cash received from clients and disbursements invoiced in advance and ii) liabilities related to intellectual property activities of zero compared with 31 December 2016 balance, which was EUR 295 thousand that represented accrued royalties payable to licensors that have already been invoiced to licensees with offsetting asset in "Other receivables – due from customers".

Accrued expenses for short term employee benefits includes mainly bonus accruals, social charges and holiday allowances.

21. Cash and cash equivalents

(EUR 000)	31.12.2017	31.12.2016
Bank balances	66,602	69,766
Cash on hand	18	42
Short term deposits	–	50
Total	66,620	69,858
Of which:		
Cash attributable to the Company	56,157	51,733
Cash held on behalf of clients	10,463	18,125
Total	66,620	69,858

Bank balances includes cash in current and call accounts.

Cash held on behalf of clients is driven by funds to pay government fees on their behalf, intellectual property activity and other advances with its corresponding liabilities in "Other payables – liabilities for cash held on behalf of clients".

22. Capital and reserves

22.1. Share capital

The subscribed capital as at 31 December 2017 remained at EUR 55,200 thousand and is divided into 91,999,392 shares fully paid-up with a nominal value per share of EUR 0.60. The movements of the year were:

Ordinary shares	*In number of shares*		*(EUR 000)*	
(EUR 000)	2017	2016	2017	2016
Issued ordinary shares at 01 January	91,999,392	85,221,614	55,200	51,133
Effect of issue of ordinary shares in June 2016	–	6,777,778	–	4,067
On issue at end of period - fully paid	91,999,392	91,999,392	55,200	55,200

On 13 June 2016, Intertrust N.V. issued 6,777,778 ordinary shares for the purchase of Elian Group.

22.2. Share premium

At 31 December 2017 the share premium amounted to EUR 630,441 thousand and did not change compared to 2016. There were no movements during this financial year:

	In number of shares		*(EUR 000)*	
(EUR 000)	2017	2016	2017	2016
Issued ordinary shares at 01 January	91,999,392	85,221,614	630,441	513,423
Effect of issue of ordinary shares in June 2016	–	6,777,778	–	117,018
On issue at end of period - fully paid	91,999,392	91,999,392	630,441	630,441

In June 2016, the addition to the share premium from the proceeds of the issue of ordinary shares was EUR 122,000 thousand less the costs directly attributable to the equity transaction for EUR 1,220 thousand net of the related tax impact of EUR 305 thousand less the related 0.60 cent share capital of EUR 4,067 thousand.

22.3. Retained earnings

The retained earnings include accumulated profits and losses, plus remeasurements of defined benefit liability (asset) and equity-settled share-based payment.

The following dividends were declared and paid by the Company for the year:

(EUR 000)	2017	2016
Interim dividend for 2016 of EUR 0.24 per qualifying ordinary share	-	22,080
Final dividend for 2016 of EUR 0.25 per qualifying ordinary share	22,535	-
Interim dividend for 2017 of EUR 0.28 per qualifying ordinary share	25,755	-
Total dividend declared and paid	48,290	22,080

For 2017, a total dividend of EUR 0.61 per share (2016: EUR 0.49 per share) will be proposed at the Annual General Meeting. If approved, a final dividend of EUR 0.33 per share (2016: EUR 0.25 per share) will be paid on 12 June 2018, as an interim dividend of EUR 0.28 per share (2016: EUR 0.24 per share) was paid on 29 November 2017. The payment will be subject to 15% Dutch withholding tax.

After the reporting date, the above mentioned dividends were proposed by the Management Board. The dividends, taking into account the interim dividends declared and paid, have not been recognised as liabilities.

22.4. Reserves

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations (2017: EUR 65,284 thousand loss) and foreign currency differences arising on the revaluation of financial liabilities designated as a hedge of net investment, to the extent that the hedge is effective (2017: EUR 16,220 thousand gain).

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows affect profit or loss.

Treasury share reserve

The treasury share reserve comprises the costs of the Company's shares held by the Group. At 31 December 2017, the Group held 952,137 of the Company's shares (2016: 3,705).

Other reserve

The other reserve included equity instrument recognised under the Elian business combination transaction (deferred consideration in shares) as at 31 December 2016 which were delivered from treasury share reserve 12 months and 10 business days post closing of the acquisition disclosed in our 2016 Annual Report.

23. Loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate, foreign currency and liquidity risk refer to note 27.

23.1. Terms and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

(EUR 000)

Facilities	Currency	Year of maturity	Interest rate		Repayment	31.12.2017	31.12.2016
Principal value							
Senior Facilities							
Facility A	EUR	2020	Euribor + 2.50%	a)	Bullet	440,000	440,000
Facility A2	GBP	2021	Libor + 2.75%	a)	Bullet	105,948	109,790
Facility A3	EUR	2021	Euribor + 2.75%	a)	Bullet	147,500	147,500
Facility B	USD	2020	Libor + 2.50%	a)	Bullet	83,382	94,868
Revolver credit facility	Multicurrency	2020	Euribor/Libor + 2.50%	a) b)	Revolving	–	18,000
						776,830	810,158
Financing costs						(6,088)	(10,865)
Total bank debt						770,742	799,293
			Total current			375	18,072
			Total non-current			770,367	781,221

(a) If the rates (Euribor or Libor) are below 0%, the rate is deemed to be 0%. The margin can change depending on leverage ratios
(b) Revolver credit facility for EUR 18,000 thousand was paid back in FY 2017. An ancillary facility of EUR 2,500 thousand is in place to provide a bank guarantee for a rent lease agreement.

The schedule below shows the movements of the bank facilities during the period:

(EUR 000)

Balance at 01 January 2016	Principal value	531,853
Draw down facilities		296,295
Repayments		(22,190)
Effect of exchange rate		4,200
Balance at 31 December 2016	Principal value	810,158
Balance at 01 January 2016	Financing costs	(8,048)
Capitalised financing costs		(6,747)
Amortised financing costs		3,987
Effect of exchange rate		15
Accrued Interest and commitment fees		(72)
Balance at 31 December 2016	Financing costs	(10,865)
Balance at 31 December 2016	Net	799,293
Balance at 01 January 2017	Principal value	810,158
Repayments		(18,000)
Effect of exchange rate		(15,328)
Balance at 31 December 2017	Principal value	776,830
Balance at 01 January 2017	Financing costs	(10,865)
Amortised financing costs		4,474
Accrued Interest and commitment fees		303
Balance at 31 December 2017	Financing costs	(6,088)
Balance at 31 December 2017	Net	770,742

In 2016, and in order to finance the Elian acquisition, the Group entered into two new debt facilities (through an amendment and restatement of the existing credit facilities signed on 1 October 2015) consisting of a facility of GBP 94,000 thousand and another of EUR 147,500 thousand. In addition, the Group did a drawdown under the multicurrency Revolver credit facility of EUR 25,000 thousand, USD 11,500 thousand and GBP 3,500 thousand in 2016. The USD and GBP drawn down facilities and EUR 7,000 thousand from the EUR facility were fully repaid by the end of 2016. The remaining EUR 18,000 thousand facility was repaid in 2017.

On 1 October 2015, the Company and Intertrust Group B.V. entered into a syndicated senior facilities agreement between, among others, Intertrust Group B.V. as original borrower, the Company as parent and original guarantor, ABN AMRO Bank N.V., Deutsche Bank AG, London Branch, Morgan Stanley Bank International Limited and UBS Limited as mandated lead arrangers, the financial institutions named therein as original lenders, Deutsche Bank Luxembourg S.A. as facility agent and security agent (the "New Facilities Agreement").

Under the facilities agreement there is a requirement to ensure that the leverage ratio in respect of any relevant period on or after 31 December 2015 shall not exceed 4.75:1 (stepped down to 4.50:1 on 31 December 2017 and stepping further down to 4.25:1 on 31 December 2018). For the year ended 31 December 2017 the covenant was met with a headroom of 18.5% (2016: 22.9%).

The facilities agreement is guaranteed by the Company, Intertrust Group B.V. and certain subsidiaries, and secured by, among others, first ranking rights of pledge over all outstanding shares in the share capital of such subsidiaries.

24. Employee benefits

The Group sponsors defined benefit pension plans in Switzerland. In most other countries, employees are provided with benefits under defined contribution plans. All pension plans comply with local tax and legal restrictions in their respective country, including funding obligations.

The Swiss pension plan is managed by an independent, legally autonomous entity which has the legal structure of a foundation, according to Swiss Federal Law on Occupational Retirement, Survivors and Disability (LPP). All benefits in accordance with the regulations are reinsured in their entirety with an insurance company. The foundation provides benefits on a defined contribution basis. All employees are participants to the plan and are insured against the financial consequences of old age, disability and death. The insurance benefits are subject to regulations, with the LPP specifying the minimum benefits that are to be provided. The employer and employees pay contributions to the pension plan at rates set out in the foundation rules based on a percentage of salary. The amount of the retirement account can be taken by the employee at retirement in the form of pension or capital. The risk of disability, death and longevity are covered by the insurance company. The insurance company invests the vested pension capital and provides a 100% capital and interest guarantee. Even if actuarial and investment risks are covered by an insurance company, this plan is considered under IAS 19 as a defined benefit plan because the employer remains exposed to termination contract risks.

The Group has also agreed to provide certain additional post-employment medical benefits to senior employees in Curacao. These benefits are unfunded and the contributions equal the insurance premiums paid.

The Group expects EUR 504 thousand (2016: EUR 497 thousand) in contributions to be paid to its defined benefit plans in 2018.

24.1. Amounts recognised in the consolidated statement of financial position

(EUR 000)	31.12.2017	31.12.2016
Net defined liability - Pension	1,790	2,654
Net defined liability - Medical	173	360
Total employee benefits plans	1,963	3,014
Other employee benefits	-	68
Total employee benefits liabilities	1,963	3,082

24.2. Movement in the net defined benefit liability

The following table shows a reconciliation from the opening balance to the closing balance for the net defined benefit liability and its components:

(EUR 000)	31.12.2017			31.12.2016		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability
Balance at 01 January	8,806	5,791	3,014	9,373	6,571	2,801
Included in profit or loss						
Current service cost	704	–	704	738	–	738
Past service cost	(1,093)[1]	–	(1,093)	–	–	–
Settlements	–	–	–	–	–	–
Interest cost (income)	49	34	15	86	52	34
Administration costs	31	–	31	33	–	33
	(309)	34	(343)	857	52	805
Included in OCI						
Remeasurements loss/(gain):						
– Actuarial loss/(gain) arising from:						
– demographic assumptions	–	–	–	(309)	–	(309)
– financial assumptions	(109)	–	(109)	336	–	336
– experience adjustment	304	–	304	(453)	–	(453)
– Return on plan assets excluding interest income	–	29	(29)	–	(293)	293
Effect of movements in exchange rates	(582)	(371)	(211)	91	44	47
	(387)	(342)	(45)	(335)	(249)	(86)
Other						
Contributions paid by the plan participants	1,224	1,224	–	1,218	1,218	–
Contributions paid by the employer	–	420	(420)	–	506	(506)
Benefits paid	(4,053)	(3,810)	(243)	(2,307)	(2,307)	–
	(2,829)	(2,166)	(663)	(1,089)	(583)	(506)
Balance at 31 December	5,281	3,317	1,963	8,806	5,791	3,014

1 Relating to restructuring in Switzerland.

24.3. Plan assets

The plan assets comprise:

(EUR 000)	31.12.2017	31.12.2016
Insurance contracts	3,301	5,774
Cash	16	18
Total	3,317	5,791

None of the plan assets are quoted on an active market.

24.4. Actuarial assumptions

The principal assumptions used in determining pension and post-employment medical benefit obligations at the reporting date are:

	31.12.2017	
	Switzerland	Curaçao
Discount rate 31 December	0.70%	5.00%
Future salary increases	1.00%	–
Medical cost trend rate	–	2.00%

	31.12.2016	
	Switzerland	Curaçao
Discount rate 31 December	0.60%	4.50%
Future salary increases	1.00%	–
Medical cost trend rate	–	3.00%

Longevity is reflected in the defined benefit obligation by using mortality tables of the respective countries in which the plans are located.

Expressed in years	31.12.2017 Switzerland
Longevity at age 65 for current pensioners	
- Males	22.4
- Females	25.4
Longevity at age 65 for current members aged 45	
- Males	23.9
- Females	26.9

Expressed in years	31.12.2016 Switzerland
Longevity at age 65 for current pensioners	
- Males	22.3
- Females	25.3
Longevity at age 65 for current members aged 45	
- Males	23.8
- Females	26.8

The weighted-average duration of the defined benefit obligation was as follows:

Expressed in years	31.12.2017	31.12.2016
Switzerland	20.5	21.0

24.5. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions consistent, would have affected the defined benefit obligation by the amounts shown below:

(EUR 000)	Increase	Decrease
2017		
Impact of 1% change in the discount rate	(908)	1,253
Impact of 1% change in the future salary increases	152	(139)
Impact of 1% change in the future pension increases	455	-
Impact of 1% change in the medical cost trend rate	23	(19)
Impact of 1 year change in the life expectancy	81	(84)
2016		
Impact of 1% change in the discount rate	(1,553)	1,979
Impact of 1% change in the future salary increases	149	(259)
Impact of 1% change in the future pension increases	737	-
Impact of 1% change in the medical cost trend rate	47	(40)
Impact of 1 year change in the life expectancy	83	(216)

Although the analysis does not take into account the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

All sensitivities are calculated using the same actuarial method as for the disclosed present value of the defined benefit obligations at period-end.

25. Deferred income

Represents fixed fees invoiced to customers mainly in November-December for the next year(s). It drives higher trade receivables and deferred income at the end of the period, with the deferred income released in the following year. In some cases the fees are invoiced in advance for the complete life of the structures resulting in non-current deferred income. The expected reversal of the balance of deferred income is shown in the following table:

(EUR 000)	31.12.2017	31.12.2016
To be released within one year	62,602	71,467
To be released between one and five years	4,032	4,495
To be released later than five years	1,718	4,182
Total	68,352	80,114
Balance at 31 December		
Total current	62,602	71,467
Total non-current	5,750	8,677

26. Provisions

(EUR 000)	Legal matters	Restructuring	Onerous contracts	Others	TOTAL
Balance at 01 January 2016	489	509	705	172	1,875
Business combinations, ingoing entities	-	-	-	250	250
Reclassification	50	-	-	-	50
Provisions made during the period	34	404	2,688	59	3,185
Provisions used during the period	(82)	(627)	(661)	(58)	(1,428)
Provisions reversed during the period	(332)	(12)	(229)	(49)	(622)
Effect of movements in exchange rates	2	(6)	54	6	56
Balance at 31 December 2016	161	268	2,557	380	3,366
Current	86	171	1,759	203	2,219
Non-current	75	97	798	177	1,147
Balance at 31 December 2016	161	268	2,557	380	3,366
Balance at 01 January 2017	161	268	2,557	380	3,366
Provisions made during the period	2,220	55	262	102	2,639
Provisions used during the period	(1,894)	(162)	(1,233)	(1)	(3,290)
Provisions reversed during the period	(58)	(108)	(1,311)	(27)	(1,504)
Effect of movements in exchange rates	(2)	(17)	(87)	(29)	(135)
Balance at 31 December 2017	427	36	188	425	1,076
Current	102	36	188	171	497
Non-current	325	-	-	254	579
Balance at 31 December 2017	427	36	188	425	1,076

Provision for legal matters
Provisions for legal matters have been recognised to cover costs related to claims filed against the Company.

Provision for restructuring
Provisions for restructuring have been recognised to cover costs related to i) the restructuring as a result of the integration with Elian and CorpNordic with a balance at 31 December 2017 of nil (2016: EUR 171 thousand) and ii) other provisions of EUR 36 thousand (2016: EUR 97 thousand).

Provision for onerous contracts
Provisions for onerous contracts have been recognised for operating leases for premises that are no longer being used by affiliates in different countries following the reorganisation after the acquisition of Elian. All are expected to be released in 2018.

27. Financial instruments

27.1. Financial risk management

Overview
The Group has exposure to the following main risks from its financial instruments: credit risk, liquidity risk and market risk (including currency risk and interest rate risk).

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Further information about the risk management of the Group is included in the Compliance and Risk Management chapter of this Annual Report.

27.2. Credit risk

Credit risk is the risk that a counterpart will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk primarily for trade receivables and cash at banks. Customer credit risk is managed by each of the Group entities subject to the Group's policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are monitored and followed up continuously. Provisions are made when there is objective evidence that the Group will not be able to collect the debts (indication that the debtor is experiencing significant financial difficulty or default, probability of bankruptcy, problems to contact the clients, disputes with a customer, etc.). Analysis is done on a case by case basis in line with policies.

The cash and cash equivalents and interest receivable are held mainly with banks which are rated "A-" or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd for long term credit rating.

Exposure to credit risk

The gross carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

(EUR 000)	Note	31.12.2017	31.12.2016
Trade receivables	19	103,103	99,160
Cash and cash equivalents	21	66,620	69,858
Work in progress		33,078	31,984
Other receivables	20	18,937	15,021
Other financial assets - loans and receivables	17	3,770	4,507
Total		225,508	220,530

The 'Other financial assets' of EUR 455 thousand (2016: EUR 940 thousand) related to the participations in non-controlling entities and shelf companies have not been included in this analysis.

The assets that are exposed to credit risk are held 19,1% by the Netherlands (2016: 18%), 22,0% by Cayman Islands (2016: 26,9%), 12,8% by Luxembourg (2016: 12,7%), 10,8% by Jersey (2016: 10,9%) and the remaining 35,3% (2016: 31,5%) by other jurisdictions.

Trade receivables are presented net of a provision for trade receivables. The credit risk is measured and analysed on a local level, analysis on recoverability is done on a case by case basis in line with policies. Evidence of historical experience demonstrates that debtors, in all ageing categories, have high recoverability ratios.

The ageing of trade receivables and the provision for trade receivables at reporting date is disclosed below. The movement schedule for the provision for trade receivables is included in note 19.

	31.12.2017		31.12.2016	
(EUR 000)	Gross receivables	Provision trade receivables	Gross receivables	Provision trade receivables
Neither past due nor impaired	41,068	(93)	34,362	(32)
Past due 1-90 days	41,595	(196)	49,536	(327)
Past due 91-180 days	11,736	(346)	8,472	(370)
Past due 181-360 days	8,493	(949)	6,003	(999)
Past due more than 361 days	6,000	(4,205)	6,607	(4,092)
Total	108,892	(5,789)	104,980	(5,820)

With respect to the trade receivables that are neither impaired nor past due, there are no indications as of the reporting date that the debtors will not meet their payment obligations.

27.3. Liquidity risk

Liquidity risk includes the risk to a shortage of funds and the risk to encounter difficulty in meeting obligations associated with financial liabilities.

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool: global cash flow forecasts each 3 months covering the next 6 months periods and 12 months period for the one prepared each December.

The Group entities prepare their own cash flow forecasts and they are centrally consolidated by Group Finance. Group Finance monitors rolling forecasts of the Group's liquidity requirements, as well as the Group's actual cash and receivables position to ensure that it has sufficient cash to meet operational needs while maintaining sufficient headroom on its committed borrowings facilities to ensure that the Group does not breach borrowings limits or covenants.

The Group entities keep the amounts required for working capital management and the excess cash is transferred to Group Finance who defines the best use of these funds (cancellation of loans, deposits, etc.).

Access to sourcing of funding is sufficiently available through the revolving credit facility agreement that the Group has with banks (note 23).

Exposure to Liquidity risk

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and net-settled derivative financial liabilities based on contractual undiscounted payments. This analysis includes estimated interest payments and does not consider voluntary prepayments of bank debt that could be possible following the agreements.

	Balance at 31 December 2017					
(EUR 000)	Carrying amounts	Total	Due within 1 year	Due between 1 and 2 years	Due between 2 and 5 years	Due 5 years and more
Loans and borrowings	770,742	(859,197)	(22,590)	(23,232)	(813,375)	–
Trade payables and other payables	73,398	(73,398)	(73,398)	–	–	–
Interest rate swaps used for hedging	966	(283)	(730)	4	443	–
Total	845,106	(932,878)	(96,718)	(23,228)	(812,932)	–

	Balance at 31 December 2016					
(EUR 000)	Carrying amounts	Total	Due within 1 year	Due between 1 and 2 years	Due between 2 and 5 years	Due 5 years and more
Loans and borrowings	799,293	(884,091)	(22,131)	(23,312)	(838,648)	-
Trade payables and other payables	77,610	(77,610)	(77,610)	–	–	-
Interest rate swaps used for hedging	1,763	(1,763)	(797)	(635)	(331)	-
Total	878,666	(963,464)	(100,538)	(23,947)	(838,979)	-

The flows expected for interest rate swaps will affect profit and loss in the same period as they are expected to occur.

27.4. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group's exposure to the risk of changes in exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's presentation currency). The exposures are mainly with respect to the US dollars (USD) and Pound sterling (GBP). The loans and borrowings of the Group are denominated in Euro, Pound sterling and US Dollars. The objective is to partly match the main cash flows generated by the underlying operations of the Group with the debt which provides an economic hedge.

At 31 December 2017, the face value of the USD designated loan on the Group's investment in its Cayman subsidiary partially hedged was EUR 83,382 thousand (2016: EUR 94,868 thousand). The USD loan is designated as a net investment hedge. No ineffectiveness was recognised from the net investment hedge.

Similarly to the Cayman investment and the USD denominated bank loans relation, the Company identified effective relations between the Jersey investment and its GBP denominated bank loans, therefore the loan is fully designated as a hedge relation which also mitigates a portion of the foreign currency translation risk arising from the subsidiary's net assets.

As at 31 December 2017, the face value of the GBP designated loan was EUR 105,948 thousand (2016: EUR 109,790 thousand). The GBP loan is designated as a net investment hedge. No ineffectiveness was recognised from the net investment hedge.

The Group's investments in other subsidiaries are not hedged.

Exposure to currency risk

The group has mainly currency exposure in USD and GBP, as presented follow:

(EUR 000)	31.12.2017		31.12.2016	
	USD	GBP	USD	GBP
Cash and cash equivalents	8,307	381	12,599	1,399
Trade and other receivables	955	13	1,548	11
Loans and borrowings	(83,382)	(105,948)	(94,868)	(109,790)
Trade and other payables	(32)	(125)	(611)	(54)
Net statement of financial position exposure	(74,152)	(105,679)	(81,332)	(108,434)

The following significant exchange rates have been applied:

	Reporting date spot rate 31.12.2017	Average rate 2017
USD	1.1993	1.1297
GBP	0.8872	0.8767

	Reporting date spot rate 31.12.2016	Average rate 2016
USD	1.0541	1.1069
GBP	0.8562	0.8195

Sensitivity analysis

(EUR 000)	2017 Effect in profit or loss		2017 Effect in Equity	
	EUR Strengthening	EUR Weakening	EUR Strengthening	EUR Weakening
USD (10% movement)	(4,097)	4,097	6,721	(6,721)
GBP (10% movement)	(3,250)	3,250	9,583	(9,583)
	2016 Effect in profit or loss		**2016 Effect in Equity**	
	EUR Strengthening	EUR Weakening	EUR Strengthening	EUR Weakening
USD (10% movement)	(3,034)	3,034	9,858	(9,858)
GBP (10% movement)	(1,462)	1,462	7,394	(7,394)

A 10 percent strengthening of the USD and the GBP against all other currencies at 31 December 2017 would have affected the value of financial assets and liabilities denominated in foreign currency and affected equity and profit or loss by the amounts shown above. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Interest rate risk

The risk relates to the Group's long term debt obligations with floating interest rates. To manage this risk, the Company entered into interest rate swaps.

Exposure to interest rate risk

At the reporting date the interest rate profile of the interest bearing financial instrument was:

(EUR 000)	31.12.2017 Carrying amount	31.12.2016 Carrying amount
Fixed rate instruments		
Financial assets	–	416
Total	**–**	**416**
Variable rate instruments		
Financial assets	31,113	16,115
Financial liabilities	(777,525)	(811,260)
Total	**(746,412)**	**(795,145)**
Loans and borrowings hedged	331,738	208,460
Total	(414,674)	(586,685)

Financial assets mainly include cash in bank accounts with interest bearing rates.

In January 2017, the Group entered into additional interest rate swaps that will cover, together with the existing interest rate swaps, approximately 43% of floating interest rate on the loans and borrowings.

Sensitivity analysis for variable rate instruments

An increase of 50 basis points in interest rates on loans and borrowings would have decreased the profit and loss before tax by EUR 118 thousand (2016: EUR 1,083 thousand). A decrease of 50 basis points in interest rates on loans and borrowings would have increased the profit and loss before tax by EUR 714 thousand (2016: EUR 165 thousand increase).

The loans and borrowings have a 0% Euribor/Libor floor, whereas the interest rate swaps do not have a 0% floor. As a result of current negative interest rates in Euribor this causes the asymmetric variances. The sensitivity of interest to movements in interest rates is calculated on floating rate exposures on debt, net of interest rate swaps. This analysis assumes that all other variables remain constant.

27.5. Capital management

The capital structure of the Group consists of shares and share premium and bank borrowings. The objective of the Group's capital management is to ensure that it maintains healthy debt ratios in order to support its business and face the obligations with banks.

The Group's target is to reach a net debt leverage ratio between 2.0 and 2.5. This leverage ratio might be higher depending on potential acquisitions. The bank borrowings are subject to covenants that are tested bi-annual. For more information, see note 23.

27.6. Fair values of financial instruments

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31.12.2017		Carrying amounts					**Fair value**
(EUR 000)	Note	Loans and receivables	Available-for-sale	Fair value - Hedging instruments	Other liabilities	Total	Level 2
Financial assets measured at fair value							
Interest rate swaps - cash flow hedge	17	494	-	-	-	**494**	494
		494	**-**	**-**	**-**	**494**	
Financial assets not measured at fair value							
Loans and receivables	17	3,276	-	-	-	**3,276**	
Unquoted equity shares	17	-	455	-	-	**455**	
Trade receivables		103,103	-	-	-	**103,103**	
Other receivables	20	18,937	-	-	-	**18,937**	
Work in progress		33,078	-	-	-	**33,078**	
Cash and cash equivalents	21	66,620	-	-	-	**66,620**	
		225,014	**455**	**-**	**-**	**225,469**	
Financial liabilities measured at fair value							
Interest rate swaps - cash flow hedge	17	-	-	966	-	**966**	966
		-	**-**	**966**	**-**	**966**	
Financial liabilities not measured at fair value							
Trade payables		-	-	-	6,625	**6,625**	
Other payables	20	-	-	-	66,773	**66,773**	
Secured loans and borrowings	23	-	-	-	770,742	**770,742**	776,830
Total		-	-	-	844,140	844,140	

31.12.2016		Carrying amounts					Fair value
(EUR 000)	Note	Loans and receivables	Available-for-sale	Fair value - Hedging instruments	Other liabilities	Total	Level 2
Financial assets not measured at fair value							
Loans and receivables	17	4,507	-	-	-	**4,507**	
Unquoted equity shares	17	-	940	-	-	**940**	
Trade receivables		99,160	-	-	-	**99,160**	
Other receivables	20	15,021	-	-	-	**15,021**	
Work in progress		31,984	-	-	-	**31,984**	
Cash and cash equivalents	21	69,858	-	-	-	**69,858**	
		220,530	**940**	**-**	**-**	**221,470**	
Financial liabilities measured at fair value							
Interest rate swaps - cash flow hedge	17	-	-	1,763	-	**1,763**	1,763
		-	**-**	**1,763**	**-**	**1,763**	
Financial liabilities not measured at fair value							
Trade payables					10,636	**10,636**	
Other payables	20	-	-	-	66,974	**66,974**	
Secured loans and borrowings	23	-	-	-	799,293	**799,293**	810,158
Total		**-**	**-**	**-**	**876,903**	**876,903**	

Level 2

The fair value of the interest rate swaps is based on broker quotes and is calculated as the present value of the estimated future cash flows based on observable yield curves. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and counterparty when appropriate.

There are only level 2 fair values and no transfers between levels were applicable in 2017 and 2016.

28. Operating leases

28.1. Leases as lessee

The Group has entered into commercial leases on certain motor vehicles and items of office equipment. These leases have an average life of between three and five years with no renewal option included in the contracts.

The Group has entered into leases for rental agreements in different countries. The leases run for a period between 3 and 24 years. Lease payments are increased with specific amounts and frequency depending on the different agreements.

There are no restrictions placed upon the Group by entering into these leases.

Future minimum rentals payable under non-cancellable operating leases as at 31 December are as follows:

(EUR 000)	31.12.2017	Not later than one year	Between one and five years	Later than five years
Leased machinery and equipment	2,723	1,075	1,481	167
Leased real estate	53,679	18,052	35,588	39
Total	56,402	19,127	37,069	206
	31.12.2016	Not later than one year	Between one and five years	Later than five years
Leased machinery and equipment	2,837	1,136	1,502	199
Leased real estate	70,366	19,526	48,610	2,230
Total	73,203	20,662	50,112	2,429

During the period an amount of EUR 21,144 thousand (2016: EUR 18,607 thousand) was recognised as an expense in profit or loss in respect of operating leases. Total rental expenses reported in statement of profit or loss includes utilities, maintenance and repairs expenses.

28.2. Leases as lessors

Some affiliates have entered into sublease contracts of office space.

Future minimum rental receivables under non-cancellable operating leases as at 31 December are as follows:

(EUR 000)	31.12.2017	Not later than one year	Between one and five years	Later than five years
Leased real estate	7,307	2,832	4,475	-
Total	7,307	2,832	4,475	-
	31.12.2016	Not later than one year	Between one and five years	Later than five years
Leased real estate	10,445	3,167	7,278	-
Total	10,445	3,167	7,278	-

During the period an amount of EUR 5,217 thousand (2016: EUR 4,015 thousand) were included in revenues.

29. Commitments

The Group is committed to incur IT operational expenditure mainly related to managed communication networks and outsourced activities of EUR 19,050 thousand (2016: EUR 17,246 thousand) spread over the next five years.

30. Contingencies

The Belgian tax authorities delivered a notice to the third party liquidator of one of our former subsidiaries for tax and penalties in the amount of approximately EUR 16.4 million (excluding interest) in connection with Belgian dividend withholding tax over the payment of liquidation proceeds of this subsidiary in 2012. The exemption for dividend withholding tax has been challenged by the tax authorities on technical grounds. A formal tax complaint in view of full rescindment had been filed in due course as there are good grounds to challenge the tax assessment. Following a formal decision received in February 2017, a partial rescindment for an amount of approx. EUR 6.5 million has been obtained. As per 21 May 2017 a formal court petition was filed within the legal deadline as we continue to believe that there are sufficient grounds to counter the position taken by the tax authorities. The pleading date has been set by the Court for 7 March 2019 at the earliest. We continue to believe that it is still more likely than not that the claim from the tax authorities will be rejected by the court. An amount of approx. EUR 9.8 million (excluding interest) remains under further dispute.

There are a number of additional possible claims against the Group. We concluded that in the aggregate, including the above mentioned claims against the Group, these litigations cannot be reliably measured or we consider that the possibility of outflow is not probable. Where necessary, legal and/or external advice has been obtained and, in light of such advice, the risk of litigation is not expected to have material impact on the financial situation of the Group.

There is a legal claim which negatively impacted our 2017 figures and was accounted for in the statement of profit and loss including the related legal fees. We believe that there is a reasonable chance that we can recover all or part of this amount in due course.

31. Related parties

The Group has provided services to some entities related to the Blackstone Group during the year. These services are in the normal course of business and at arm's length basis.

(EUR 000)	Transaction values for the year ended 31 December		Balance outstanding as at	
	2017	2016	31.12.2017	31.12.2016
Revenue	7,328	5,690	2,736	1,389

31.1. Parent and ultimate controlling party

Prior to the listing at the Euronext Amsterdam on 15 October 2015, the Company was ultimately controlled by funds managed by Blackstone Group L.P. which had the majority shareholding in the Group. The remaining shares were owned by parties related to management. Following the IPO, the Company is the new ultimate controlling party.

31.2. Transactions with key management personnel

The Group has defined key management personnel as the members of the 2017 Supervisory Board, Management Board and Executive Committee of the Group, responsible for the strategic and operational activities.

Key management personnel compensation

Key management personnel compensation comprises:

(EUR 000)	2017	2016
Short-term employee benefits	3,827	3,144
Post-employment benefits	170	206
Share-based payment[1]	670	1,113
Other benefits[2]	206	–
Total	4,873	4,463

1 This includes the expenses recognised by the Group related to the EOP and LTIP awards made to key management personnel (Note 8).

2 This included termination benefits.

Management Board

For the individual members of the Management Board, the Group recognised the following remuneration expenses:

(EUR 000)	2017 remuneration				
	Base salary	Other benefits[1]	Short-term incentive[2]	Deferred remuneration	Total
David de Buck	350	50	250	420	1,070
Ernesto Traulsen	197	117	–	15	329
Maarten de Vries	481	140	–	–	621
Henk Pieter van Asselt	50	3	37	25	115
Total	1,078	310	287	460	2,135

(EUR 000)	2016 remuneration				
	Base salary	Other benefits[1]	Short-term incentive[2]	Deferred remuneration	Total
David de Buck	350	51	80	285	766
Ernesto Traulsen	353	11	60	49	473
Total	703	62	140	334	1,239

1 Other benefits include life course compensation, car allowance, relocation or other allowances such as termination benefits when applicable, and pension compensation.

2 Short-term remuneration represents accrued bonuses to be paid in the following financial year.

(EUR 000)	2017 deferred remuneration			
	EOP[1]	LTIP[1]	Pension costs	Total
David de Buck	323	82	15	420
Ernesto Traulsen	–	–	15	15
Maarten de Vries	–	–	–	–
Henk Pieter van Asselt	17	7	1	25
Total	340	89	31	460

(EUR 000)	2016 deferred remuneration			
	EOP[1]	LTIP[1]	Pension costs	Total
David de Buck	238	33	14	285
Ernesto Traulsen	(12)	–	61	49
Total	226	33	75	334

1 Represents the expense recognised during the year in accordance with IFRS 2, Share-based Payment, related to the EOP and LTIP awards.

The Management Board EOP awards outstanding and movements during the financial year were:

	Award date	Outstanding as at 1 Jan 2017	Movements in 2017[1]	Outstanding as at 31 Dec 2017	Fair value per share at grant date (EUR)	Vesting date[2]
David de Buck						
EOP – Matching shares	19 Oct 2015	50,013	–	50,013	14.28	1 May 2018
Ernesto Traulsen						
EOP – Matching shares	19 Oct 2015	12,503	(12,503)	–	14.28	
Henk Pieter van Asselt						
EOP – Matching shares	19 Oct 2015	–	25,006	25,006	14.28	19 Oct 2018

	Award date	Outstanding as at 1 Jan 2016	Movements in 2016	Outstanding as at 31 Dec 2016	Fair value per share at grant date (EUR)	Vesting date[2]
David de Buck						
EOP – Matching shares	19 Oct 2015	50,013	–	50,013	14.28	19 Oct 2018
Ernesto Traulsen						
EOP – Matching shares	19 Oct 2015	12,503	–	12,503	14.28	19 Oct 2018

1 The movements are caused by the following changes to the Management Board during the year: Ernesto Traulsen resigned per 16 January 2017; Henk Pieter van Asselt joined effective 9 November 2017.

2 Following the vesting date, the EOP shares granted to members of the Management Board are subject to an additional two-year lock up period, except for the EOP shares that can be sold to cover income taxes due.

Upon vesting of the share-based payment awards to the members of the Management Board and other eligible employees, the Company may at its discretion make the required number of Ordinary Shares available either by issuing new Ordinary Shares or by purchasing existing Ordinary Shares in the open market.

The LTIP awards of 2017 for the members of the Management Board were set by the Supervisory Board of the Company on 31 March 2017. The Management Board LTIP awards outstanding and movements during the financial year were:

	Award date	Outstanding as at 1 Jan 2017	Granted in 2017	Movements in 2017[1]	Outstanding as at 31 Dec 2017	Fair value per share at grant date (EUR)	Vesting date[2]
David de Buck							
LTIP shares	1 Apr 2017	–	4,000	–	4,000	16.03	1 Apr 2020[3]
LTIP shares	1 Apr 2016	4,925	–	–	4,925	17.95	1 Apr 2019[3]
Ernesto Traulsen							
LTIP shares	1 Apr 2016	4,925	–	(4,925)	–	17.95	
Maarten de Vries							
LTIP shares	1 Apr 2017	–	14,352	(14,352)	–	16.03	
Henk Pieter van Asselt							
LTIP shares	1 Apr 2017	–	–	4,000	4,000	16.03	1 Apr 2020
LTIP shares	1 Apr 2016	–	–	4,925	4,925	17.95	1 Apr 2019

	Award date	Outstanding as at 1 Jan 2016	Granted in 2016	Movements in 2016	Outstanding as at 31 Dec 2016	Fair value per share at grant date (EUR)	Vesting date[2]
David de Buck							
LTIP shares	1 Apr 2016	–	4,925	–	4,925	17.95	1 Apr 2019
Ernesto Traulsen							
LTIP shares	1 Apr 2016	–	4,925	–	4,925	17.95	1 Apr 2019

1 The movements are caused by the following changes to the Management Board during the year: Ernesto Traulsen resigned per 16 January 2017; Maarten de Vries resigned per 31 December 2017; Henk Pieter van Asselt joined effective 9 November 2017.

2 Following the vesting date, the LTIP shares granted to members of the Management Board are subject to an additional two-year lock up period, except for the LTIP shares that can be sold to cover income taxes due.

3 Vesting of LTIP shares for David de Buck will remain as per the original vesting dates of the respective grants.

As of 31 December 2017, the members of the Management Board have no loans outstanding with the Group and no guarantees or advance payments are granted to members of the Management Board.

Supervisory Board

The individual members of the Supervisory Board received the following remuneration:

(EUR 000)	2017	2016
Hélène Vletter-van Dort	80	80
Bert Groenewegen	24	65
Toine van Laack	40	-
Anthony Ruys	60	60
Charlotte Lambkin	12	-
Paul Willing	10	-
Total	226	205

The Company does not grant variable remuneration, shares or options to the members of the Supervisory Board. As of 31 December 2017, the members of the Supervisory Board have no loans outstanding with the Group and no guarantees or advance payments are granted to members of the Supervisory Board.

32. Group entities

32.1. Significant affiliates

The following companies were the significant affiliates of the Group as at 31 December 2017 and have been included in the consolidated financial statements:

Name	Country of incorporation	Type	Ownership interest 31.12.2017
Intertrust N.V.	Netherlands	parent	100%
Intertrust Group B.V.	Netherlands	affiliate	100%
Intertrust Holding (Jersey) Limited	Jersey	affiliate	100%
Elian TopCo Limited	Guernsey	affiliate	100%
Elian MidCo Limited	Guernsey	affiliate	100%
Elian BidCo Limited	Jersey	affiliate	100%
Biplane BidCo (UK) Limited	United Kingdom	affiliate	100%
Intertrust Management Limited	United Kingdom	affiliate	100%
Intertrust European Holdings Limited	Ireland	affiliate	100%
Intrertrust Management Spain S.L.	Spain	affiliate	100%
Intertrust Offshore Limited	Jersey	affiliate	100%
Elian Fiduciary Services Holding Company Limited	Cayman	affiliate	100%
Intertrust Fiduciary Services (Jersey) Limited	Jersey	affiliate	100%
Intertrust Fiduciary Shared Services Limited	Jersey	affiliate	100%
Intertrust Premises (Jersey) Limited	Jersey	affiliate	100%
Intertrust Fiduciary Services (UK) Limited	United Kingdom	affiliate	100%
Intertrust (Netherlands) B.V.	Netherlands	affiliate	100%
Structured Finance Management (Netherlands) B.V.	Netherlands	affiliate	100%
Intertrust (Netherlands) Employment B.V.	Netherlands	affiliate	100%
Intertrust Group Holding S.A.	Switzerland	affiliate	100%
Intertrust (Sweden) AB	Sweden	affiliate	100%
Intertrust (Norway) AS	Norway	affiliate	100%
Intertrust Finland Oy	Finland	affiliate	100%
Intertrust Holding (Guernsey) Limited	Guernsey	affiliate	100%
Intertrust (Spain) SL	Spain	affiliate	100%
Intertrust Holding (Curacao) N.V.	Curacao	affiliate	100%
Intertrust Management NV	Curacao	affiliate	100%
Intertrust Resources Management Limited	Hong Kong S.A.R.	affiliate	100%
Intertrust (Singapore) Ltd.	Singapore	affiliate	100%
Intertrust Management Services Pte. Ltd.	Singapore	affiliate	100%
Intertrust (Belgium) NV/SA	Belgium	affiliate	100%
Intertrust (Suisse) S.A.	Switzerland	affiliate	100%
Intertrust (Denmark) A/S	Denmark	affiliate	100%
Intertrust Intellectual Property Group Holding SA	Switzerland	affiliate	100%
Intertrust (Shanghai) Consultants Limited	China	affiliate	100%
Intertrust Danismanlik AS	Turkey	affiliate	100%
Intertrust Management Ireland Limited	Ireland	affiliate	100%
Intertrust Alternative Investment Fund Management (Ireland) Limited	Ireland	affiliate	100%
Intertrust Holdings (UK) Limited	United Kingdom	affiliate	100%
Intertrust (Cyprus) Limited	Cyprus	affiliate	100%
Intertrust Holding (Cayman) Limited	Cayman Islands	affiliate	100%
Intertrust Corporate Services (BVI) Limited	Virgin Islands, British	affiliate	100%
Intertrust (Dubai) Limited	United Arab Emirates	affiliate	100%
Intertrust Corporate Services Delaware Ltd	United States	affiliate	100%
Intertrust (Brazil) Servicos Corporativos Ltda	Brazil	affiliate	100%
Intertrust (Bahamas) Limited	Bahamas	affiliate	100%
Intertrust Germany GmbH	Germany	affiliate	100%
Intertrust Topholding (Luxembourg) S.à r.l.	Luxembourg	affiliate	100%
Intertrust Holding (Luxembourg) S.à r.l.	Luxembourg	affiliate	100%
Intertrust (Luxembourg) S.a r.l.	Luxembourg	affiliate	100%

A list containing the information referred to in Section 379(1), Book 2 of the Dutch Civil Code has been filed with the office of the Commercial Register of Amsterdam, in accordance with Section 379(5), Book 2 of the Dutch Civil Code.

32.2. Guarantees issued to affiliates

The Company has issued several declarations of joint and several liability for various Group companies, in compliance with section 403 of Part 9 of Book 2 of the Dutch Civil Code. Besides these declarations, Intertrust N.V. has given a guarantee as described in article 479C of the UK Companies Act for the following UK registered affiliates as at 31 December 2017:

Name	Country of incorporation	Registration number
Intertrust Investments Limited	United Kingdom	04996467
Intertrust Trustees (UK) Limited	United Kingdom	07632657
Intertrust Holdings (UK) Limited	United Kingdom	06263011
Intertrust (UK) Limited	United Kingdom	06307550
Intertrust Trustees Limited	United Kingdom	07359549
Intertrust Fiduciary Services (UK) Limited	United Kingdom	05081658
Intertrust Corporate Services (UK) Limited	United Kingdom	04723839
Biplane Bidco (UK) Limited	United Kingdom	09693921

Intertrust pools cash from certain subsidiaries to the extent legally and economically feasible. The entities that participate in the notional pooling have provided cross guarantees and authorization for set-off. Cash not pooled remains available for local operational or investment needs.

33. Non-controlling interests

In 2016, non-controlling interests were related to ATC (Switzerland) S.à r.l. (ownership 51%), ATC Corporate Services (Zug) GmbH (ownership 51%), LBL data services B.V. (ownership 50%) and Structured Finance Management (Spain), S.L. (ownership 75%).

In February 2017, the Group purchased the remaining stake in Structured Finance Management (Spain), S.L. and became 100% owner.

In December 2017 the 51% ownership in ATC (Switzerland) S.à r.l. was sold and the remaining stake in ATC Corporate Services (Zug) GmbH was acquired from the minority owner. The relevant cash flows are presented in the consolidated statement of cash flows.

The Group retained at the end of 2017 the same ownership in LBL data services B.V. (ownership 50%) which is not material for the Company.

34. Subsequent events

There has been no subsequent event from 31 December 2017 to the date of issue of these financial statements.

The financial statements are signed by the Management Board and the Supervisory Board:

Management Board:
Stephanie MIller
Henk Pieter van Asselt

Supervisory Board:
Hélène Vletter-van Dort
Lionel Assant
Toine van Laack
Anthony Ruys
Charlotte Lambkin
Paul Willing

Amsterdam, the Netherlands

22 February 2018

Company statement of profit or loss

(EUR 000)	2017	2016
Staff expenses	(843)	-
Other operating expenses	(2,301)	(1,588)
Profit/(loss) from operating activities	(3,144)	(1,588)
Finance income	-	5,319
Finance expense	-	(4)
Financial result	-	5,315
Result of subsidiaries (net of tax)	90,895	49,085
Profit/(loss) before income tax	87,751	52,816
Income tax	573	(932)
Profit/(loss) for the year after tax	88,324	51,884
Profit/(loss) for the year after tax attributable to:		
Owners of the Company	88,324	51,884

Company statement of financial position

After profit appropriation

(EUR 000)	Note	31.12.2017	31.12.2016
Assets			
Investments in participating interests	38	802,297	755,888
Deferred tax assets		-	1,916
Non-current assets		802,297	757,804
Current tax assets		2,490	-
Prepayments		75	101
Cash and cash equivalents		47	10
Current assets		2,612	111
Total assets		804,909	757,915
Equity			
Share capital		55,200	55,200
Share premium		641,499	641,499
Reserves		(56,308)	42,345
Retained earnings		64,527	18,829
Total Equity	40	704,918	757,873
Liabilities			
Trade payables		150	-
Other payables		99,841	42
Current liabilities		99,991	42
Total liabilities		99,991	42
Total equity and liabilities		804,909	757,915

Company statement of changes in equity

(EUR 000)	For the period ended 31 December 2017							
	Attributable to owners of the Company							
	Share capital	Share premium	Retained earnings	Translation reserve	Hedging reserve	Treasury share reserve	Other reserve	Total
Balance at 01 January 2017	55,200	641,499	18,829	7,627	(1,324)	(76)	36,118	757,873
Profit/(loss) for the year	–	–	88,324	–	–	–	–	88,324
Other comprehensive income/(loss) for the year, net of tax	–	–	(245)	(49,064)	779	–	–	(48,530)
Total comprehensive income/(loss) for the year	–	–	88,079	(49,064)	779	–	–	39,794
Contributions and distributions								
Equity-settled share-based payment	–	–	5,142	–	–	–	–	5,142
Deferred consideration delivered	–	–	2,556	–	–	33,056	(35,612)	–
Purchase of treasury shares	–	–	–	–	–	(47,995)	–	(47,995)
Treasury shares delivered	–	–	(689)	–	–	689	–	–
Dividends paid	–	–	(48,290)	–	–	–	(506)	(48,796)
Total contributions and distributions	–	–	(41,281)	–	–	(14,250)	(36,118)	(91,649)
Changes in ownership interests								
Changes in non-controlling interest	–	–	150	–	–	–	–	150
Acquisition of subsidiary with non-controlling interest	–	–	(1,250)	–	–	–	–	(1,250)
Total changes in ownership	–	–	(1,100)	–	–	–	–	(1,100)
Balance at 31 December 2017	55,200	641,499	64,527	(41,437)	(545)	(14,326)	–	704,918

(EUR 000)	For the period ended 31 December 2016							
	Attributable to owners of the Company							
	Share capital	Share premium	Retained earnings	Translation reserve	Hedging reserve	Treasury share reserve	Other reserve	Total
Balance at 01 January 2016	51,133	524,481	(13,515)	107	(16)	–	–	562,190
Profit/(loss) for the year	–	–	51,884	–	–	–	–	51,884
Other comprehensive income/(loss) for the year, net of tax	–	–	133	7,520	(1,308)	–	–	6,345
Total comprehensive income/(loss) for the year	–	–	52,017	7,520	(1,308)	–	–	58,229
Contributions and distributions								
Issue of ordinary shares	4,067	117,018	–	–	–	–	–	121,085
Equity-settled share-based payment	–	–	5,988	–	–	–	–	5,988
Business combination	–	–	–	–	–	–	36,118	36,118
Purchase of treasury shares	–	–	–	–	–	(3,657)	–	(3,657)
Treasury shares delivered	–	–	(3,581)	–	–	3,581	–	–
Dividends paid to non-controlling interests	–	–	(22,080)	–	–	–	–	(22,080)
Total contributions and distributions	4,067	117,018	(19,673)	–	–	(76)	36,118	137,454
Balance at 31 December 2016	55,200	641,499	18,829	7,627	(1,324)	(76)	36,118	757,873

Notes to the Company financial statements

35. Reporting entity

The Company financial statements of Intertrust N.V. are part of the consolidated financial statements.

36. Basis of preparation

The Company financial statements have been prepared in accordance with the provisions of Part 9 of Book 2 of the Dutch Civil Code. The Company uses the option of Article 362.8 of Part 9 of Book 2 of the Dutch Civil Code to prepare the Company financial statements, using the same accounting policies as in the consolidated financial statements. Valuation is based on recognition and measurement requirements of accounting standards adopted by the EU (i.e. only IFRS that is adopted for use in the EU at the date of authorisation) as explained further in the notes to the consolidated financial statements.

37. Significant accounting policies

37.1. Result of participating interests

The share of profit of participating interests consists of the share of the Company in the results of these participating interests. Results on transactions, where the transfer of assets and liabilities between the Company and its participating interests and mutually between participating interests, themselves, are not realised.

37.2. Financial fixed assets

Participating interests in Group companies are accounted for in the Company financial statements according to the equity method. Refer to the basis of consolidation accounting policy in the consolidated financial statements.

38. Investments in participating interests

(EUR 000)	31.12.2017	31.12.2016
Balance at 01 January	755,888	32,424
Minority interest buy out	(1,250)	-
Investments	129	686,456
Share of result of participating interests	90,895	49,089
Dividend income	(55)	(24,416)
Equity-settled share-based payment	5,220	5,990
Actuarial gains/(losses)	(245)	133
Changes in hedging and translation reserves	(48,285)	6,212
Balance at 31 December	802,297	755,888

In 2017, the Company became 100% owner of SFM Spain together with the affiliated professional services activities of Azcona y Asociados de Consultoría Tributaria, Jurídica y Contable, S.L. ("Azcona"). See details in the Consolidated Financial Statement of the Company in note 6.1.

In 2017, the Company became 100% owner of ATC Zug by buying out the minority interest of 49%. See details in the Consolidated Financial Statement of the Company in note 33.

In 2016, the Company became the 100% owner of Intertrust Group B.V., a company based in the Netherlands, following post-IPO restructuring. The dividend declared by Intertrust Group B.V. and paid out of retained earnings was EUR 24,412 thousand.

39. Loans to and from participating interests

In 2016, the loans receivable from its subsidiary Intertrust Topholding (Luxembourg) S.à. r.l has been set-off within post-IPO restructuring.

From the total closing balance as at 31 December 2017 of other liabilities EUR 98.275 thousand is relating to a current liability on arm's length basis from its subsidiary Intertrust Group B.V.

40. Shareholders' equity

On 13 June 2016, the Company issued 6,777,778 ordinary shares for the purchase of Elian Group.

There is no legal reserve identified on the Company level.

For movements in Equity, refer to note 22.

41. Fees of the auditors

The following fees from KPMG Accountants N.V. and its member firms to the Company and its subsidiaries have been booked for the financial period:

	KPMG Accountants N.V.		*Other KPMG member firms and affiliates*	
(EUR 000)	2017	2016	2017	2016
Audit of the financial statements	(405)	(470)	(1,231)	(822)
Other assurance related services (including half year review)	(227)	(202)	(34)	(33)
Tax fees	-	-	(34)	(54)
Other fees	-	-	(82)	(39)
Total	(632)	(672)	(1,381)	(948)

For the period to which the statutory audit relates, KPMG provided the following services to Intertrust N.V. in addition to the audit:

- review of financial information for consolidation purposes;
- IT and business process attestation under ISAE 3402 standard.

42. Remuneration

Refer to note 31 of the consolidated financial statements for the remuneration of the Management Board and the Supervisory Board.

43. Off-balance sheet commitments

Fiscal unity

The Company is head of a fiscal unity for corporate income tax purposes. The Company calculates its taxes on a stand-alone basis. The payables and/or receivables of the corporate income tax are settled with the companies that are part of the fiscal unity. In accordance with the standard conditions of the fiscal unity, each of the companies is liable for the income tax liabilities of the entire fiscal unity.

For further details, please refer to note 29.

44. Subsequent events

For subsequent events, please refer to note 34.

The financial statements are signed by the Management Board and the Supervisory Board:

Management Board:
Stephanie MIller
Henk Pieter van Asselt

Supervisory Board:
Hélène Vletter-van Dort
Lionel Assant
Toine van Laack
Anthony Ruys
Charlotte Lambkin
Paul Willing

Amsterdam, the Netherlands

22 February 2018

Other information

Appropriation of Result

The Management Board proposes to appropriate EUR 56,020 thousand (2016: EUR 45,080 thousand) of the profit for a payment of a dividend and to add EUR 32,304 thousand (2016: EUR 6,804 thousand) to the retained earnings.

Statutory provision with respect to appropriation of results

According to the Company's Articles of Association, the Company's result is freely at the disposal of the shareholders, provided that total shareholders' equity exceeds the called-up and paid-up capital of the Company and the reserves which must be maintained pursuant to Dutch law.

Independent auditor's report

To: the General Meeting of Shareholders and the Supervisory Board of Intertrust N.V.

Report on the audit of the financial statements 2017 included in the annual report

Our opinion

In our opinion:

— the accompanying consolidated financial statements give a true and fair view of the financial position of Intertrust N.V. as at 31 December 2017 and of its result and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

— the accompanying company financial statements give a true and fair view of the financial position of Intertrust N.V. as at 31 December 2017 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the financial statements 2017 of Intertrust N.V. (the Company) based in Amsterdam. The financial statements include the consolidated financial statements and the company financial statements.

The consolidated financial statements comprise:

1 the consolidated statement of financial position as at 31 December 2017;

2 the following consolidated statements for 2017: the statement of profit or loss, the statements of comprehensive income, changes in equity and cash flows; and

3 the notes comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

1 the company balance sheet as at 31 December 2017;
2 the company statement of profit or loss for 2017; and
3 the notes comprising a summary of the significant accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Intertrust N.V. in accordance with the EU Regulation on specific requirements regarding statutory audits of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Audit approach

Summary

MATERIALITY
- Materiality of EUR 4 million
- 4% of profit before tax from continuing operations

GROUP AUDIT
- 85% audit coverage of revenue (2016: 87%)

KEY AUDIT MATTERS
- Revenue recognition including management override of controls
- Valuation of goodwill
- Information technology
- Provisioning for litigation and claims

UNQUALIFIED OPINION

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 4 million (2016: EUR 4 million). The materiality is determined with reference to the 2017 profit before tax from continuing operations (4%, 2016: 4%). We consider profit before tax from continuing operations as the most appropriate benchmark as it reflects the operations of the Company. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Audit Committee of the Supervisory Board that misstatements in excess of EUR 200,000 which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

Intertrust N.V. is at the head of a group of components. The financial information of this group is included in the consolidated financial statements of Intertrust N.V.

Because we are ultimately responsible for the opinion, we are responsible for directing, supervising and performing the group audit. In this respect, we have determined the nature and extent of the audit procedures to be carried out for group entities. Our group audit mainly focused on significant components. Components that were considered significant based on revenues are included in-scope. These were the operating entities in the Netherlands, Luxembourg, Cayman Islands and Jersey. Furthermore, we included in-scope the operating entity in Guernsey as we assigned a significant risk of material misstatement to one or more account balances of this entity. In addition, to arrive at a sufficient overall coverage over all relevant significant account balances, we included operating entities in Singapore, UK, Curacao and Hong Kong in scope of our group audit as well.

All components in scope for group reporting are audited by KPMG member firms, with the exception of Intertrust Management Services Pte ltd and its subsidiaries (Singapore). The contribution to revenues of this entity amounts to 2% of Intertrust N.V. For all components in scope an audit of the complete reporting package (full scope audit) was performed. For components in scope we have:

- sent detailed instructions to all component auditors, covering significant areas including the relevant risks of material misstatement and set out the information required to be reported to the group audit team;
- held conference calls and/or physical meetings with the auditors of the components. During these visits, meetings and calls, the planning, risk assessment, procedures performed, findings and observations reported to the group auditor were discussed in more detail;
- visited component locations in the Netherlands, Luxembourg and Jersey where we performed audit file reviews. We performed an off site file review for Cayman Islands;
- performed audit procedures ourselves at group entity Intertrust N.V. and the Dutch operating entity;
- performed audit procedures over significant accounts such as external debt and goodwill and share based payments ourselves at the group holding entity in the Netherlands;

The group audit team has set component materiality levels, which ranged from EUR 0.5 million to EUR 2.5 million, based on the mix of size and financial statement risk profile of the components within the group to reduce the aggregation risk to an acceptable level. The consolidation of the group, the disclosures in the annual accounts and certain accounting topics that are performed at group level are audited by the group audit team.

For components not in scope we performed analytical reviews to confirm our assessment that the risk of a material misstatement within these components is low.

By performing the procedures mentioned above at group components, together with additional procedures at component and group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion about the consolidated financial statements.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Audit Committee of the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition including management override of controls

Description

Revenue recognition, in particular existence of revenue and possible fraudulent recognition, is considered a significant audit risk. It relates to potential manipulation of cut-off and management override of controls. Management override relevant to internal controls is an action or a series of actions performed by management to bypass established internal controls. Management override may be driven by a desire to reach analyst expectations. It relates to cut-off of revenue whereby revenue is overstated.

Our response

We addressed the risk of fraudulent revenue recognition and management override of controls in our audit through a combination of controls testing and substantive testing:

- analysis of the Company's accounting policies and practices in relation to revenue recognition for compliance with IAS 18;
- testing of the key controls in relation to revenue recognition, such as the approval of hours recorded, reconciliation of written hours to contractual hours and review of proposed invoicing;
- testing operating effectiveness of the IT application and the thereto related general IT controls applicable to the system for financial reporting to the extent that this is considered effective and efficient in our audit approach. For components where IT controls are not completely implemented, this resulted in additional substantive audit procedures such as manual reconciliations of data;
- testing the cut-off of revenue with underlying documentation. Amongst others, we verified the timing of revenue recognition with underlying contracts and written hours, whether credit notes issued after balance sheet date related to revenue recognised in 2017, the existence and collectability of WIP and debtor balances by reconciling WIP to written hours and testing the aging of accounts receivable;
- performance of journal entry testing of both manual journal entries recorded directly in the consolidation, and manual journal entries recorded by local management, using data analysis tools where possible.

Our observation

Our audit procedures did not reveal indications of management override of controls in the accounting applied by management in relation to the recognition of revenue.

Valuation of goodwill

Description

The company has recognised a significant amount of goodwill, predominantly emanating from the acquisitions of Elian and ATC businesses amounting to EUR 949 million. A potential risk of impairment of goodwill exists, to the extent future developments negatively deviate from the assumptions applied during the acquisition of the group entities. The annual impairment test performed was significant to our audit because the assessment process is complex and judgmental and is based on assumptions that are affected by expected future economic and market conditions. In performing the impairment testing for goodwill, the Company used various assumptions in respect of future economic and market conditions, such as the discount rate, revenue and margin development, expected inflation rates and the terminal value growth.

The amounts recognised, the assumptions and sensitivities used to assess the recoverable amount recognised are disclosed in note 15 of the consolidated financial statements.

Our response

We performed, amongst others, the following procedures:

- assessed whether the impairment testing was performed in accordance with IAS 36;
- assessed if management's determination of the Cash Generating Unit (CGU) and the related carrying value was appropriate;
- challenged management's budget and cash flow forecasts, performing sensitivity analyses and a retrospective review of the historical accuracy of management's estimations;
- involved a KPMG valuation specialist to assist the audit team in the audit procedures performed. The valuation specialist's procedures included evaluating the reasonability of the methodology used by management, assessing the reasonableness of the key input parameters (including WACC and terminal growth rate), performing independent sensitivity analyses over the outcome of the impairment test, and comparison with market data (EBITDA multiples);
- assessment of the mathematical accuracy of the goodwill impairment model and assessment of whether the calculated present value is higher/lower than the Book Value or the Net Assets;
- reconciliation of source data used in the model to underlying accounting records.

Our observation

Based on our procedures performed we observed management's assumptions for the valuation of goodwill were within an acceptable range.

Information technology

Description

The Company is dependent on its IT-infrastructure for the continuity of its operations. The Company makes investments in its IT systems and –processes as it is continuously improving the efficiency and effectiveness of the IT-infrastructure and the reliability and continuity of the electronic data processing.

Our response

We have assessed the reliability and continuity of the electronic data processing, as far as necessary within the scope of our audit. For that purpose we included IT-auditors in our audit team. As part of the audit of the financial statements, we obtained an understanding of the entity's IT environment, and how the Company has mitigated the risks arising from the IT systems by testing internal controls insofar relevant for the purpose of our audit, that maintain the integrity of information and the security of the data that such systems process.

Our procedures included amongst others the assessment of change management, user access management and information security and data privacy policies in the IT-domain and testing of the relevant internal controls with respect to relevant IT-systems and -processes. We have also assessed how the company deals with risk assessment and operational security measures, threat management and vulnerability management.

To the extent where (part of the) General IT Controls are not operating effectively, we assess the impact on our substantive audit approach. This may include test of details of specific transactions and reports.

Our observation

We have no material findings as part of our audit of the financial statements in respect of the reliability and continuity of the electronic data processing of the Company.

Provisioning for litigations and claims

Description

Considering the line of business of Intertrust N.V., in combination with the inherent subjectivity in identifying, monitoring and provisioning of claims, there is a potential risk of a material misstatement in claim provisions and contingency disclosures. Management's assessment of legal claims is included in note 26 of the consolidated financial statements, and the description of contingencies is included in note 30.

Our response

We performed, amongst others, the following procedures:

- testing management's controls in relation to risks of breaches in laws and regulations, as well as testing controls over litigation and claims monitoring and provision recognition;
- challenge of management's assessment of litigations and claims, and subsequent assessment of provisions required as at the year-end;
- inquiry with in-house legal counsel and verification of substantive evidence.

Our observation

The results of our procedures regarding the provision for litigation and claims to be recognized were satisfactory.

In 2016, we had included as key audit matter 'accounting for acquisition of Elian'. As the Elian acquisition is a 2016 event, this is not considered a key audit matter anymore.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- the Management Board's Report on pages 4 to 73;
- the other information pursuant to Part 9 of Book 2 of the Netherlands Civil Code on page 171;
- the Report from the Supervisory Board on pages 74 to 87;
- the Corporate Governance report on pages 88 to 103.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The Management Board of the Company is responsible for the preparation of the other information, including the Management Board report in accordance with Part 9 of Book 2 of the Dutch Civil Code and the other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement

We were engaged by the General Meeting as auditor of Intertrust N.V. on 25 September 2015, as of the audit for year of 2015 and have operated as statutory auditor ever since that financial year.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audits of public-interest entities.

Description of responsibilities regarding the financial statements

Responsibilities of the Management Board of the Company and the Supervisory Board for the financial statements

The Management Board of the Company is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Management Board of the Company is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Management Board of the Company is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Management Board of the Company should prepare the financial statements using the going concern basis of accounting unless the Management Board of the Company either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The management Board of the Company should disclose events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A further description of our responsibilities for the audit of the financial statements is included in the appendix to this auditor's report. This description forms part of our auditor’s report.

Amstelveen, 22 February 2018

KPMG Accountants N.V.

W.G. Bakker RA

Appendix: Description of our responsibilities for the audit of the annual accounts

Appendix

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Intertrust's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management of the Company;
- concluding on the appropriateness of Management of the Company's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Intertrust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group components. Decisive were the size and/or the risk profile of the group components or operations. On this basis, we selected group components for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audits of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Supervisory Board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

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