ANNUAL FINANCIAL REPORT 2017

HOME INVEST BELGIUM

Housing life

PROFILE

The reference in residential property investments

Since its creation in June 1999, Home Invest Belgium has been a listed Belgian real estate company specialising in residential property in the broad sense, including traditional apartments or new forms of housing, studios for students and second homes.

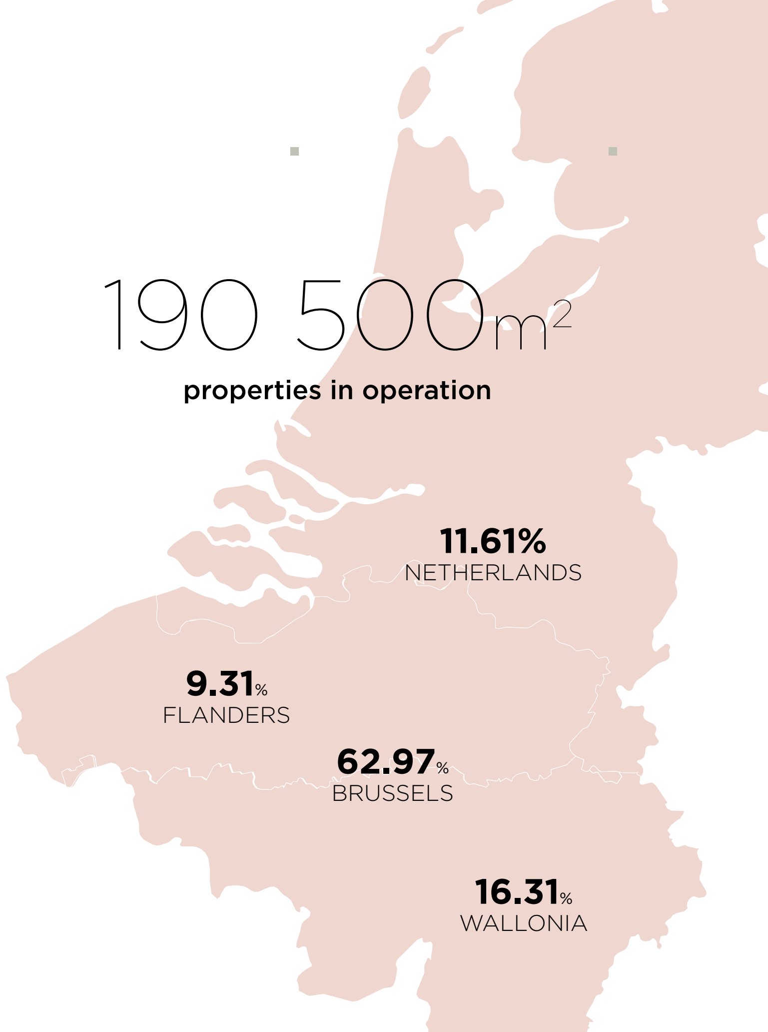
It aims to offer its shareholders a higher return than they would obtain by investing directly in residential property without the cares of management!

With a portfolio in Belgium and the Netherlands valued at over € 450 million, Home Invest Belgium provides its tenants with recent, quality properties and the benefits of professional management.

One of the company's competitive advantages is its capacity to develop its own projects to ensure the growth of its portfolio. Moreover, regularly divesting part of the portfolio enables rotation and increases the return for shareholders.

Home Invest Belgium is listed on the Euronext Brussels regulated market (HOMI) and enjoys the Belgian tax status of a Regulated Real Estate Company (RREC). Its activities are monitored by the Financial Services and Markets Authority (FSMA).


City Gardens, Leuven



Home Invest Belgium covers the four areas of the property life cycle in house

- Acquisitions
- Developments
- Management
- Sales

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Our 3 strategic priorities:

- Drive portfolio growth
- Provide quality of service for our tenants
- Create value for our shareholders

€ 457.6 mio

Fair value of portfolio

RISK FACTORS

Archview, Etterbeek

Managed by a proactive team

As a real estate investor, Home Invest Belgium operates in a constantly changing environment, which presents certain risks. Should these risks actually occur, this could have an adverse effect on the company and on its business, outlook, financial situation or results. Home Invest Belgium takes this into account within the overall management of the company, its investment and divestment decisions, its funding sources and the optimal re-use of its funds.

These risks are therefore monitored regularly. The Management, the Risk Manager and the Board of Directors have adopted prudent policies to better protect the Regulated Real Estate Company (RREC) and its shareholders from their possible occurrence.

The main risks are identified below, along with the various factors and measures that mitigate their potential negative impact. The list of risks in this report is not exhaustive and is based on the information known as at 30 March 2018.

There may be other risks, unknown and/or unlikely at the moment, which could have a detrimental effect on the business, outlook and financial situation of Home Invest Belgium.

20%

A property complex may not account for over 20% of the portfolio (RREC regulations)

65%

A company having a RECC status may not have a debt ratio exceeding 65% of total assets

RISK FACTORS

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1. MARKET RISKS

1.1 Risk of inflation

Description of the risk
A change in inflation is related to a change in real interest rates. The risk is that financial charges increase more rapidly than the indexation of income, leading to a decline in the company's net result.

Risk mitigation
Home Invest Belgium has taken the following measures to cover this type of risk:

- lease agreements provide for an indexation of the base rent (in line with the health index), in accordance with the applicable legislation;
- the risk of an increase in real interest rates is mitigated by the introduction of a strict hedging policy for these rates, which is based on the one hand on fixed-rate financing and on the other hand on the conclusion of hedging contracts to change the variable rate into a fixed rate (Interest Rate Swap agreement or IRS). (Please see Annex 24 to the Financial Statements for more details).

1.2 Deflation risk

Description of the risk
If the general economic context were to become deflationary or in the event of a temporary freezing - full or partial - of the rents imposed by the government, rental income growth could be curbed. Deflation can lead to lower interest rates which would lead to a limited reduction in financial costs due to recourse to the interest rate hedging instruments mentioned above. The current legislation on residential leases does not cater for a rent floor in the event of deflation.

Risk mitigation
The company closely monitors the intentions of the various competent authorities as regards freezing rents or setting ceilings (through the real estate association UPSI). It also includes in its business plan very prudent assumptions regarding inflation and the trend in rents. Finally, it implements an active maintenance and renovation policy to ensure that rents for newly-concluded leases are at least equal to the last rent collected.

1.3 Concentration risk

Description of the risk
In the event of a sudden default or departure of a major tenant, the turnover and the net result of the company could fall significantly.

Risk mitigation
Given the particularities of residential property and the type of properties in which Home Invest Belgium has invested, the concentration risk is spread over a large number of tenants – almost 1 850. Only one large property complex is leased to a single tenant. This, the largest tenant, accounts for 11.5% of total rents. The next largest tenant represents 2.4% of rents (please see the Real Estate Report for more details).

This concentration risk is also mitigated by the geographic diversification of the portfolio.

Galerie de l'Ange, Namur

2. RISKS ASSOCIATED WITH THE PROPERTY PORTFOLIO

2.1 Inappropriate choice of own-account investments or developments

Description of the risk
An error in the choice of own-account investments or developments could result in a mismatch with market demand, potentially with the following negative effects: (i) an increase in rental vacancies, (ii) a decrease in the sale price and consequently (iii) a fall in company revenues.

Risk mitigation
This risk is mitigated by the following factors:

- strategic analysis of the property, accompanied by a technical, legal, tax and accounting due diligence (audit) before each acquisition;
- demand on the rental market is closely monitored and development projects are adjusted if necessary to meet the needs of the market;
- internal and external valuation (by an independent expert) of each property to be acquired or developed;
- and the asset diversification policy:
  - a property complex may not account for over 20% of the portfolio (RREC regulations);
  - limits set by the Board of Directors for own-account development activity:
    - maximum 12.5% per project;
    - maximum 25% for all projects.

2.2 Risk linked to mergers, de-mergers and assets brought in

Description of the risk
A significant number of properties in the Home Invest Belgium property portfolio were acquired as part of mergers, de-mergers or shares acquired in real estate companies. It is possible that hidden liabilities have been transferred to the company further to these transactions, which cannot be recovered from the transferor.

Risk mitigation
Home Invest Belgium has taken the usual precautions in this type of transaction, in particular carrying out due diligences on the properties brought in and on the companies taken over or acquired, and has obtained contractual guarantees concerning these liabilities.

2.3 Risk of obsolescence in property portfolio

Description of the risk
The obsolescence of the property portfolio can result in: (i) reduced commercial attractiveness on the rental and/or acquisition market, (ii) a negative impact on occupancy rates, (iii) an increase in the maintenance and renovation costs of the property portfolio, (iv) a negative change in the fair value of the properties and consequently (v) a negative impact on the net result, net assets and debt ratio of the company.

Risk mitigation
Home Invest Belgium mitigates this risk through:

- a policy of regular maintenance, including the constant renovation of the property portfolio and investment in own-account development projects, which enables it to ensure the quality of the buildings on a long-term basis;
- a policy of systematically replacing obsolete equipment;
- and the resale of less attractive buildings.

2.4 Negative change in the fair value of buildings

Description of the risk
The company is exposed to changes in the fair value of its portfolio resulting from independent quarterly appraisals. The potential negative effects of a negative change in the fair value of the buildings have a negative impact on the company's net result, net assets and debt ratio.

Risk mitigation
This risk is mitigated by the following factors:

- Home Invest Belgium regularly maintains and renovates its properties to uphold or even increase its rental income and to facilitate new rentals or the sale of its assets;
- property assets are valued by an independent expert at quarterly intervals, which makes it possible to take corrective measures;
- the company's investment strategy focuses on high-quality properties and development projects with immediate high returns and stable income;
- the portfolio is diversified, including geographically;
- the asset diversification policy.

[1] Details of the sold properties can be found on page 39 of the Management report.

2.5 Risk of destruction of buildings

Description of the risk
There is a risk that buildings may be destroyed (completely or partially) by fire, natural disaster, accident, terrorist attack, etc.

In this case, there is a risk of a reduction in the company's rental income and hence in the net result.

Risk mitigation
The risk that properties owned entirely by the RREC are destroyed by fire, explosion or other disasters is covered by appropriate insurance policies covering their new reconstruction value (excluding land), for buildings that are available for rent. Properties that form part of co-ownerships are insured by these various co-ownerships.

2.6 Risk linked to administrative permits

Description of the risk
As part of its property development activities, Home Invest Belgium is required to obtain a number of administrative permits (urban, environmental, etc.) before undertaking any development, renovation or construction works. The analysis of permit applications by the competent administrative services requires a certain period of time which cannot always be controlled. Once issued, these administrative permits may be subject to appeal by third parties. This may lead to delays, additional costs or even the abandonment of projects for studies have been conducted, incurring costs, and can therefore have an adverse effect on the business and results of Home Invest Belgium.

Risk mitigation
This risk is limited by (i) the integration into the feasibility studies of prudent time frames for obtaining permits, (ii) daily monitoring of these permit files by the teams and (iii) the use of external advisers specialised in this field.

2.7 Risk related to the performance of works (poor project management)

Description of the risk
Poor management of a renovation or development project may result in: (i) an increase in the company's operating cost, (ii) a decrease in the profitability of the project and (iii) a delay in the acceptance time of the work or project and the collection of rent for these buildings (which has a negative impact on the company's earnings per share).

Risk mitigation
The technical management of the buildings and the coordination of the renovation and development works are undertaken by specialised internal teams who ensure high-quality monitoring of the various sites.

The risk of poor management is also mitigated by:

- the limits set by the Board of Directors on own-account development activity as described above under section 2.1.;
- the use of specialist consultants and companies;
- staggering the timing of development projects;
- and taking out an 'all risks' insurance policy to cover all the works in progress.

If a building in need of major renovation is acquired, the acquisition value of the building upon entry in the portfolio reflects the state of the building before renovation. As the cost of the renovation is provided for in the financial plan drawn up before the investment decision is taken, this cost will in principle generate an increase in value of at least the same amount.

2.8 Risk of default by counterparties (contractors, etc.) other than tenants

Description of the risk
A default or the bankruptcy of a contractor with which the RREC has concluded a contract for works or the provision of services can have an impact on the performance schedule and, in certain cases, on the budget of the works.

Risk mitigation
The RREC mitigates this risk by (i) a rigorous selection of contractors, (ii) using a variety of contractors for a site as far as possible and (iii) establishing financial guarantees to offset the shortfall in the event of default by a contractor.

2.9 Risk of imbalance between supply and demand on the rental market

Description of the risk
Many property developers are building large residential projects, bringing to market several hundred new apartments in certain neighbourhoods. These apartments are mostly sold to private investors who then put them on the rental market, creating a large supply and potentially a risk of oversupply. This phenomenon is mainly observed in the Brussels region. So far, however, supply has been relatively stable, meeting the need for about 4 000 new homes per year.

Risk mitigation
The RREC keeps a constant eye on the balance between supply and demand on the rental micro-market of each of its buildings. It integrates this parameter into its investment and divestment decisions.

3. RISK RELATED TO TENANTS AND LEASES

The entire turnover of Home Invest Belgium consists of rents generated by renting to third parties (individuals, public authorities, retailers, companies, embassies and foreign delegations, retirement home operators, holiday centre operators).

3.1 Risk of reduced solvency or insolvency of tenants

Description of the risk

Delays or defaults in the payment of rent are likely to (i) have a negative impact on results, (ii) give rise to an unexpected vacancy and (iii) involve unforeseen costs and the conclusion of leases on less favourable terms or even the granting of rent-free periods.

Risk mitigation

To limit this risk, Home Invest Belgium takes the following measures:

- it has a diversified investment policy, both from a sectoral point of view and in terms of the type of tenants targeted;
- it carefully selects its tenants on the basis of an analysis of their ability to pay the rent due regularly;
- it requires each tenant to provide a bank guarantee in principle equal to two months' rent;
- rents are payable in advance and almost always on a monthly basis;
- provisions for charges and taxes are payable in advance;
- and it has a rigorous process for monitoring outstanding payments.

As regards unpaid rent, the RREC benefits from the multiplicity and quality of the tenants it selects.

If there is any doubt as to the quality of a receivable, this is provisionally treated as a loss and is recorded as such in the income statement.

3.2 Vacancy risk

Description of the risk

Home Invest Belgium is exposed to the risk of loss of rent caused by the departure of tenants. This can adversely affect the financial result and decrease the fair value of the property, particularly in a context of weak economic conditions, for the following reasons:

- this departure may involve unexpected costs (marketing and/or renovation costs);
- the search for new tenants could take some time, during which charges and taxes for unrented properties are borne by the owner;
- new tenants could negotiate a lower rent or a rent-free period.

Prolonged non-occupation of a property results in a fall in portfolio occupancy[1] rates, which may adversely affects the results.

Risk mitigation

Given the large number of tenants, significantly rising demographic trends in Belgium and the fact that housing is an essential need of the population, the risk that vacancies may increase substantially is considered to below.

The company has a proactive commercial management policy to maintain a high occupancy level.

3.3 Risk linked to property turnover

Description of the risk

The normal duration of a lease basically depends on the type of property and is usually established as follows:

- 1 or 9 year(s) for principal residence leases;
- 3 to 12 months for furnished apartments;
- 9 years renewable three times for commercial leases;
- 3 years minimum for office space;
- and 9 to 27 years for retirement homes[2].

Lease agreements entered into by Home Invest Belgium are on average shorter than leases for professional properties. This more limited duration therefore generates a higher turnover than recorded by a professional property asset and thus higher management costs over the life of the property.

Risk mitigation

The RREC overcomes this disadvantage by (i) incorporating this in its preliminary analysis of profitability and (ii) by increasing the loyalty of tenants, through the presence of a team of managers and qualified external managers.

[1] This term is defined in the glossary..
[2] The breakdown between the buildings according to their nature is given in the Real Estate report on page 70.

4. RISKS LINKED TO REGULATION AND THE POLITICAL SITUATION

4.1 Main risks related to regulation regulations

Description of risk

The Company is exposed to changes in the law and increasingly numerous and complex regulations, and of possible changes in their interpretation or application by the authorities or the courts, notably fiscal regulations (e.g. provisions and circulars relating to withholding tax or anti-abuse provisions) and environmental, urban-development and public-procurement regulations.

Potential impact

Changes in and non-compliance with regulations expose the Company to risks of liability, civil, criminal or administrative convictions, and the risk of not obtaining or the non-renewal of permits. This could adversely affect the Company's business, its results, profitability, financial situation and/or outlook.

Mitigation and control measures

The Company has a legal team with the necessary skills to ensure strict compliance with regulations in force and proactively anticipate changes in the law (regulatory monitoring). It also calls upon external consultants.

4.2 The RREC system

Description of the risk

Since 2 September 2014, the company has been approved by the Financial Services and Markets Authority (FSMA) as a 'Public Regulated Real Estate Company under Belgian law', abbreviated to 'PRREC' or 'public RREC under Belgian law'. As a Public Regulated Real Estate Company, and to maintain this status, the company is subject to the provisions of the act of 12 May 2014 and the Royal Decree of 13 July 2014 relating to regulated real estate companies (the 'RREC act'), as amended by the act of 22 October 2017, which contain restrictions on (inter alia) its activities, the debt ratio, the appropriation of earnings, conflicts of interest and corporate governance. It could be that the company may not be able to meet these requirements in the event of a significant change of circumstances, financial or otherwise.

As a Public RREC, Home Invest Belgium is exposed to the risk of changes in RREC legislation, the consequences of which are difficult to estimate. There is also a risk that the supervisory authority (the FSMA) may impose penalties in the event of the violation of applicable rules, including the loss of accreditation as a Public RREC (see also section 4.2. below). Loss of accreditation as a Public RREC is generally considered in the company's credit agreements to be an event that renders the loans entered into by the company payable in advance and the loss of this status would also have a negative impact on the business, results, profitability, financial position and prospects of the company. In this case, the company would also lose the advantage of the special tax system applicable to Public Regulated Real Estate Companies. (See paragraph 4.2).

Risk mitigation

The skills of the team members and the strict internal control procedures followed enable the company to successfully manage its assets and debts and thus meet these specific requirements.

Home Invest Belgium also set up an Audit Committee on 8 April 2009, notwithstanding the exemption granted under Article 526bis of the Companies Code.

The company cannot mitigate the risk of changes in the RREC act itself. It overcomes this by closely following the planned legislative changes locally (Belgium and the Netherlands) and at European level and by being an active member of various professional associations, in particular BE-REIT Association ASBL, one of whose objectives is to defend the interests of the RREC sector.

4.3 Tax system

Description of the risk

As a residential Public RREC, Home Invest Belgium is subject to a specific tax system, some aspects of which present specific risks.

The exit tax is calculated in accordance with the provisions of Circular Ci.RH.423/567.729 of 23 December 2004, the interpretation or practical application of which may be altered at any time. The 'real value' of a property, as referred to in this circular, is calculated after deduction of registration duties or VAT. This 'real value' differs from (and therefore may be less than) the fair value of the property as stated in the company's IFRS financial statements.

As a Public RREC, profits generated in Belgium are subject to corporation tax but on a reduced taxable basis consisting of the non-admitted expenses, abnormal or gratuitous benefits received and unjustified remunerations and commissions. Company profits generated abroad may be taxed in the State in which they arise according to the law applicable in that State and are exempt in Belgium. The net profits generated by Home Invest Belgium resulting from its property investments in the Netherlands are therefore subject to corporation tax at the rate of 25% and are exempt in Belgium.

Risks related to regulations include the effects of measures taken or envisaged by the legislator, particularly on taxation.

Dividends distributed since 1 January 2017 are subject to a withholding tax of 30%.

Risk mitigation

Home Invest Belgium carefully monitors the various laws on this subject and is gradually adapting to changes in the regulations.

The company believes that it has complied fully with all the provisions in this circular for the calculation of the exit taxes for which it was liable.

4.4 Urban planning and environmental regulations

Description of the risk

A change in the urban and environmental regulations might (i) increase the costs to be incurred to maintain the buildings in operating condition, (ii) have an impact on the fair value of properties and therefore (iii) negatively impact on the profitability of the company.

Risk mitigation

Home Invest Belgium carefully monitors the various laws on this subject and is gradually adapting to changes in the regulations.

4.5 Risk related to a change in international accounting rules (IFRS)

Description of the risk

A change in international accounting rules (IFRS) can affect reporting, capital requirements and the use of financial products.

Risk mitigation

Home Invest Belgium manages this risk through (i) constant monitoring of developments in this area and assessment of their impact and (ii) frequent discussions and contacts with the statutory auditor.

Xavier de Bue, Uccle

5. FINANCIAL RISKS

5.1 Debt ratio

The financing policy of Home Invest Belgium aims to optimise the cost of financing and to limit the liquidity risk of the company and the counterparty risk.

Description of the risk

Under the law, Home Invest Belgium's debt ratio[1] may not exceed 65%. The company risks losing its RREC status if it exceeds this 65% ratio.

The terms of the bond issue of 18 June 2014 include a maximum consolidated debt ratio of 65%[2]. If Home Invest Belgium violates this undertaking, each bondholder may, by sending written notice to the company, demand repayment of the nominal value of the bonds plus accrued interest (if any) on the date of payment, unless the default has been remedied before receipt of the notification by Home Invest Belgium.

The provisions of the company's two credit facilities (with BNP Paribas Fortis and KBC Bank NV) provide for an automatic increase in the margin of these facilities if the debt ratio crosses certain thresholds.

Risk mitigation

Financial plan (Art.24 of the AR of 13/07/2014)

If the consolidated debt ratio of the public RREC and its subsidiaries amounts to more than 50% of its consolidated assets, less the authorised financial hedging instruments, the public RREC is required to draw up a financial plan with an implementation schedule, setting out the measures that will be taken to prevent the consolidated debt ratio from exceeding 65% of the consolidated assets.

A special report will be drawn up by the auditor about the financial plan, confirming that the auditor has verified the drafting of the plan, in particular its economic base, and that the figures contained in the plan correspond with those in the accounting records of the public RREC. The financial plan and the special report from the auditor will be submitted to the FSAM for information.

The general guidelines of the financial plan are included in detail in the annual and half-yearly financial reports. The annual and half-yearly reports will be sent out and justify how the financial plan was implemented during the course of the relevant period, and how the public RREC will implement the plan in the future.

Consolidated balance sheet

On the basis of the figures as at 31/12/2017, the RREC's consolidated debt ratio is 51.82%. For more information on the consolidated balance sheet as at 31/12/2017, we refer to the financial statements of the present annual report.

Changes in the regulated real estate company's debt ratio

Historically, since its creation in 1999, Home Invest Belgium's debt ratio has always been relatively low, around 30%. The company increased its portfolio partially through successive contributions and partially through acquisitions financed by the debt. In addition, the company has applied a policy of active arbitration of a portion of its portfolio, up to around 4% of its value, since 2010. The money thus collected serves to finance new acquisitions.

In 2012, the company decided to round out is activities by adding the development of projects for its own account. This decision served to accelerate the growth of Home Invest Belgium's portfolio. Given that the sites to be developed were mainly financed by the debt at the time of their acquisition and given that the works were still financed by the debt, the debt ratio gradually increased since 2012 (except in 2014, the year in which exceptional sales of non-residential assets occurred). The debt ratio exceeded the 50% threshold for the first time on 30 June 2017.

The future of Home Invest Belgium's investment potential

The debt ratio is currently at 51.82%. Based on the current debt ratio, the investment potential amounts to approximately € 180 million, not exceeding the maximum rate of 65 %.

Home Invest Belgium entered into credit agreements with banking institutions, some of which offer a debt limit of 55%. According to the agreements, the same calculation method results in an investment potential of close to € 34 million.

The above amounts do not take into account potential variations in the value of the real estate assets. Such potential variations may have a significant impact on the debt ratio. Based on the current equity, only a negative variation of close to € 100 million in the fair value of the real estate investments would cause the maximum authorised debt of 65% to be exceeded. That would represent a drop of close to 22 % in the value of the existing portfolio.

Since its creation, Home Invest Belgium has never experienced a negative variation in the fair value of its real estate assets, even during the financial crisis of late 2008 and 2009. This can be explained by the defensive and safe-haven nature of Belgian residential real estate which is at the heart of the company's investment strategy.

Given the current situation and the value of the portfolio determined by the independent expert, Home Invest Belgium does not forecast any substantial negative variations in the fair value of the property. This belief is strengthened by the results of the policy

[1] This term is defined in the glossary.
[2] Article 23 of law of 13 July 2014 relating to Regulated Real Estate Companies.

of constant arbitration which show that the valuation values are perfectly in line with the market. Therefore, Home Invest Belgium believes that the current debt ratio of 51.82% is sufficient to absorb any potential negative variations in the value of the existing assets.

Projected changes in the debt ratio
The company expects to reach a debt ratio of 54.18% at 31 December 2018, and of 55.94% at 31 December 2019. The change of the debt ratio depends on:

- a debt ratio of 51.82% as at 31 December 2017;
- the profit forecasts for the financial years 2018 and 2019, including the income from sales;
- the acquisition of several new buildings and projects;
- the realisation of investment programs of projects currently being developed (The Pulse, Reine Astrid, Léopold, Saint-Hubert, Brunfaut, Jourdan 95);
- the pursuit of the distribution of dividends (advance + final)

The Board of Directors confirms its decision to not structurally exceed the debt ratio of 55%. According to the realised financial plan, this limit could be exceeded in the course of the financial year 2019.

The above calculations do not take into account any potential changes in the value of the real estate portfolio.

Conclusion
Home Invest Belgium believes that its debt ratio will not exceed 65%. Consequently, no additional measure is required in light of the inherent characteristics of the real estate assets and in the expected changes in the equity. Home Invest Belgium maintains its intention to finance itself with a debt ratio below 55%. The Board of Directors pays close attention to the realisation (or non realisation) of new investments and anticipates the preparation of a strengthening of the equity capital should this be necessary. Should events require the RREC's strategy to be modified, it would be done without delay; the shareholders would be informed of it in the annual and half-yearly financial reports.

5.2 Liquidity risk

Description of the risk
The liquidity risk implies that at some point, Home Invest Belgium no longer has the necessary financial resources and can no longer obtain the necessary financing to meet its current liabilities.

Credit lines
There is a risk of the non-renewal of credit lines, even in the context of a review of credit conditions. Moreover, credit margins may be increased upon the renewal of maturing credit lines, if market conditions deteriorate compared with previous years.

In addition, there is a risk of the cancellation of bilateral credit lines through the cancellation, termination or revision of financing contracts due to the failure to fulfil obligations ('covenants') negotiated when these financing agreements were signed.

In the event of non-compliance with its obligations and, more generally, in the event of a failure to fulfil the terms of current contracts, Home Invest Belgium is at risk of mandatory early repayment of these loans.

Bond issue of € 40 million
As part of the diversification of funding sources, on 18 June 2014 Home Invest Belgium issued bond with a nominal value of € 40 million. This 10-year bond matures on 18 June 2024. It is possible that Home Invest Belgium may not be able to redeem the bond at maturity.

The contractual documentation for the bond issue further provides that, in the event of a change of control of the company, bondholders can require advance repayment of the bonds issued from Home Invest Belgium.

Risk mitigation
As at 31 December 2017, Home Invest Belgium had a total of € 208 million in credit lines, of which € 195 million have already been drawn. Of this total, only the credit line for an amount of € 10 million matures in 2018.

For further information on the structure of Home Invest Belgium financing, please refer to the Financial Statements section of this report.

Home Invest Belgium has neither given nor received any mortgages, loans or deposits outside the credit lines detailed in the Financial Statements chapter of this report.

Bearing in mind the legal status of the RREC and given the nature of the properties in which Home Invest Belgium invests (low risk and generating stable revenues), the risk of non-renewal of credit lines is limited, even in the context of a review of credit conditions.

Based on current conditions and outlook, Home Invest Belgium has no knowledge of elements that may indicate that one or more of the commitments it has entered into may no longer be respected. This risk is considered theoretical as the company strives scrupulously to honour its obligations.

The liquidity risk for the RREC is mitigated by:

- the diversification of funding sources: the total financing debt drawn down (€ 248 million) consists of € 208 million in used credit lines, the bond loan representing € 40 million;
- the diversification of credit lines with five major European financial institutions (Belfius, ING, KBC Bank, BNP Paribas Fortis and Banque Degroof Petercam), which ensures attractive financial conditions;
- the preservation of a sustainable relationship with strong banking partners with a good credit rating;
- the maturity of the debt, as the average length of the company's debts amounts to 5 years;
- a regular analysis of the company's debt structure in order to prepare refinancing according to market conditions before its credit lines fall due;
- various preparatory actions in order to be able to fund the growth of the portfolio at the right time.

5.3 Currency risk

Since Home Invest Belgium's portfolio comprises only buildings in Belgium and the Netherlands and all its leases and credit lines are denominated in euros, the company is not exposed to a currency risk.

5.4 Risk of bank counterparty

Description of the risk
The conclusion of a credit or hedging instrument with a financial institution creates a counterparty risk should this institution default.

This risk could lead to a lack of liquidity at this financial institution, or even the loss of liquid assets deposited there.

Risk mitigation
Although this risk can be considered to be slight, the possibility that one or more of Home Invest Belgium's banking counterparties may default cannot be entirely ruled out. To limit this counterparty risk, Home Invest Belgium uses different leading banks in the market to ensure a certain diversification of its sources of financing and interest rate hedging, while paying particular attention to the value for money offered by the services provided. It should also be noted that the liquid assets available to the RREC are primarily used to reduce its debts and that Home Invest Belgium therefore never has large sums deposited on account.

5.5 Risk related to changes in interest rates

Description of the risk
Short- and long-term interest rates on (international) financial markets can fluctuate sharply.

Except for the bond issue, all Home Invest Belgium's financial debt is currently at variable rates (bilateral credit lines at the EURIBOR rate). This allows Home Invest Belgium to take advantage of any favourable rates.

Risk mitigation
To hedge the risk of rising interest rates, Home Invest Belgium's policy is to use interest hedging instruments for a portion of its debt. This prudent policy can be explained as follows: a possible rise in nominal interest rates without a corresponding increase in inflation would have the effect of driving up real interest rates. In a situation like this, the increase in real interest rates would not be offset by the indexation of rental income. Moreover, there is always a delay between the rise in nominal interest rates and the indexation of rental income.

The Board of Directors has consequently set a target of keeping the share of loans at variable rates (not covered by hedging instruments) below 15% compared to the fair value of the property assets. The risk of rising interest rates is hedged by IRS (Interest Rate Swaps) (see Annex 24 to the Financial Statements).

At 31 December 2017, Home Invest Belgium records no bank debt at fixed rate; the total of the drawn bank debts at floating rate account for € 195 million. The IRS type hedging instruments enabling the exchange of a fixed rate for a floating rate represent a total of € 143 million. The interest rate hedging of the bank loans is then 73%.

In addition, Home Invest Belgium has a fixed-rate bond loan of € 40 million over 10 years (06/2014-06/2024).

6 years and 11 months

Average duration of hedging instruments

[2] The decrease in the fair value of the financial instruments is booked in the company equity at 31 December 2017 for the effective portion and in the income statement for the ineffective portion. See also Annex 24 to the "Financial Statements".

5.6 Risk of change in the fair value of hedging instruments

Description of the risk

Every change in the interest rate curve affects the fair value of hedging instruments. Home Invest Belgium records negative changes in the fair value of interest rate hedging instruments if the current rates are lower than those used to calculate the IRS rates. These variations do not affect the cash position and the net current result but may lead to higher financial charges and hence influence the result.

Risk mitigation

Comment 24 to the Financial Statements summarises the fair value of hedging instruments. An increase or decrease in the interest rates on variable rate debts would theoretically increase or decrease the market value of hedging instruments.

In global, at the end of the financial year 2017, the decrease of the interest rates observed the latest years has a negative impact of € 8.0 million (value which should have been paid to settle the hedging at 31 December 2017) on the net value, being € 2.44 per share (cf. Annex 24 to the “Financial Statements.”)

5.7 Risk related to the liquidity of the share

Description of the risk

It is difficult for shareholders to modify their position in Home Invest Belgium shares upwards or downwards quickly.

For the financial year 2017, the total volume of shares exchanged on the stockmarket stands at 198 650 versus 191 851 for the financial year 2016.

Risk mitigation

This risk is mitigated by the following elements:

- the RREC works actively on its external communication (press releases, meetings with financial analysts, participation in road shows) in order to improve its reputation among investors;
- the RREC has a contract with Banque Degroof Petercam as a liquidity provider.

5.8 Risk related to the distribution of the dividend (Article 617 of the Companies Code)

Description of the risk

Under the aforementioned article, the distribution of dividends may be limited. No distribution may be made where, at the balance sheet date, the net assets as shown in the annual accounts are, or would become as a result of such distribution, less than the amount of the paid-up capital or, if this amount is higher, the capital called up, plus any reserves available for distribution.

Risk mitigation

This risk is mitigated by the following elements:

- maintaining and increasing the profits of the company;
- regularly transferring part of the profits recorded into reserves.

For further information on the calculation of Article 617 and the remaining margin, please refer to Annex 26 to the Financial Statements.

6. RISKS RELATED TO THE INTERNAL ORGANISATION

6.1 Reporting risk

Description of the risk

Failures in reporting could compromise the relevance of the information available to decision-makers.

Risk mitigation

The company has developed an adequate internal and external reporting process, with cascaded reviews at various levels, both internal (members of staff, management team, audit committee and Board of Directors) and external (statutory auditor).

6.2 Risk related to information technology

Description of the risk

IT is a key tool for a company the size of Home Invest Belgium. The loss or unavailability of data could result in (i) a disruption in commercial activity (as the company is active primarily in the apartment building sector where input and output flows are the largest), (ii) an interruption in investment activity and/or (iii) a disruption in the internal and external reporting process.

Risk mitigation

The management of the IT infrastructure (hardware and software), access security and data continuity have been entrusted to an external service provider on the basis of a ‘service agreement’.

A new IT tool is currently being implemented in the company to further centralise data and computerise reporting.

6.3 Risk related to team members

Description of the risk

The company is exposed to some organisational risk in the event of the departure of certain members of the management team and key personnel. The unforeseen departure of certain staff members could have adverse consequences for the development of the company and result in additional management costs.

Risk mitigation

This risk is mitigated by the permanent monitoring of the internal organisation by the Management, by ad hoc committees (Appointment and Remuneration Committee and Audit Committee and the Board of Directors of the Regulated Real Estate Company.

If such a situation does arise, Home Invest Belgium will outsource the function concerned and/or quickly recruit a new staff member.

PANORAMA

The Pulse, Molenbeek

The highlights of another year characterised by growth

2017 was another favourable year for Home Invest Belgium. The turnover rose by over 19.5%, the net result by 19.7% compared with the previous year and the fair value of the portfolio exceeded the level of € 450 million.

+19.7%
Increase of the net rental result

+ 17.6%
Increase of the net result of key activities

PANORAMA

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RENDEZ-VOUS

A reference in residential real estate

Interview with Liévin Van Overstraeten, Chairman of the Board of Directors, and Sophie Lambrighs, CEO.

The current economic situation remains promising for the residential rental business. During the past financial year, Home Invest Belgium made a number of major acquisitions in this segment, as well as in tourist accommodation. The company keeps a close eye on lifestyle trends and strives to offer its tenants optimal solutions, responsiveness and service, the guarantees of a high degree of loyalty.

Q: Did the world economic context affect the activities of Home Invest Belgium during the 2017 financial year?

LVO: The global economic context has little impact on our profession. The residential real estate market depends mainly on local markets. Factors such as demographic trends, the purchasing power of the population, prompting them to buy or rent their residence, depending on the context, and the general dynamics in the cities where we operate have a more direct influence on our activities.

Q: Do interest rates, which remained low during the past year, and the sluggish economic situation bring opportunities for Home Invest Belgium?

SLA: The low interest rates mean that we can finance our projects in better conditions. We have taken advantage of this period to lengthen the duration of our hedging instruments which enables us to benefit from a low financing cost even at times of interest increases. But the fall in rates impacts on opportunities for acquisition. Competition in the real estate sector is fierce. The prices offered are higher and higher. We are particularly careful when it comes to selecting buildings that interest us. As regards sales, however, the context is favourable for property owners. In this context, being active in all stages of the real estate cycle, means certainly having a competitive advantage.

Q: Which major acquisitions did Home Invest Belgium make in 2017?

SLA: Last year was particularly good in terms of acquisitions. We finalised five in total, including two projects: Jourdan 95 in Saint-Gilles and Brunfaut in Molenbeek. We also purchased 40 apartments and seven houses at Center Parcs Port Zélande, consolidating our presence in the tourist accommodation segment. In addition, we now own a new building in Auderghem. Finally, we purchased a real estate company that owns three buildings in the Brussels region.

Q: The residential sector in Belgium still has the wind in its sails. How does Home Invest Belgium take account of the risk of a slowdown in this area?

LVO: The rental market remains promising. We are not anticipating a slowdown. The cost of credit could rise again, curbing the tendency among households to buy, which would favour renting. What's more, the younger generations set great store by the use of services, at the expense of ownership. For example, shared cars are increasingly popular.

Q: How are tenants' requirements evolving?

SLA: Tenants naturally prefer new or renovated buildings. The requirements are far higher than in the past. The service offered in terms of intervention if there is a problem to be resolved by the owner is taken into account in the search criteria of potential occupiers. We take care to act swiftly in order to put forward immediate solutions to the problems encountered. On the other hand, we always try to offer them that little bit extra: unique premises that tenants can make their own.

> "Home Invest Belgium strives to make life easier for its tenants by anticipating the trends that will be standard in the future."
> **Liévin Van Overstraeten, Chairman of the Board of Directors**

> "2018 will continue along the same path, with sustained growth in our portfolio"
> **Sophie Lambrighs, CEO**

2.09%
Cost of financing in 2017

Q: So some of the new properties in your portfolio are a laboratory of what Home Invest Belgium will be tomorrow...

SLA: That's right! The development of a way of life where internet facilities multiply home parcel deliveries prompted us to offer 'drop boxes' in the entrance halls of the buildings. This was successfully tested in The Horizon and then extended to our other buildings. Providing a shared laundry is another example of a service that we have developed to meet our tenants' wishes as well as we can.

Q: Your profession is evolving far more quickly than in the past...

LVO: Residential real estate is not a sector that has seen huge upheavals. The technological aspect of buildings has evolved, of course. The ventilation and heating systems are more sophisticated and require

cutting-edge knowledge to manage new buildings. The occupiers have to be shown how to use these new technologies, as well. Home Invest Belgium strives to make life easier for its tenants by anticipating the trends that will be standard in the future. For example, occupiers will soon be able to consult their statements of account concerning their tenancy remotely or tell us by smartphone about any problem detected in the building.

Q: Are your new offices, with flex desks, open spaces and relaxation areas, designed to showcase the metamorphosis of the Home Invest Belgium professions?

SLA: We wanted to reflect our corporate culture through the way these areas are laid out. We operate with a very horizontal structure that promotes collaboration between the teams. We want everyone to show goodwill and listen to their colleagues, and to feel at home while they are at work. So our premises have been set out along residential lines, promoting openness to others.

Q: What criteria are taken into account when deciding on the location of Home Invest Belgium properties?

LVO: We focus on cities with more than thirty thousand inhabitants. We keep an eye on the general dynamics of the city and its demographic trend. For historical reasons, we have a significant presence in Brussels, which accounts for about 60% of our portfolio. Our aim is to turn to other regions of the country in order to diversify.

Q: What is the outlook for Home Invest Belgium in 2018?

SLA: The rental market remains favourable, even if real estate has drained quite a lot of private capital in the search for a safe return. Private individuals are turning back to the stock market. That leaves more opportunities for real estate players. 2018 will continue along the same path, with sustained growth in our portfolio. The first apartments in The Pulse were handed over at the end of 2017. The Reine Astrid project in Kraainem will be completed in 2018, along with the renovation of two buildings in Liège. These projects will generate additional income.

Q: How do you see the company developing in the long term?

LVO: We aim to consolidate our positions and develop tourist accommodation, a sector in which we are already active. We are particularly interested in properties that can be converted into residential buildings if need be. More generally, we are working to ensure that Home Invest Belgium becomes the reference in residential real estate for rent. We want to offer the best service in order to become a real quality label.

+ 17.6%
Increase in net result from core activities

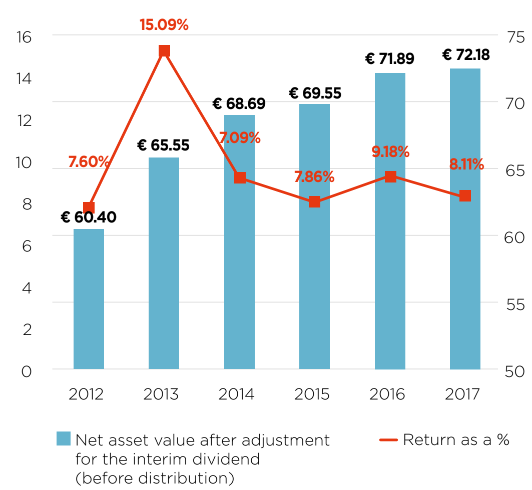
€ 457.6 mio
Fair value of investment properties

€ 4.50
Gross dividend per share

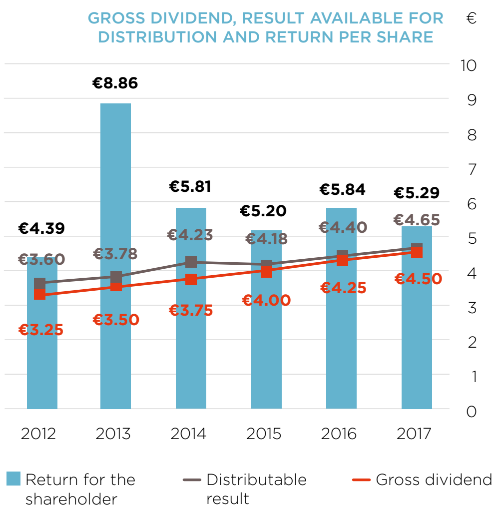
KEY FIGURES

EVOLUTION OF THE PORTFOLIO

NET ASSET VALUE AND RETURN



GROSS DIVIDEND, RESULT AVAILABLE FOR DISTRIBUTION AND RETURN PER SHARE



10.07%

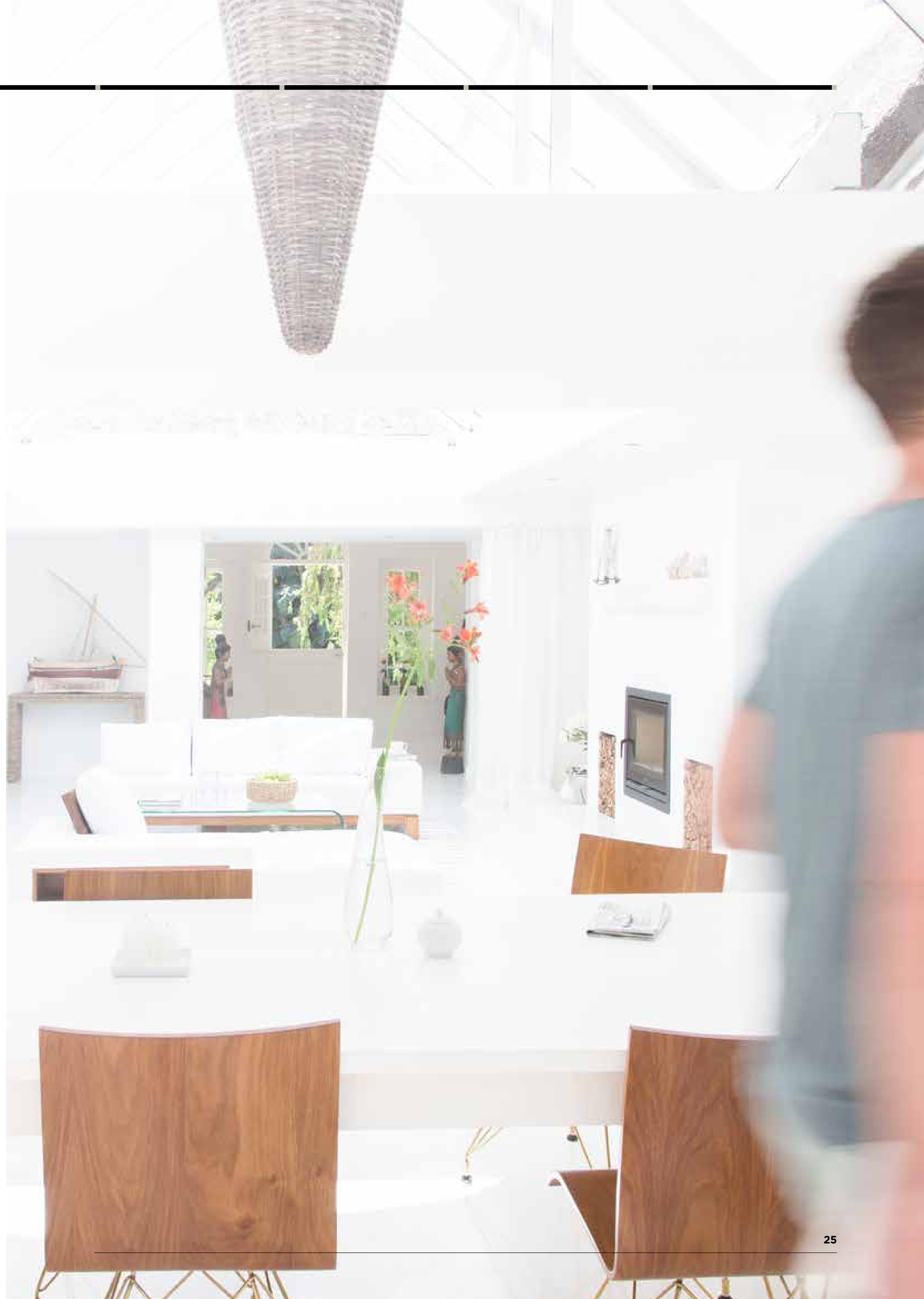
Return for the shareholder in 2017

€ 457.6 mio

Fair value of investment properties

€ 72.18

Net asset value per share adjusted and corrected by advance payment on dividend

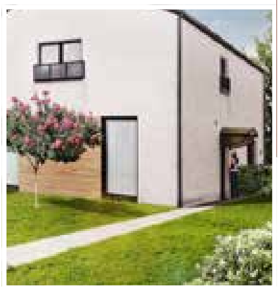


OUR JOURNEY

Highlights

1999

- Creation of Home Invest Belgium
- Approval as real estate investment fund (SICAFI)
- IPO
- Portfolio of 13 properties with a total value of € 41 million



2001

Acquisition of the Residence Clos Saint-Géry in Ghlin

2003

- Axa becomes a shareholder
- Contribution of the Clos de la Pépinière, Bosquet/ Jourdan and Monnaies/ Jourdan buildings in Brussels

2005

Acquisition of the Giotto building

2006

- Capital increase of € 31.6 million through issue of new shares
- Acquisition of Florida buildings in Waterloo

2007

Acquisition of Erainn and Voisin buildings in Brussels

2008

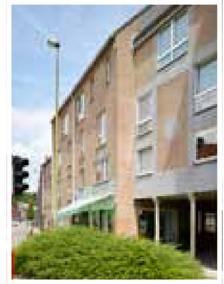
- Acquisition of Liège portfolio
- Van Overstraeten group becomes a shareholder
- Contribution of Sippelberg, Lambermont and Baeck buildings in Brussels

2009

Acquisition of Haverwerf buildings in Mechelen, Les Érables in Brussels and City Gardens in Leuven

2011

Completion of the renovation of the City Gardens real estate complex in Leuven



2012

Contribution of the Odon Warland building in Brussels

2013

- Acquisition of a real estate complex in Louvain-la-Neuve
- Acceptance of the town house apartments at rue Belliard, 21, Brussels
- Acquisition of the development projects The Horizon, Trône, The Link and The Inside in Brussels and Reine Astrid in Kraainem

2014

- Approval as a Regulated Real Estate Company (RREC)
- € 40 million bond issue
- Acquisition of La Résidence property in Brussels

2015

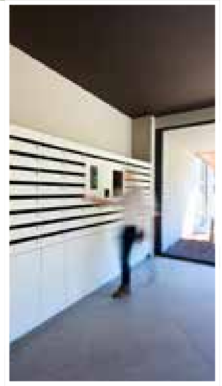
- Delivery of the Trône and The Link buildings
- Acquisition of the Livingstone building in Brussels
- Acquisition of the Brunfaut renovation project in Brussels
- Renovation of Clos Saint-Géry houses in Ghlin and the Charles Woeste and ArchView buildings in Brussels

2016

- Delivery and commercialisation of The Horizon building in Brussels
- Acquisition of The Pulse project in Brussels
- Acquisition of the Scheldevleugel building in Oudenaarde
- First investment in the Netherlands through the acquisition of holiday homes in Ouddorp (Port Zélande)

2017

- January: acquisition of the Jourdan 95 project in Saint-Gilles
- April: consolidation of the position of leading investor in the Center Parcs Port Zélande in the Netherlands through the acquisition of apartments and holiday homes on the site
- June: delivery and commercialisation of The Inside building in Woluwe-Saint-Lambert
- July: the team moves to new offices
- August: acquisition of shares in the company Investors, owner of three buildings in Brussels
- September: acquisition of the Liberty's building in Auderghem as part of the partial de-merger of VOP SA
- October: delivery of the first phase of renovated apartments in the Scheldevleugel building in Oudenaarde
- November: final acquisition of the Brunfaut project and start of work
- December: delivery of the first phase of The Pulse building in Molenbeek and start of commercialisation & extending the duration of hedging instruments to six years and 11 months



STRATEGY

Four pillars of development

Home Invest Belgium aims to be the leading player in residential property intended for renting in the broad sense of the term, from traditional apartments to new forms of housing and including student studios and second homes.

The company's strategy is based on four pillars:

- the acquisition of existing buildings or projects
- active portfolio management
- the implementation of development and renovation projects
- selective divestment leading to the realisation of capital gains

These four pillars help maximise value creation for the shareholder.

The company develops its activities in compliance with the legal framework applicable to Regulated Real Estate Companies (RREC), whose main features can be summarised as follows:

- a maximum of 20% of the total value of the portfolio may be invested in a single property complex, unless there are exceptional circumstances;
- the debt ratio is limited to 65% of total assets;
- if the financial year closes with a profit, the dividend distributed corresponds at least to the positive difference between 80% of the adjusted result and the net debt reduction of the RREC during the year in question, subject to Article 617 of the Companies Code.

The Pulse, Molenbeek

Acquisitions

Priority to quality investments and capital gain potential

In the common interest of its tenants and its shareholders, Home Invest Belgium looks for high-quality residential properties capable of generating high returns (as reflected by net rental income) with the potential to create value (reflected by the development of the fair value), particularly through the use of the real estate expertise of its team. Each building is subject to the usual technical, legal, financial and tax due diligence. They also undergo an assessment of both their intrinsic qualities and their location, accessibility, immediate surroundings and energy performance.

The company strives to anticipate demographic changes and trends in society in general and in the residential property market in particular. This is the context in which it closely follows the market segments for student accommodation and young professionals, as well as being present in the second homes market. The tourist accommodation market, which is very similar in type to the 'traditional' residential property market, is also carefully monitored.

Brussels and the other major Belgian cities remain the historic markets of Home Invest Belgium. Since 2016, the company has invested in Zeeland, in the Netherlands. The attractiveness of a location for Home Invest Belgium is determined chiefly by the dynamism of the rental market and the size of the population.

Developments

Priority to projects which are sustainable, generate capital gains and have innovative concepts

To accelerate the growth and rejuvenation of its portfolio, Home Invest Belgium pays particular attention to seeking acquisition opportunities involving sizeable development projects on its own account, such as office building conversion projects or the transformation of industrial sites into residential property for rent.

Home Invest Belgium applies very demanding quality and sustainability criteria to its projects. It closely follows demographic changes and trends in the residential market, such as the decrease in the size of dwellings, the emergence of shared space, the demand for the provision of services in buildings and environmental concerns. It thus develops new housing concepts which help the evolution of 'life in the city'.

Its development projects have the following advantages:

- control of the product from the point of view of its suitability for the rental market and its technical, commercial and environmental qualities;
- the possibility of finding major assets more easily, avoiding competition from unit by unit sales by developers and property dealers;
- the higher initial return owing to the lack of real estate development margin;
- and ultimately, the realisation of capital gains through unit by units sales. Until the first half of 2017, Home Invest Belgium entrusted the management, monitoring and supervision of the development of new residential buildings to its subsidiary, Home Invest Development SA. Following the takeover of Home Invest Development by Home Invest Belgium on 28 June 2017, Home Invest Belgium takes care of these aspects itself.

Given the positive experience recorded for on-going projects, the Board of Directors has confirmed development activity as the major growth factor for the company in the years to come. The company aims to achieve substantial annual growth (potentially of around 10%) in its portfolio by incorporating into it the developments it undertakes.

To achieve this goal, given the relatively long lead times for obtaining the required permits, the company plans to acquire about two new development projects per year, while it continues to develop the sites already in progress.

The development of own-account projects is subject to the following limitations:

- neither the RREC nor any of its subsidiaries may operate as a real estate developer (Article 41 of the Royal Decree on Regulated Real Estate Companies);
- the total costs of development projects may not exceed 25% of the total value of the portfolio (including projects). Project cost should be understood to mean the total costs (acquisition, work, fees, taxes, financial costs) for buildings with the necessary permits, and the acquisition cost plus the study costs for projects for which permits have to be obtained (decision of the Board of Directors);
- and one development project may not exceed 12.5% of the total value of the portfolio (projects included) (decision of the Board of Directors).

Common criteria for acquisition and development

The investment criteria applicable to both the acquisition of buildings and development projects are linked to the size of the property, its short- and long-term profitability and intrinsic quality (location, technical quality, etc.). Details are given in the chapter entitled 'Real Estate Report'.

Administrative, commercial and technical management

Optimisation of rental management, occupancy rate and portfolio rejuvenation

Home Invest Belgium manages a very large number of rental units and therefore leases – over 1 850 at the end of December 2017. The company aims to achieve economies of scale and to stand out from the multitude of private investors active on the residential market by offering its tenants a high-quality professional service. The quality of service at the administrative, technical and commercial levels is essential to the success of the company, benefiting both tenants and shareholders.

Continuous efforts are made to standardise and automate management, while keeping operating costs strictly under control, particularly those involving staff.

At the commercial level, Home Invest Belgium is itself responsible for renting the properties in its portfolio, while also using specialised real estate agents to optimise occupancy levels. The company deals with the technical, administrative and accounting management of most of its buildings in the Brussels Region and the two Brabant provinces in house, leaving the management of properties outside these zones to carefully selected external building managers and agents. Being able to control the technical management in general enables the company to provide a better service for tenants, gain a better knowledge of the property portfolio, anticipate renovation requirements and closely follow the rebilling of charges.

Home Invest Belgium is constantly working to develop the value of its existing assets. In this context, the company also undertakes renovation programmes for buildings in its portfolio. Renovation requirements are revealed by the rigorous monitoring of the performance of each building. The renovation programmes are drawn up in close collaboration with the commercial and technical teams.

Sales

Selective divestment through unit sales of portfolio assets

Every year, the properties in the portfolio undergo a detailed inspection, combined with the examination of the local real estate context. On the basis of this process, a selection of buildings is identified for divestment during the year.

This selective divestment of part of the portfolio significantly contributes, on a regular and stable basis, to the increase in the return on investment via the substantial capital gains generated for shareholders.

Since 2012, the Board of Directors has set a target of achieving a minimum annual sales volume of 4% of the portfolio of buildings in operation. In this context, the priorities for disposal are:

- buildings that have reached their peak value;
- buildings whose net return is insufficient, those deemed too small in relation to the management fees they entail or those whose energy performance is inadequate;
- and properties that no longer fit within the strategy and are therefore intended for resale as a matter of principle.

The Link, Auderghem

MANAGEMENT REPORT

The Horizon, Woluwe-Saint-Lambert

A strategy of anticipating trends

Our strategic priorities

Renting urban residential units and providing quality services for our tenants, thereby standing out from other market players

Ensuring the growth of our portfolio through acquisition and development on our own account of buildings whose concept is perfectly suited to the target market

Creating value by professional and efficient day-to-day management and proactive divestment of parts of our property portfolio

MANAGEMENT REPORT

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SIGNIFICANT EVENTS OF THE YEAR

Average funding and debt ratio

Thanks to the renegotiation of different IRS (Interest

Rate Swaps) in 2016 and in 2017 on the one hand, and the funding of the acquisitions of the financial year through new credit lines granted at very interesting conditions on the other hand, the **average funding cost** (after converting the debts at variable interest rates in debts at fixed interest rates through those IRS) has again considerably decreased to 2.09% (in comparison with 2.53% in 2016 and 3.40% in 2015).

Following the different acquisitions, the **debt ratio** of the company stands at 51.8%, which leaves the RREC (SIR/GVV) an investment capacity by debt of € 34 million before reaching a debt ratio of 55%, and of € 180 million before reaching the legal threshold of 65%.

The company's debt ratio stands at 51.8%, leaving the RREC with a debt capacity of around € 34 million to reach the 55% debt level and € 180 million to reach the legal limit of 65%.

Overview of the financial structure

Financing	Confirmed credit lines	Usage
Bank financing	€ 208 million	€ 195 million
Bond issue	€ 40 million	€ 40 million
Total	€ 248 million	€ 235 million

The **weighted average duration of the funding** amounts to 5 years on 31 December 2017, compared to 5 years and 3 months on 31 December 2016. On 31 December 2017 an amount of €13 million of the credit lines could still be withdrawn.

Active hedges on 31 December 2017	IRS
Total	€ 143 million

The **average duration of the hedges is 6 years** and 11 months on 31 December 2017, compared to 5 years and 7 months on 31 December 2016. This significant extension allows the RECC (SIR/GVV) to benefit from a long period of low financing cost even at times of interest increases.

Captal increase

On 12 September based on a decision of the Extraordinary General Assembly, the company has increased its capital with € 12 million in the context of a partial split of the company VOP SA. The split has been financed by the issue of 139 049 new shares of Home Invest Belgium SA. The new shares had an issue price of € 86.30.

These new shares, directly attributable to the shareholders of the company ,which is partially split, participate in the financial results of Home Invest Belgium SA pro rata temporis from the date of their issuance i.e. 13 September 2017. Following this capital increase 139 049 shares are issued which brings the total of issued shares to 3 299 858 on 31 December 2017.

Scheldevleugel, Oudenaarde

Dividend policy

In line with the decision taken in 2015, the company distributed, on 6 December 2017, an interim dividend payable in cash. Coupon 23 entitled shareholders to an interim dividend of € 3.75 gross or € 2.6250 net per share (after deduction of the withholding tax of 30% in force at that date).

Management

On 15 September 2017 Mr. Toon Haverals, Chief Development Officer (CDO) of the RREC left the company.

Move

Since last 7 July Home Invest Belgium's offices are located in "la Maison de l'Automobile" at boulevard de la Woluwe 46. The RREC occupies the first floor of the building. The space was entirely renovated in order to correspond to the company's needs, being a spacious and flexible working environment, open spaces with cafeteria and break room, different meeting rooms and multiple "bubbles" for people looking for tranquility and a confidential environment.

Port Zélande, Ouddorp (The Netherlands)

EVOLUTION OF THE PROPERTY PORTFOLIO

Acquisitions

Jourdan 95

55 apartments | 69 parking spaces

Acquisition of a building in rue Jourdan, Brussels

On 17 January 2017, the company acquired a building covering a surface area of 5 800 m² and 69 parking spaces, located at 1060 Brussels (**Saint-Gilles**), rue Jourdan 89/103, in the immediate vicinity of the Louise district.

The current office building is to be converted into a residential property. The company has appointed the firm Studio Farris to carry out the conversion studies and submitted an application for an urban planning permit early in the second half of 2017. At its meeting in December, the Consultative Committee expressed a favourable opinion subject to conditions. The permit is expected to be issued in the first half of 2018.

Once completed, the building, which should comprise around 55 apartments, will form part of the cluster already owned by the company in this district (comprising three buildings, Bosquet-Jourdan, Jourdan 85 and Jourdan-Monnaies). Provisional acceptance of the work is scheduled during 2020.

Port Zélande

7 vacation residences | 40 apartments

Acquisition of seven cottages and 40 apartments in Center Parcs Port Zélande in the Netherlands

In Amsterdam on 11 April, the company acquired seven holiday homes and 40 apartments in the Center Parcs Port Zélande complex located in **Ouddorp** (in the Dutch province of Zélande). In November 2016, it had already acquired 241 holiday homes on the same site. This consolidates its position as the largest owner of holiday homes in the complex. The newly acquired apartments and cottages benefit from a unique location in the complex, at the water's edge and facing the marina. The operating conditions are identical to those obtained for the previous transaction:

- The cottages and apartments are run by Center Parcs, a subsidiary of the French group Pierre & Vacances. The cottages and apartments have been leased by Center Parcs for 15 years on the basis of a 'triple net' rental agreement. The tenant is responsible for carrying a renovation programme funded by the owner, the amount of which is set by contract.
- The holiday homes are covered by a leasehold concluded with the Dutch State which expires in 2086. At the end of this period, the leasehold will be renewed for 99 years unless the Dutch State does not wish to extend it for reasons of general interest, in which case it will have to compensate the landlord for the existing constructions.

Investers

27 apartments | 4 retail spaces | 2 office spaces

Acquisition of shares in the company Investers SA

On 31 August 2017, the company Home Invest Belgium SA acquired all the shares in the company Investers SA, owner of 27 apartments, four stores and two office surfaces in three buildings in Brussels.

The first building is located in Schaerbeek (rue F.-J. Navez 81-85) and comprises 10 apartments with a total surface area of 626 m².

The second building is in **Uccle**, on the corner of the shopping street rue Xavier de Bue and the chaussée d'Alsemberg. Investers SA owns part of this building, that is eight apartments and three stores with a total surface area of 1 029 m².

The third building in **Saint-Gilles** (Chaussée de Waterloo 41-43) and comprises 12 units, including nine apartments, two offices and a commercial unit covering a total surface area of 1 029 m².

Liberty's

40 apartments | 40 parking spaces

Acquisition of a building located in place de l'Amitié, Auderghem, 1160 Brussels

As part of the partial de-merger of the company VOP SA, the company has acquired full ownership of a building located in place de l'Amitié in **Auderghem** (1160 Brussels) covering 3 718 m² gross, that is 3 391 m² net and comprising 40 apartments, 41 basements and 40 parking spaces. The location of the building in a small square and within a block, near the Brussels III European school and the Plaine campus and less than 500 m from two metro stations, is excellent.

The apartment finishings meet the current market standards for new apartments and the energy performance certificates applied for are all level A or B.

The building was completed in early 2017 and was offered for rent in March 2017. When this report was finalised, tenants have been found for all apartments.

Brunfaut

93 apartments | 66 parking spaces

Acquisition of the Brunfaut project

On 9 November 2017, Home Invest Belgium acquired all the shares in the SA Immobilière S et F, owner of a semi-industrial building previously occupied by the Hayez printing company and located at rue Brunfaut, 13 to 29 and rue Fin, 4 to 12, 1080 **Molenbeek**, a few hundred metres from the famous MIMA museum and the canal. This transaction, announced in 2015, was completed when the suspensive conditions were lifted (that is the obtaining of permits). The RREC also acquired the house on the corner of rue Fin and rue Brunfaut during 2016 with a view to designing a larger project on the site. The buildings have been totally demolished and will be replaced by a project with a total surface area above ground of over 10 000 m², or 93 apartments, 66 parking spaces and 443 m² of surfaces set aside for offices or local amenities meeting the demands of the district. The building is scheduled for completion at the end of 2019.

Developments

The RREC's own development projects made significant progress during the year. One of them, The Inside, was completed and went into operation in line with the announced schedule.

The Inside

94 apartments | 95 parking spaces

Avenue Marcel Thiry 204, 1200 Woluwe-Saint-Lambert

The work was completed and the building was handed over on 1 June 2017. The first tenants moved into the building on 1 July. By the completion date of this report, 75% of the apartments had already been rented.
The first commercialisation phase is scheduled to end in the summer of 2018. www.theinside.be

The Pulse

96 apartments | 66 parking spaces

Rue de la Célidée 29-33 and rue Joseph Schols 13, 1080 Molenbeek-Saint-Jean

Formerly known as Célidée, The Pulse project aims to give new impetus to the Karreveld district in which it lies. The first phase in the work, comprising 40 apartments, was completed in December 2017 and the first tenants arrived in January 2018. The next two phases will be handed over in March. The site contains 93 apartments and three houses, a garden and a shared courtyard with pétanque areas. A crèche is expected to be opened on the ground floor of the building shortly. 12 of the 40 units have so far been leased. www.the-pulse.be.

Reine Astrid

40 apartments | 706 m² commercial space

Avenue Reine Astrid 278, 1950 Kraainem

The structural work continued throughout 2017.
The building will include 40 units, shops and a nursery on the ground floor. Completion is scheduled in the last quarter of 2018.

Marcel Thiry C2

47 apartments | 47 parking spaces

Avenue Marcel Thiry 204, 1200 Woluwe-Saint-Lambert

Backed up by the successful leasing of the two neighbouring buildings, The Horizon and The Inside, the RREC has submitted an urban planning permit application for the plot of land adjacent to the latter. The planning application concerns a building with 47 apartments. At its meeting in December, the Consultative Committee expressed a positive opinion subject to conditions. The permit is expected in the first half of 2018.


Lambermont, Schaerbeek

Administrative, commercial and technical management

Occupancy rate[1]

The average occupancy rate for 2017 as a whole stands at 90.49 %, an improvement compared to the financial year 2016 (90.18 %).

As the company actively manages its portfolio, the portfolio is made up of buildings with very different occupancy rates:

- the buildings currently in operation group the majority of the residential and commercial buildings;
- long term contract buildings group the buildings for which a lease of an initial period of more than 9 years has been signed;
- "short term furnished" units group the buildings Résidence Quartier Européen and Joseph II which are available for rent for 90 days or more;
- buildings for sale are not rented anymore in order to facilitate the commercialisation;
- buildings which are refurbished and are not rented before the end of the works;
- buildings with first rentals after reception of the works. In 2017, this was the case for The Inside.

The occupancy rates of the different categories are listed in the table underneath:

	TOTAL 2017
Buildings currently in operation	95.33%
Contract LT	100.00%
Furnished ST	73.92%
Sales	84.66%
Refurbishment	42.67%
First occupation	69.93%
Total	**90.49%**

As a reminder, lettings for the development projects only start once the works are fully finalised (candidate-tenants, opposite to candidate-buyers, do not anticipate their future needs), and the situation of the rental market (sustained demand, but without tension) explains the spread across several months of the first lettings.

For the future, taking into account the constants part of the delivered developments in portfolio, the RREC (SIR/GVV) expects the occupancy rate to stabilize at its 2017 level.

593 new lease agreements were concluded in 2017, amongst which 177 leases related to first occupations in buildings The Inside, The Horizon and Liberty's. 416 lease agreements were signed in existing buildings (rental turnovers).

Portfolio rejuvenation

Home Invest Belgium is currently focusing its portfolio renovation efforts on its properties in Liège. Two of the four buildings it owns in this city are undergoing in-depth conversion work to bring them into line with market standards. The work in the Léopold and Saint-Hubert buildings are scheduled for completion at the end of 2018.

Meanwhile, the empty apartments in the Scheldevleugel building in Oudenaarde are also undergoing radical renovation in phases. The first phase of the work concerned 29 apartments and was completed in the autumn. The second phase, involving 30 apartments, was handed over at the end of February. The final apartments are to be renovated as and when they are vacated by the current tenants.

Home Invest Belgium's portfolio of investment buildings in operation is considerably 'younger' than the market average, as less than 20 % of the properties have not been renovated in depth during the last 20 years.

Technical and administrative management

The company's internal teams are in charge of the technical, administrative and accounting management of the majority of the buildings in the Brussels Region and the two Brabant provinces, leaving the management of the other properties to carefully selected and guided external building managers and agents.

Sales

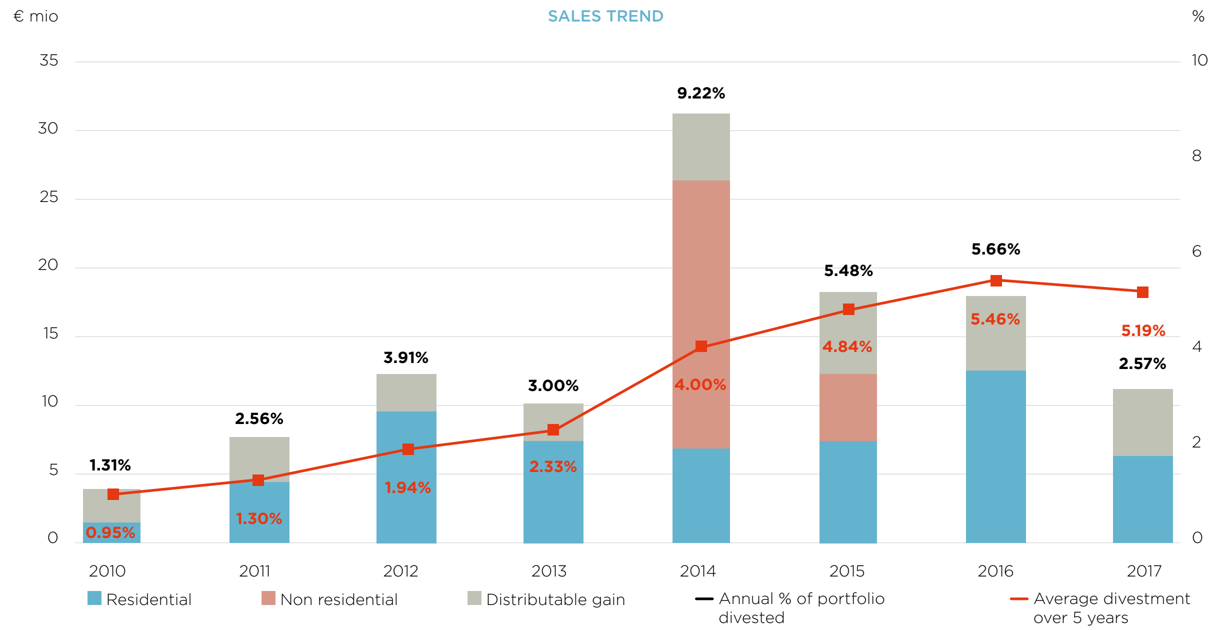
In line with its fourth strategic axis of selective divestment of the portfolio, Home Invest Belgium also continued to actively sell certain apartment buildings, unit by unit. Once again last year, this divestment activity made it possible to ensure the liquidity of the company's portfolio and the accuracy of the appraised values.

In addition to the Mélèzes building (Woluwé-Saint-Lambert) and Birch House (Etterbeek), which were already up for sale in 2016, divestment programmes were drawn up for two other buildings. These are Bosquet-Jourdan in Saint-Gilles which contained 27 apartments and Jardins de la Cambre in Ixelles which had 24 apartments. A number of units were also sold in the Cederdreef building in Wetteren.

In 2017, divestment activity involved a total of 41 units or 2.57 % of the fair value of investment properties as at 31 December 2016. The various sales made in 2017 led to the booking of a net capital gain of € 0.7 million compared with the last fair value of properties sold and yielded a result available for distribution of € 4.9 million.

This amount increased the income available for distribution to shareholders for 2017 and confirms the importance of divestment as a strategic axis for Home Invest Belgium.

Summary of sales	2017	2016	2015	2014	2013
Number of sites affected by sales	6	7	10	9	13
Net sales price (excluding transaction costs)	€ 11.3 million	€ 18.2 million	€ 18.5 million	€ 31.6 million	€ 10.3 million



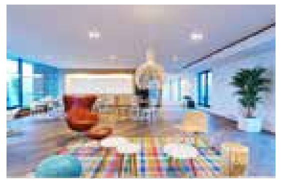
[1] The occupancy rate expresses the percentage of the rents collected from let buildings, augmented by the rental guarantees on vacant spaces, compared to the sum of the rents of the let buildings and the estimated rental value (ERV) on vacant spaces.

SUMMARY OF THE CONSOLIDATED ANNUAL ACCOUNTS

This report is based on the consolidated financial statements. The detailed statutory accounts, as well as the statutory management report, are available from the company free of charge on request. The statutory accounts are included in the 'Financial Statements' chapter of this annual financial report.

+21.3%
Increase of the property result

€ 9.8 mio
Net result of the key activities



The Horizon, Woluwe-Saint-Lambert

Consolidated balance sheet

ASSETS	2017	2016
I. Non-current assets	**459 002 506**	**409 872 451**
B. Intangible assets	416 024	278 118
C. Investment properties	457 636 191	408 833 729
D. Other tangible assets	391 371	102 316
E. Non-current financial assets	112 033	75 649
F. Finance lease receivables	446 887	582 639
II. Current assets	**11 058 584**	**9 429 070**
A. Assets held for resale	0	1 457 192
C. Finance lease receivables	135 752	135 243
D. Trade receivables	3 326 818	3 169 636
E. Tax receivables and other current assets	376 707	842 449
F. Cash and cash equivalents	7 183 786	3 437 814
G. Deferred charges and accrued income	35 521	386 735
TOTAL ASSETS	**470 061 090**	**419 301 520**

PARENT COMPANY SHAREHOLDERS' EQUITY		
A. Capital	87 999 055	75 999 055
B. Share premium account	24 903 199	24 903 199
C. Reserves	102 796 510	98 202 791
D. Net result of the financial year	1 256 723	6 097 288
SHAREHOLDERS' EQUITY	**216 955 487**	**205 202 333**
LIABILITIES		
I. Non-current liabilities	**232 805 745**	**201 485 901**
B. Non-current financial debts	224 745 100	192 205 885
a. Credit institutions	185 000 000	152 500 000
c. Others	39 745 100	39 705 885
C. Other non-current financial liabilities	8 060 644	9 280 017
II. Current liabilities	**20 299 859**	**12 613 287**
B. Current financial debts	10 673 829	712 226
a. Credit institutions	10 000 000	0
c. Others	673 829	712 226
D. Trade debts and other current debts	8 106 746	10 385 458
b. Others	8 106 746	10 385 458
E. Other current liabilities	62 656	90 680
F. Accrued charges and deferred income	1 456 627	1 424 923
LIABILITIES	**253 105 603**	**214 099 188**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**470 061 090**	**419 301 520**
Number of shares at end of period[1]	3 288 146	3 147 897
Net asset value	216 955 487	205 202 333
Net asset value per share	**65.98**	**65.19**
Adjusted net asset value per share[2]	**68.43**	**68.14**
Indebtedness	243 588 331	203 394 248
Debt ratio	**51.82%**	**48.51%**

[1] The number of shares at the end of the period is calculated excluding the 11 712 own shares held by the company.
[2] Corresponds to the value of the net assets adjusted to exclude the fair value of the financial hedging instruments.

Comments on the balance sheet

Assets

Intangible assets related to the Winiris management software that is depreciated over five years and to the new Axxerion integrated software to be implemented during 2018. Winiris is an accounting software program specialising in the management of real estate data. This is to be replaced by Axxerion which includes extensive functionalities in terms of reporting, technical problem management, tenants' portal, etc.

During the year, the fair value of the investment properties increased from € 408.8 million at 31 December 2016 to € 457.6 million at 31 December 2017, including development projects; an increase of 11.9 %, mainly due to:

- the acquisition of various properties listed above;
- the actual sale of properties;
- the continuation of development projects, details of which are given above;
- various renovation work carried out in our buildings to keep them in line with the requirements of the current rental market;
- the balance resulting from a positive variation in the fair value of the properties in the portfolio during 2017, (+ € 1.5 million).

On 31 December 2017, investment properties in operation totalled € 423.1 million, while current development projects amounted to € 34.5 million (compared with € 381.3 million and € 27.5 million respectively on 31 December 2016).

Other tangible fixed assets include fixed assets for own use.

Financial lease receivables, totalling € 0.6 million, represent the value of receivables arising from the property leases of the buildings in rue de Belgrade and Résidence Lemaire, the long-term element being included in non-current assets and the short-term portion (less than one year) in current assets. Receivables decrease as the finance lease contracts progress.

Commercial receivables remained stable at € 3.3 million compared with € 3.2 million the previous year, corresponding for the most part to amounts receivable under the asset sale agreements signed at the end of 2017 (€ 2.7 million), with the remainder accounted for by rental claims on the investment properties.

Tax receivables and other current assets amounted to € 0.4 million. Cash and cash equivalents stood at € 7.2 million, compared with € 3.4 million a year before.

Equity and liabilities

On 31 December 2017, the share capital of Home Invest Belgium, amounting to € 89 949 294.75 million, was represented by 3 299 858 shares, of which 11 712 shares are held by the company itself and excluded for the calculations per share.

Reserves increased by 4.7 % to € 102.8 million, compared with € 98.2 million one year earlier, further to the appropriation of the 2016 result. The result carried over from previous years should also be noted and now amounts to € 25.4 million or € 7.72 per share.

Finally, the net result for the financial year amounted to € 1.3 million. This corresponds to the net result for the year before appropriation, i.e. € 13.2 million less the interim dividend paid in December 2017.

Non-current financial debts amounted to € 224.7 million compared with € 192.2 million a year previously. This increase is the result of the financing of new acquisitions and development projects. Current financial debts amount to € 10.7 million, including a loan of € 10 million that matures in 2018. It should be noted that this item also includes the rental guarantees received.

Commercial debts and other current liabilities amounted to € 8.1 million, compared with € 10.4 million a year previously. They cover supplier liabilities of € 4.8 million, advance rent collection of € 1.5 million and finally, tax and social security liabilities of € 1.7 million.

Other current liabilities amounted to € 0.1 million and include, inter alia, dividends from previous years that have not yet been claimed by shareholders.

Deferrals and accruals were stable at € 1.5 million and include € 1.1 million in interest accrued but not due on the bond offering of June 2014 and € 0.4 million in property income paid in advance.

Finally, the net asset value per share amounted to € 65.98 compared with € 65.19 as on 31 December 2016, an increase of 1.2 %.

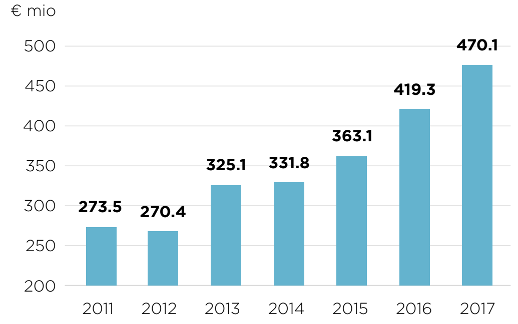
The net asset value per share (i.e. excluding the latent impact of hedging transactions) stood at € 68.43 compared with € 68.14 a year previously.

Debt ratio

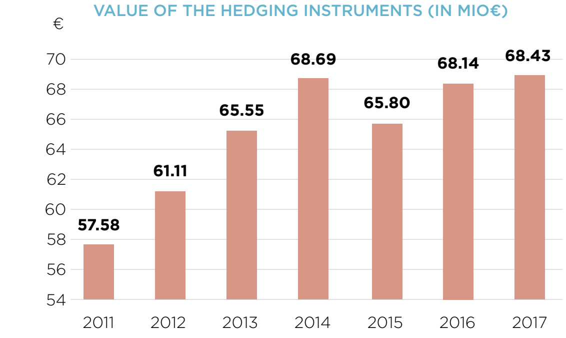
The debt ratio increased from 48.51 % in 2016 to 51.82 % in 2017. This rise is due on the one hand to the financing of new investment properties (from € 408.8 million in 2016 to € 457.6 million in 2017) and on the other to the financing of the interim dividend paid in December 2016, notwithstanding the income generated by rents net of charges and portfolio divestments.

7-year evolution

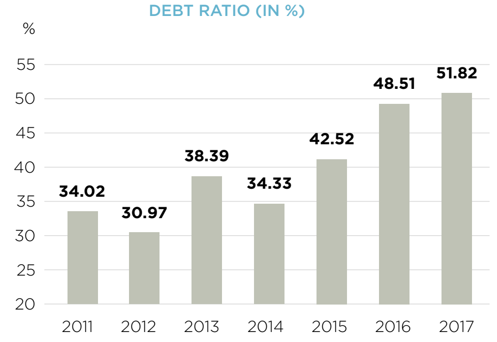
TOTAL BALANCE SHEET (IN MIO €)



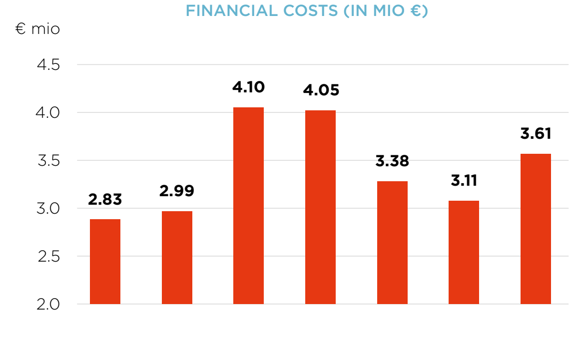
NET ASSET VALUE PER SHARE EXCLUDING THE FAIT VALUE OF THE HEDGING INSTRUMENTS (IN MIO€)



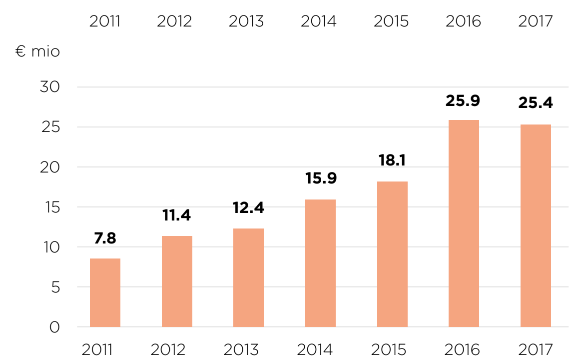
DEBT RATIO (IN %)



FINANCIAL COSTS (IN MIO €)



RESULTS CARRIED OVER FROM PRECIOUS YEARS (IN MIO €)



Consolidated income statement

	2017	2016
I. Rental income	22 683 114	18 979 691
III. Rental-related charges	-183 272	-178 922
NET RENTAL RESULT	22 499 843	18 800 769
IV. Recovery of property charges	136 764	86 482
V. Recovery of charges and taxes normally payable by the tenant on leased properties	598 574	660 864
VII. Charges and taxes normally payable by the tenant on leased properties	-2 769 775	-2 705 975
VIII. Other income and expenditures related to leasing	-30 000	0
PROPERTY RESULT	20 435 406	16 842 140
IX. Technical costs	-1 086 011	-843 970
X. Commercial costs	-342 219	-406 804
XI. Charges and taxes on unleased properties	-289 436	-392 488
XII. Property management costs	-3 766 408	-2 780 000
XIII. Other property costs	19 853	-81 388
PROPERTY COSTS	-5 464 220	-4 504 650
PROPERTY OPERATION COSTS	14 971 186	12 337 491
XIV. General corporate expenses	-1 066 763	-845 488
XV. Other operating income and expenses	-112 236	-29 448
OPERATING RESULT BEFORE PORTFOLIO RESULT	13 792 187	11 462 554
XVI. Result sale investment properties	719 633	279 654
XVIII. Changes in fair value of investment properties	1 450 369	11 295 322
OPERATING RESULT	15 962 188	23 037 530
XX. Financial income	90 494	78 701
XXI. Net interest charges	-3 548 571	-3 048 453
XXII. Other financial charges	-65 034	-65 705
XXIII. Changes in fair value of financial assets and liabilities	1 226 658	-2 025 345
FINANCIAL RESULT	-2 296 453	-5 060 803
PRE-TAX RESULT	13 665 735	17 976 727
XXIV. Corporation tax	-361 199	-71 034
XXV. Exit tax	-81 555	0
TAXES	-442 754	-71 034
NET RESULT	13 222 981	17 905 693
NET RESULT ATTRIBUTABLE TO THE PARENT COMPANY	13 222 981	17 905 693
NET RESULT PER SHARE	4.14	5.69
Average number of shares[1]	3 190 318	3 147 897
NET RESULT OF CORE ACTIVITIES	9 826 322	8 356 062
NET RESULT OF CORE ACTIVITIES PER SHARE	3.08	2.65
RESULT AVAILABLE FOR DISTRIBUTION	14 829 888	13 856 552
RESULT AVAILABLE FOR DISTRIBUTION PER SHARE	4.65	4.40

[1] The number of shares at the end of the period is calculated excluding the 11 712 own shares held by the company.

Comments on results

Net rental result

Rental income amounted to € 22.7 million, compared with € 19 million in 2016 (+19.5%). The increase is due to new acquisitions and the full exploitation of development projects delivered in 2016.

Charges relating to rentals are almost identical to 2016 at € 0.2 million and include, in particular, write-downs on trade receivables.

Net rental income thus totalled € 22.5 million, compared with € 18.8 million one year previously, up 19.7%.

Property result

The rental charges and taxes normally borne by tenants consist mainly of the property withholding taxes paid by the RREC and amounted to € 2.8 million.

Some of these withholding taxes (€ 0.6 million) were, however, recovered from certain tenants, in accordance with the applicable legislation (shops, offices, retirement homes).

Recoveries of property charges correspond to the rental damage invoiced during the rental exists and are at the same level as in 2016.

Consequently, the property result amounted to € 20.4 million, compared with € 16.8 million one year previously, up 21.3%.

Property charges

Technical costs cover the maintenance costs to be borne by the owner and the renovation costs. They totalled € 1.1 million, an increase compared with 2016, a year in which proportionally little technical costs were recorded.

Commercial expenses fell by 15.9% and stood at € 0.3 million. They include commissions paid to real estate agents for the conclusion of new leases, the shared cost of inventories of fixtures and fittings and the legal fees incurred in the context of strict rental portfolio management.

Charges and taxes on un-let buildings amounted to € 0.3 million and represent the costs that the RREC (SIR/GVV) has to bear in the event of rental vacancy; this vacancy may be linked to the time required to find a tenant for a property that has become vacant, but is also due to the time lag until the first commercialisation of new buildings after the completion of work and to buildings emptied for major renovation work.

Property management costs represent personnel and operating expenses, management fees, directors' fees and the fees paid for the outsourced management of various residences. These costs amounted to € 3.8 million. This cost item increased compared with 2016 further to the growth in the portfolio.

In total, property costs were up by 21.3%, reaching € 5.5 million compared with € 4.5 million in 2016. Their increase in absolute terms is consequently lower than the rise of rental income.

The property operating result amounted to € 15.0 million, up 21.3% compared with the figure of € 12.3 million recorded in 2016.

Operating result before portfolio result

The general corporate expenses of the RREC (SIR/GVV) include all expenses that are not directly related to the operation of the buildings and the management of the company. They mainly comprise the costs relating to the stock exchange listing and special legal status of the RREC (SIR/GVV) (Euronext Brussels, supervisory authority, subscription to the Federal Public Service for Finances, etc.), the fees of the statutory auditor, consultants and the appointed real estate expert of the RREC (SIR/GVV). These costs were up compared with 2016 and amounted to € 1.1 million, and this, a/o following extraordinary costs for publication, and fees paid for studies relating to newly acquired dossiers.

This led to an operating result before the portfolio result of € 13.8 million, compared with the result recorded at the end of 2016 of € 11.5 million, up a very healthy 20.3%

Operating result

The result on the portfolio is again positive and amounts to € 2.2 million. It consists, on the one hand, of the capital gains realized compared to the latest fair value of €0,7 million and, on the other hand, of the positive change in fair value of the investment properties. The investment value defined by our experts progresses again, for an amount of some € 7.3 million; amount we adjust by deducting the mutation rights in order to obtain the fair value.

Financial result

The financial income of € 0.1 million comprises creditor interest and finance lease payments. Interest charges rose by 16.4% further to the growth in indebtedness from € 203.3 million at the end of 2016 to € 243.6 million end 2017.

Changes in the fair value of financial assets and liabilities represent a purely latent profit arising from the development of the fair value of hedging instruments which are ineffective according to the IFRS standards. The unrealised capital loss stood at € 1.2 million.

In total, the (negative) financial result was € 2.3 million.

Taxes

Taxes increased due to The Netherlands which were integrated into the portfolio and for which Home Invest Belgium needs to pay a non-residents tax. Moreover, due to the merger of the subsidiary Home Invest Development, an exit tax of € 81 555 has been paid.

Net result — net result from core activities — result available for distribution

After the deduction of financial charges and taxes, Home Invest Belgium's net result amounted to € 13.2 million in 2017.

The net result from core activities reflects the operating profitability of the company, excluding purely latent factors and capital gains, and amounted to € 9.8 million, having stood at € 8.4 million in 2016.

The result available for distribution rose by 7% to € 14.8 million, compared with € 13.9 million a year previously.

The share of the net result from core activities in the result available for distribution rose to 66.3%, an increase compared to the level recorded in 2016 (60.3%).

The Pulse, Molenbeek

Appropriation of the result

The result available for distribution amounted to € 14.9 million. This refers to a weighted average number of shares entitled to full dividend, equal to 3 202 714 shares.

No allocation to the legal reserve was made.

No events occurred during the year that would justify the creation of provisions within the meaning of the IFRS reference system.

Consequently, as regards the statutory accounts, the Board of Directors is putting a proposal to the Ordinary General Meeting of Home Invest Belgium to appropriate the net result of the financial year, amounting to € 12 239 070.73, as follows:

- ratification of the distribution of the interim dividend of 6 December 2017 of € 3.75 gross per share for a total amount of € 11 966 258.17;
- approval of the balance of the dividend a capital remuneration of € 0.75 gross per share upon presentation of coupon 24, or a total of € 2 393 251.63 gross.
- transfer to the reserves of a total amount of € 2 553 701.33;
- withdrawal from the result to be carried over of a total amount of € 433 262.26.

The dividends which were distributed in 2017 and therefore the interim payment made in December 2017 were subject to withholding tax at a rate of 30%.

The tax treatment of the dividend is explained in more detail in the chapter entitled 'Permanent Document'.

If the proposed dividend is approved by the General Meeting, it will be payable as of 3 May 2018 by automatic transfer to registered shareholders and over the counter at the custodian bank for the holders of dematerialised shares.

[1] The result available for distribution is calculated in accordance with article 13, par. 1, 1st al. of the law of 12 May 2014.

Our team

OTHER ELEMENTS IN THE MANAGEMENT REPORT

Main risks (excluding those related to financial instruments)

The risk factors are described earlier in this annual financial report.

Use of financial instruments

The financial management of Home Invest Belgium aims to provide permanent access to credit and to monitor and minimise the interest rate risk.

The use of financial instruments is discussed in the ‘Financial Risks’ section of the Risk Factors chapter in this report. The following elements are included: debt ratio, liquidity risk, currency risk, risk related to changes in interest rates, risk of change in the fair value of financial instruments as at 31 December 2017, risk linked to liquidity of the share and the risk linked to the distribution of the dividend.

Research and development

Home Invest Belgium did not carry out any research and development activities during 2017.

Information on the existence of circumstances likely to significantly influence the development of the RREC

the Board of Directors has no indication of the existence of circumstances likely to have a significant influence on the development of the RREC within the meaning of Article 119, 3° of the Companies Code.

Information under article 119, 6° of the companies code

M. Eric Spiessens, independent director and chairman of the Audit Committee, has the independence and competence required by Article 119, point 6° of the Companies Code in the field of accounting and auditing. He has a specific academic background in the financial field (see ‘Corporate Governance Statement’).

Own shares held

In the course of 2017, the company has alienated for the account of the company 1 200 own shares valued at € 114 000. The historical value of these shares amounted to € 70 380. At the end of the financial year, Home Invest Belgium SA held 11 712 own shares.

Events occurring since the end of the financial year

At the beginning of 2018, the company continued to search for opportunities for acquisitions, to develop and manage its portfolio and to implement its divestment policy.

Several new investment dossiers are at an advanced stage of examination. The Board believes that some of these may be expected to take shape by the end of the year.

Outlook 2018

The Board of Directors confirms its confidence in the continued growth of the company’s results.

The company’s income is generated partly by renting out its buildings and partly by the regular selective divestment of part of its portfolio.

The rental market is supported by population growth in the major Belgian cities and is benefiting from increased inflation compared to previous years (development of the health index by 2.13 in 2017, compared with 2.09 % in 2016 and 1.05 in 2015), leading to the indexation of rents.

The acquisition market is supported by interest rates which remain at historically low levels despite the slight increase in the market in early 2017 and which favour the borrowing capacity of households.

For the current financial year, the Board estimates that the result available for distribution for 2018 should be at least equal to that of the previous financial year unless there is a sudden and substantial deterioration of the residential real estate market for sale and/or rental (something which the Board did not anticipate at the time of this report) or other unforeseen events.

In accordance with its dividend distribution policy, the Board of Directors will announce the level of the interim dividend to be paid in cash in December 2018 after the results of the third quarter (25/10/2018). The balance of the dividend will be decided in May 2019 by the Ordinary General Meeting of the company, upon the proposal of the Board of Directors.

SOCIAL RESPONSIBILITY

“Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.”

– Article 25 of the Universal Declaration of Human Rights.

The right to housing is enshrined in the Universal Declaration of Human Rights as one of the elements of the right to an adequate standard of living. Home Invest Belgium intends to make a modest contribution to ensuring this right by putting on the rental market quality, affordable homes while naturally safeguarding the interests of its shareholders. The RREC recognises its responsibilities in the environmental and human contexts in which it fulfils its mission.

Environmental context

The responsible activity of Home Invest Belgium may be seen in particular in the management of its portfolio in operation, its investment decisions and the choices made in the context of its development projects.

Owning a large property portfolio comprising buildings with varying lifespans, the company adopts a pragmatic policy aimed at combining a rational and ongoing renovation programme with its financial imperatives. For instance, it may sometime be more sensible to sell an ageing building, rather than incur substantial costs to remedy energy performances deemed to be inadequate.

Louvain-La-Neuve CV 18

This policy of sound investments and active divestment of the portfolio is based on a detailed periodic evaluation of the portfolio.

When decisions are taken concerning the acquisition of existing assets, the quality of the building that is to provide rental income over a long period will need to meet the environmental standards of the day or undergo work in the short term enabling it to achieve this performance level.

As regards development projects, the expertise of the team is used to design buildings for which each choice of material or technology is part of a long-term, sustainable vision. In this respect, Home Invest Belgium considers it important to point out that sustainability goes far beyond simply the energy aspect and that factors such as the location of buildings near public transport (in the broad sense), the rational use of land, the development of green spaces, the provision of shared bicycles, etc. are essential elements for a sustainable city. Home Invest Belgium pays great attention to all these aspects and tries every day to implement them in all its projects and investment choices.

In the field of respect for the environment, the RREC (SIR/GVV) aims to demonstrate the same sense of responsibility in the use of its own offices. Like any business and/or employer, it recognises the need to manage the various aspects of its own functioning such as its energy consumption (heating, lighting, travelling), waste processing (selective sorting, paper use, various consumables) and water consumption (maintenance, cleaning) as well as possible, working closely with its staff. Adopting these best practices – although limited in their impact – is likely to raise awareness among everyone working at Home Invest Belgium of the values that it intends to apply in its own activities.

Human context

in the human context considered broadly, Home Invest Belgium intends to apply a number of ethical values that it considers essential in all areas of its operation, namely the values of honesty, integrity and fairness. Respect for these values is, in the company's view, essential to enable it to properly fulfil its mission for the benefit of all its stakeholders.

These values are recognised and followed both at the level of the Board of Directors and the management and by all members of staff and therefore in all the actions undertaken by the company RECC.

The company basically recognises two groups of individuals with whom it has close relations and towards whom it has responsibilities: its tenants and its staff.

Due to the relatively large number of tenants it deals with, representing more than 1 850 households, Home Invest Belgium is ideally placed to pass on a number of values that it upholds. The company intends to treat tenants well and fairly within the limits of the contractual relationship between landlord and tenant, of course.

In its buildings and projects, Home Invest Belgium tries to respond as practically as possible to the changing needs of the population, for example by taking into account the reduction in the average size of households or by offering shared spaces in buildings.

The company is very aware of the fact that its mission, in the area of housing, can only be efficiently fulfilled through the daily and well-motivated involvement of its staff; they are without doubt its most valuable asset and the only one to enable the company to excel in the market on which it operates.

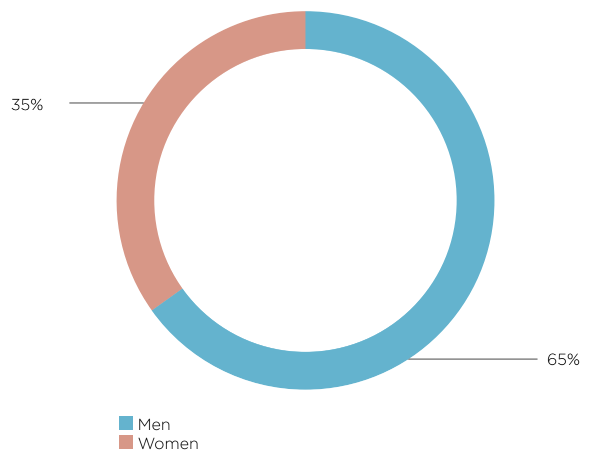
It is therefore keen to implement all available tools to foster the personal development of its employees. As the team is relatively small, the focus is on short communication lines as well as on interactive and dynamic work; each team member also undergoes an annual in-depth assessment by the management or the Appointment and Remuneration Committee, based on previously defined tasks and objectives set for the following year.

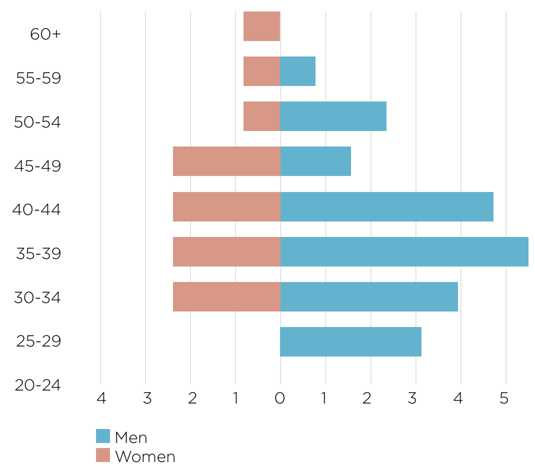
On 31 December 2017, the Management (four people) led a team of 39 people. The teams are divided up as follows:

- the CEO, a communication manager and an assistant;
- the CIO and his team of three people (acquisitions and sales);
- the CFO and his team of five people (accounts - arrears management – IT);
- the COO and his team of 19 people (administrative, commercial and technical management of buildings);
- the project development team of 10 people.

When setting up and strengthening its teams, Home Invest Belgium takes care to recruit profiles which are varied, complementary and of different ages and experience so as to make the most of this diversity while ensuring a high level of competence.

SPLIT WOMEN/MEN





Corporate governance statement

The Corporate Governance Statement (including the remuneration report and the description of the main characteristics of the control and risk management systems) is included in the section entitled 'Corporate Governance Statement' on pages 94 to 117 of this annual financial report.

Trône, Brussels

THE LINK

A new living experience

The Link has been designed to be a place of relationships: meet others, share ideas, discuss, enjoy student life. The 123 studios are allocated over six floors and are the result of an office building completely reconverted and renovated. The studios don't fit into the standard student flat mould. Let it be just that which is their added value.

The Link, Auderghem

VUB/ULB
500 m

METRO STATION
150 m

BUS STOP
50 m

WE STAND SHOULDER TO SHOULDER

I moved to 'The Link' in Auderghem about a year ago. Getting to know other students just happened in no time. There are so many meeting opportunities, such as the recreation space on the ground floor, with a pool table, fitness and cinema. Of course there is also a study hall, which is quite popular. Just creating a healthy competition...
And when you want some peace and quiet, there is always your flat. It's small, but smartly organised.It has all the comfort you need: your own bathroom, design furniture, and your own kitchen corner. The spirit is really great. You can nreally count on each other, when there is a need.

Jonathan, student at ECAM

Workplaces looking like us

Our new offices, Woluwe-Saint-Lambert

REAL ESTATE REPORT

Liberty's, Auderghem

A recent and diversified portfolio that ensures recurrent income and the promise of capital gain in the long term

The property portfolio is the company's core asset.

The investment portfolio worth € 457.6 million[1] comprises buildings that are at different stages of the property life cycle:

- development projects (€ 34.6 million) whether proposed (i.e. awaiting the necessary authorisations) or implemented and
- investment properties in operation (€ 423.1 million); some of these are being renovated, others are up for sale and the majority are in operation.

REAL ESTATE REPORT

The property portfolio 58

The market 74

Reports from the real estate experts 81

€ 457.6 mio

Investment portfolio in 2017

[1] In this paragraph, all the values are expressed in fair value (i.e. without transfer taxes) for existing buildings and in cost for projects, always on 31 December 2017.

THE PROPERTY PORTFOLIO

Investment strategy

The RREC invests in residential buildings, whether new, already existing and in operation or old sites once used for other purposes which are to be converted into residential units.

The investment criteria applicable to both property acquisitions and development projects are as follows:

- a net return immediately or after completion of the works in line with the profitability objectives of the RREC, combined with potential for capital gains when the property is sold;
- minimum size of € 3 million for a property (investment value immediately or after work) and € 5 million for a portfolio;
- liquidity, both as regards the rental market in the area in question and the possibilities for resale as a whole or unit by unit later on;
- the location, in principle limited to Belgium; priority is given to cities with over 30 000 inhabitants with a healthy economic outlook, favourable demographic trends and the potential for appreciable growth in property values;
- intrinsic technical and commercial quality (no risk of structural vacuum);
- the energy performance of the buildings concerned;
- and the architectural quality as well as the sustainability of the design and materials.

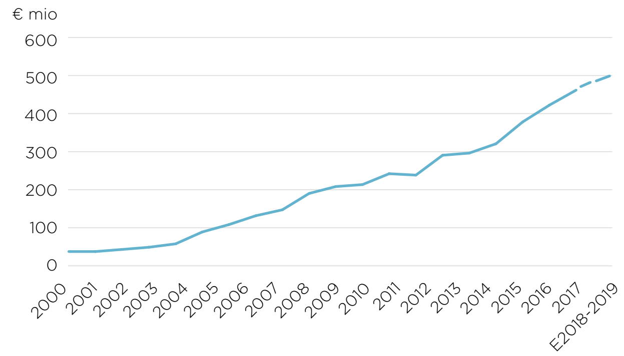
The RREC has also recently extended its investment scope to include tourist accommodation sites run by specialised operators. In addition to the attraction of their immediate return, these sites also offer fine prospects of capital gains if resold unit by unit.

The investment criteria applicable to this type of site are mainly:

- the location;
- the quality of the operator and the soundness of their operating model;
- the immediate profitability;
- the possibility of divestment, guaranteeing the liquidity of the investment;
- and the technical quality of the buildings.

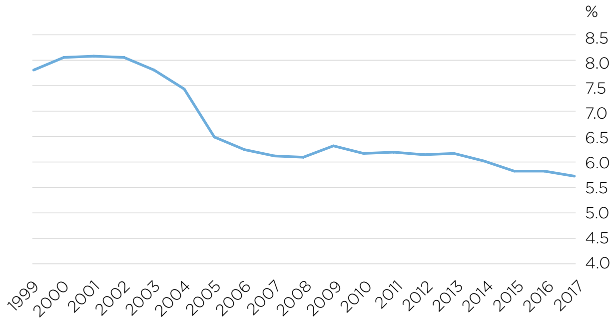
Development of the portfolio

The fair value of the portfolio has grown steadily over the company's 18-year history. In 2017, this growth was around 12%, driven by acquisitions and investments in own-account development projects. In addition to this growth, the chart below shows the expected portfolio growth based on projects currently underway, all other elements being considered constant (no new investments, no sales or portfolio changes). The € 500 million threshold is therefore expected to be crossed before the company's 20th anniversary in 2019.



Return on the portfolio

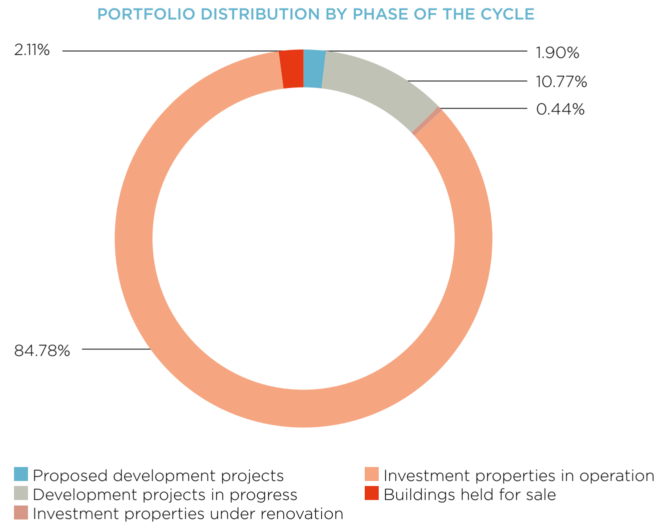
The gross return on the portfolio excluding development projects, that is gross rent reduced to the investment value, stabilised at 5.66%. The fall in this return over the course of the company's history is understood to be linked to the fall in interest rates over the same period. It also reflects the improvement in the overall quality of the portfolio.



Breakdown of the portfolio by phase of the cycle

The Home Invest Belgium strategy is based on four pillars (acquisitions, development, operation and sales). This implies that the buildings in the portfolio are at different stages in the property cycle.

- Proposed development projects: properties for which the necessary construction permits have not yet been obtained. They are valued in the chart below at their estimated costs until permits are obtained.
- Development projects in progress: projects which have all the necessary permits and on which work has begun. In the graph below they are valued at their estimated cost until delivery of the building.
- Investment properties under renovation: buildings that have been temporarily put out of operation to undergo major renovation.
- Investment properties in operation: all properties with tenants. They are valued at their fair value.
- Buildings up for sale, considered to be non-strategic and which are included in a divestment programme.



190 450 m²

buildings in operation

Our leading buildings in operation

PORT ZÉLANDE

This is the only building located outside Belgium (in Ouddorp, in the province of Zeeland, The Netherlands). It is the RREC's largest property complex: 11.61%. Acquired in two phases, in late 2016 and early 2017, the Home Invest Belgium property comprises 248 houses and 40 apartments which are part of a complex of around 700 holiday homes, organised around central facilities including an aquafun pool, restaurants, boutiques, playgrounds, etc.). The site as a whole is run by the Center Parcs Pierre & Vacances group. As such, the latter is the sole tenant of the RREC on the basis of a fixed 15-year lease, indexed and net of all property costs (triple net). The site was renovated in depth during 2017. The last apartments and cottages will be renovated during 2018. The effects of the renovation on the average price obtained and the occupancy levels can already be felt, enabling the operator to be ahead of schedule on their business plan.

LAMBERMONT

With almost 130 apartments, this is the largest exclusively residential site in Belgium. The complex, which was completed and acquired by the RREC in 2011, consists of four buildings located along boulevard Lambermont in Schaerbeek, next to the Kinetix sports centre.

It comprises a total of 127 apartments, two municipal libraries (French and Dutch speaking), a nursery and 108 underground parking places. This mix of functions is the result of exemplary collaboration with the local authorities.

LOUVAIN-LA-NEUVE - CITY CENTRE

These buildings constitute the company's biggest housing complex in Belgium and in Wallonia and represent 8.7% of the investment properties in operation. Located in the centre of Louvain-la-Neuve, they were built in 1977 and acquired by the RREC in 2013. They include ± 23 000 m² of rental space for housing, shops, offices and lecture halls. This complex has the distinction of standing on land owned by the university (UCL) and the RREC has surface rights until 2026.

Home Invest Belgium is commercialising this site under the brand Louv'immo. During 2017, the site had occupancy levels of 99,9% and the RREC carries out regular minor renovations to ensure that this excellent performance continues.

CITY GARDENS

The largest building in Flanders, located in Leuven, has 109 one-bedroom apartments, 29 two-bedroom apartments, two shops and 92 underground parking spaces.
It was renovated by the company when it was acquired in 2010 and 2011. It welcomes both students and young professionals who appreciate its location in the heart of the city. Since autumn 2017, it has lived up to its name as the garden has been fully redeveloped.

GIOTTO

Completed and acquired in 2005, this complex located at 2-10 avenue du Frioul in Evere comprises 85 apartments and 85 underground parking places. It is particularly appreciated thanks to its proximity to NATO and means of transportation.

SCHELDEVLEUGEL

The Scheldevleugel building lies in the centre of Oudenaarde, a stone's throw from the Schelde. The building has been part of the RREC's portfolio since 2016. It underwent an initial transformation this year with the renovation of 29 apartments. The renovation work is to continue in 2018. The building comprises a total of 95 units, mostly studios (80) and 15 one- and two-bedroom apartments. There are also 75 parking spaces. www.scheldevleugel.be

LIVINGSTONE

This complex of 38 apartments with parking spaces and cellars is located in avenue Livingstone, Brussels, in the heart of the European district and close to the Berlaymont building. It offers easy access, both by public transport and by car.

Our development projects in progress

THE HORIZON and THE INSIDE: neighbours yet very different

In principle, these buildings share many similarities: the location, their former use as offices, the fact that they were redeveloped by the RREC (SIR/GVV), etc.

And yet a closer look reveals several differences: their external appearance, of course, but in particular the concept of the housing provided: compact and offering shared spaces on the one hand, more spacious on the other. The diversity of customers in Woluwe have something to suit all tastes.

Another point in common? Their success among tenants! Delivered in 2016, all 160 apartments in The Horizon have been occupied for some months now. The Inside has 95 apartments, 72 of which have already found tenants.

BELLIARD 21

This is the smallest of the RREC's (SIR/GVV) buildings. It has six apartments extending over 278 m² and lies in the heart of the European district in Brussels. It enjoys great success among tenants.

REINE ASTRID

The construction work on the commercial ground floor and the 40 apartments on the upper floors continued throughout 2017. The structural work was completed, leaving the way clear for the technical and finishing teams. The first tenants will be able to move in at the end of autumn 2018.

Architect: A2D

BRUNFAUT

Two years after the application for a permit was submitted, this was issued in the summer of 2017. By the end of the year, the demolition work on the old Hayez printing plant was well advanced. By the end of 2019, 93 apartments and services intended for local residents will replaced the disused buildings.

Architect: DDS

At the same time, with the agreement of the Commune of Molenbeek, the urban planning charges of the Brunfaut project are to be devoted to the renovation of the square currently known as 'Place Blanche' (white square) by local people. The aim is to contribute towards breathing new life into the district, making this 'Place Blanche' a 'Place d'Or' (golden square) which will be a real meeting place for local people. The project will be led by PT Architecten BVBA, whose offices overlook the square.

THE PULSE

The latest acquisition in the portfolio is The Pulse at Molenbeek, on the corner of the rue de la Célidée 19-25 and the rue Joseph Schols 110. It is another illustration of the reconversion of offices (old Toshiba offices) in residences. The residence, which lies in the Karreveld district, comprises three different buildings with a total of 93 units as well as three houses and a commercial space. Commercialisation started in December 2017. The housing units include studios and one-, two- and three-bedroom apartments. www.the-pulse.be

Our proposed development projects

MARCEL THIRY C2

On this site, Home Invest Belgium is undertaking a project to develop a new building with about 47 housing units. The subdivision permit was granted in 2017 and the company has applied for an urban planning permit. This is expected to be issued and become definitive during the first half of 2018.

Architect: Art&Build

JOURDAN 95

The studies relating to this project resulted in the submission of an application for a permit during the third quarter of 2017.

The permit for the demolition of the site and the reconstruction of around fifty apartments is expected to be issued shortly, so that work can start during the summer of 2018.

Architect: Studio Farris

The Inside, Woluwe-Saint-Lambert

Our investment portfolio[1]

Brussels Capital Region

Housing   Retirement homes   Offices

[1] Excluding buildings intended for sale. The Célidée building is the only property held by a subsidiary (HBLC SA). The residual rights in rem in the property The Link, are held by Charlent Freehold sprl, while the long-lease rights are held by Home Invest Belgium.
[2] Year of construction or most recent in-depth renovation.
[3] Annual gross rent at 31 December 2016, including the estimated rental value for unoccupied areas.
[4] Rental value estimated by an independent expert (if necessary unfurnished).
[5] Gross rent at 31 December 2016, annualised.
[6] Average rate for 2016.
[7] The Lemaire building is a real estate leasing with a purchase option, the monthly payment on which consists of part capital and part interest. The real estate expert only values the net present value of the purchase option, which explains the absence of a gross rent, ERV and actual rent.

Buildings in operation

n°	Denomination	Year[2]	Units	Area	Gross rent[3]	ERV[4]	Effective rents[5]	Occupancy level[6]
			Nbr	sq.m.	€	€	€	%
1.	The Link	2015	124	4 353	736 909	785 139	629 107	92.5%
2.	Belliard 21	2013	6	278	50 596	48 925	50 596	92.5%
3.	Clos de la Pépinière	1993	25	3 279	458 893	447 985	386 583	91.8%
4.	Joseph II	1994	17	1 447	343 501	205 409	343 501	75.6%
5.	Lebeau	1998	12	1 153	250 678	197 157	239 307	97.6%
6.	Livingstone	2015	38	4 701	742 161	737 603	690 136	96.3%
7.	Résidences du Quartier Européen	1997	50	4 316	857 530	554 987	857 530	73.2%
8.	Trône	2015	16	1 913	368 759	349 273	359 259	96.7%
9.	Birch House	2001	0	0	2 400	2 400	0	83.1%
10.	Erainn	2001	12	1 252	219 609	216 462	199 604	96.6%
11.	Archview	2015	16	1 961	376 700	371 925	374 700	99.6%
12.	Giotto	2005	85	8 327	1 170 348	1 082 667	1 139 298	92.7%
13.	Belgrade	1999	1	1 368	90 243	90 405	90 243	100.0%
14.	Les Jardins de la Cambre	1992	21	2 655	350 741	342 640	321 030	89.7%
15.	Charles Woeste	2015	92	5 091	621 618	605 525	601 668	96.1%
16.	Odon Warland	2012	35	3 141	388 013	385 574	374 413	92.7%
17.	Baeck	2001	28	2 652	248 608	244 350	240 148	98.3%
18.	Lemaire[7]	1990	1	754	86 717	76 230	86 717	100.0%
19.	La Toque d'Argent	1990	1	1 660	211 955	166 373	211 955	100.0%
20.	Sippelberg	2003	33	3 290	402 953	392 030	390 203	97.4%
21.	Bosquet - Jourdan	1997	11	945	116 653	116 970	97 333	81.7%
22.	Jourdan - Monnaies	2002	26	2 814	360 135	353 375	319 690	95.8%
23.	Jourdan 85	2010	24	2 430	386 738	377 819	352 730	90.4%
24.	Lambermont	2008	131	14 107	1 740 697	1 719 479	1 695 439	96.1%
25.	Melkriek	1998	1	2 034	319 086	216 878	319 086	100.0%
26.	Les Érables	2001	24	2 201	311 568	277 458	302 368	95.7%
27.	Les Mélèzes	1995	3	336	51 090	48 971	46 090	86.3%
28.	The Horizon	2016	165	10 439	1 701 326	1 532 272	1 524 495	79.8%
29.	The Inside	2017	96	7 872	1 074 511	1 102 882	626 004	38.6%
30.	Mélopée	1961	1	220	41 415	36 900	41 415	100.0%
31.	De Wand	1952	1	208	29 366	27 600	29 366	100.0%
32.	Liberty's	2017	40	3 391	543 358	544 742	472 260	85.8%
33.	Navez	1904	10	764	66 051	63 000	66 051	100.0%
34.	Xavier de Bue	1950	11	1 194	149 835	147 752	123 835	93.2%
35.	Waterloo	1950	11	1 009	133 941	129 945	130 491	93.6%
36.	Voisin	1996	9	923	146 593	145 919	144 593	95.4%
TOTAL			1 177	104 478	15 151 295	14 145 021	13 877 244	85.6%

Projects in progress

n°	Denomination	Estimated delivery	Units	Area	Investment at 31/12/2017	Estimated total investment
			Nbr	m²	€	€
56.	Brunfaut	2019	93	10 681	3 789 322	21 679 000
57.	The Pulse	2018	98	8 031	17 119 320	18 500 000
TOTAL			143	12 498	23 906 255	30 500 000

Our investment portfolio[1]

Flemish Region, Walloon Region and The Netherlands

Flemish Region

Buildings in operation

n°	Denomination	Year[2]	Units	Area	Gross rent[3]	ERV[4]	Effective rents[5]	Occupancy level[6]
			Nbr	sq.m.	€	€	€	%
37.	City Gardens	2010	140	8 409	1 117 298	1 112 063	1 077 548	95.1%
38.	Haverwerf	2002	4	3 396	475 493	440 850	409 793	83.4%
39.	Gent Zuid	2000	18	2 346	209 125	215 324	191 350	98.2%
40.	Wetteren	1989	1	229	86 942	21 182	19 374	70.4%
41.	Scheldevleugel	1980	96	5 746	563 077	613 000	319 602	62.0%
TOTAL			259	20 126	2 451 935	2 402 419	2 017 667	85.4%

Project in progress

n°	Denomination	Estimated delivery	Units	sq.m.	Investment at 31/12/2016	Estimated total investment
			Nbr		€	€
57.	Reine Astrid	2019	45	4 467	6 786 935	12 000 000
TOTAL			45	4 467	6 786 935	12 000 000

Walloon Region

Buildings in operation

n°	Denomination	Year[2]	Units	Area	Gross rent[3]	ERV[4]	Effective rents[5]	Occupancy level[6]
			Nbr	m²	€	€	€	%
42.	Clos Saint-Géry	2015	20	4 140	342 020	310 500	310 970	100.0%
43.	Quai de Compiègne	1971	1	2 479	261 661	161 135	261 661	100.0%
44.	Galerie de l'Ange (appartements)	1995	56	2 346	312 090	303 929	274 092	91.3%
45.	Galerie de l'Ange (commerces)	2002	12	2 552	672 414	654 584	661 310	97.5%
46.	Léopold	1988	53	3 080	316 536	311 200	23 336	16.0%
47.	Mont-Saint-Martin	1988	6	335	31 065	30 925	31 065	93.0%
48.	Saint-Hubert 4	1988	14	910	72 850	72 850	0	3.9%
49.	Saint-Hubert 51	1988	4	360	26 157	31 440	26 157	100.0%
50.	Florida	1998	5	1 460	106 681	109 500	63 181	83.8%
51.	Louvain-la-Neuve CV9	1977	16	7 091	779 789	753 025	779 789	100.0%
52.	Louvain-la-Neuve CV10&18	1977	176	16 827	2 439 493	2 350 517	2 396 686	100.0%
53.	Colombus	2007	51	3 740	433 953	425 960	407 218	93.5%
TOTAL			414	45 320	5 794 709	5 515 565	5 235 465	93.1%

Netherlands

Buildings in operation

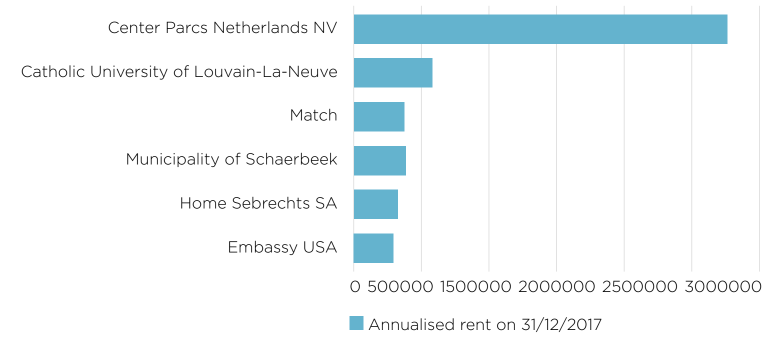
n°	Denomination	Year[2]	Units	Area	Gross rent[3]	ERV[4]	Effective rents[5]	Occupancy level[6]
			Nbr	sq.m.	€	€	€	%
54.	Port Zélande	2016	288	20 533	2 746 767	2 746 767	2 746 767	100.0%
TOTAL			288	20 533	2 746 767	2 746 767	2 746 767	100.0%

Housing Retirement homes Shops Offices

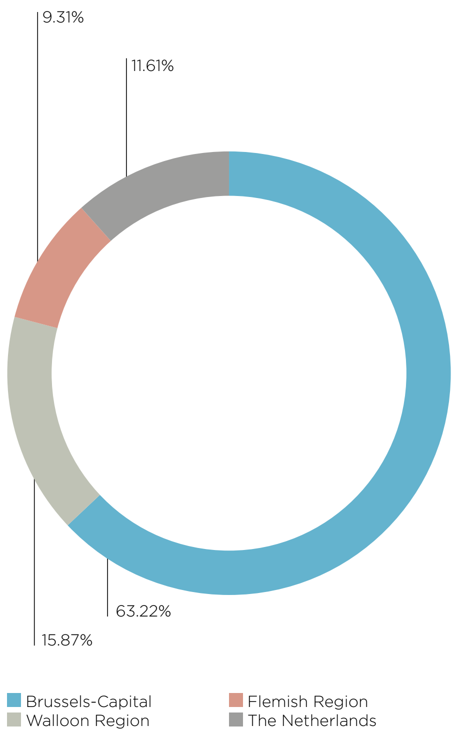
[1] Year of construction or most recent in-depth renovation.
[2] Annual gross rent at 31 December 2016, including the estimated rental value for unoccupied areas.
[3] Rental value estimated by an independent expert (if necessary unfurnished).
[4] Gross rent at 31 December 2016, annualised.
[5] Average rate for 2016.

Analysis of our portfolio in operation[1]

Largest tenants



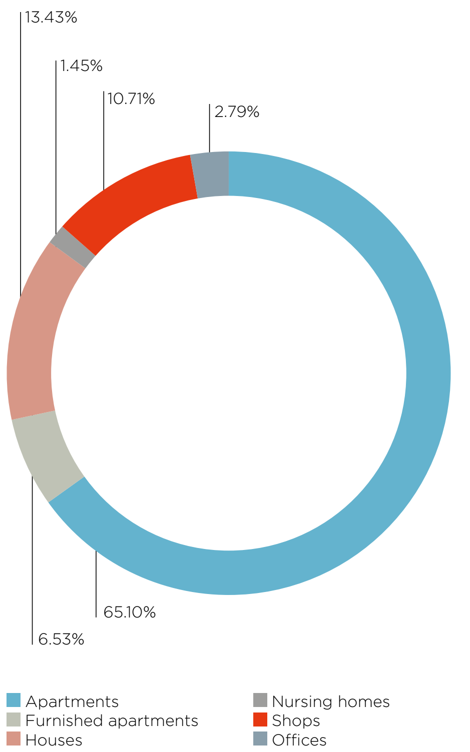
Geographical distribution



A good geographic distribution allows the RREC to limit the risks associated with a specific market.

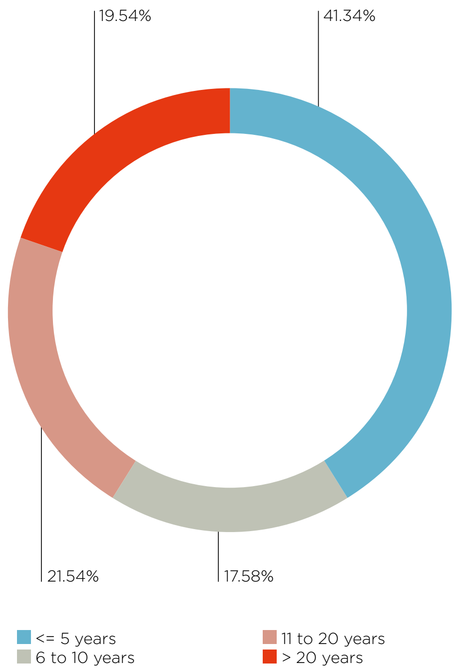
The company aims to maintain and even increase the geographic diversity of its portfolio.

Breakdown by type of property



While focusing its strategy on residential properties, the RREC again intends to be present in various market segments with a view to limiting the risks.

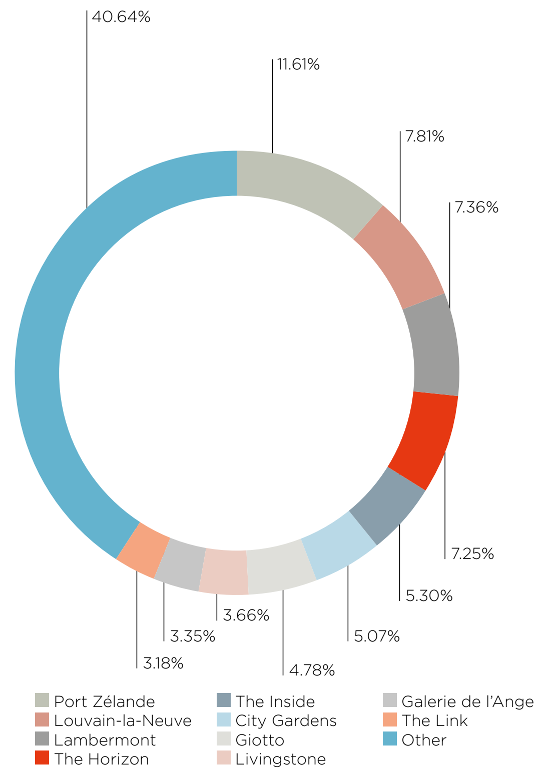
Breakdown by age of buildings



Given the relatively low-tech nature of residential properties, they may be considered perfectly adapted to the market for at least 20 years. From this point of view, over three-quarters of the buildings in the portfolio can be considered recent. This proportion is rising sharply thanks to the various renovation programmes undertaken over the years.

In 2013 the breakdown by age of buidings was: 25.4% for buildings of 5 years or less, 12.3% for buildings of 6 to 10 years, 39.4% for buildings of 11 to 20 years and 22,9% for buildings of more than 20 years.

Breakdown by building



The portfolio includes 6 tenants whose annualised rent on 31 December 2017 exceeds € 300 000. By far the biggest is Center Parcs Netherlands NV, whose annual rent is over € 2.7 million), followed by the Catholic University of Louvain with just over € 570 000.

The regulations applicable to the RREC sector (SIR/GVV) oblige these companies to diversify their risks. Home Invest Belgium may therefore not invest more than 20 % of its assets in a single building complex.

As the largest site accounts for only 11.61% of the total portfolio of properties available for rental, diversification is fully assured. The nine main sites, each representing over 3 %, account for 56.18 % of the total portfolio.

[1] Calculations based on the fair value of the properties in operation.

The Inside, Woluwe-Saint-Lambert

Evolution of occupancy rates

The average occupancy rate (1) for the year as a whole has slightly increased compared with 2016 at 90.49%, compared to 90.18% a year earlier. This number can be explained by the progressive renting out of the RREC can be explained by the progressive renting out of the new developments that the RREC is putting on the market. Rental does not start until the work is fully completed (prospective tenants, unlike purchasing clients, do not anticipate their future needs) and the situation of the rental market (characterised by sustained demand but no pressure) explains why the first rentals are spread over several months.

The occupancy rate of residential properties currently in operation remains at the very high level of 96%, demonstrating the robustness of the rental market and the suitability of the properties owned by the RREC in this market.

	Occupancy rate
2017	90.49%
2016	90.18%
2015	93.89%
2014	94.01%
2013	94.96%
2012	94.16%
2011	95.38%

Remaining duration of lease agreements

At the end of the financial year, the remaining period of the lease agreements was 6 years and 11 months. This information is based on the theoretical end date of the lease agreements signed. However, it should be noted that in the residential sector, the applicable law allows tenants to terminate their lease at any time or to extend their lease at maturity. This average remaining period is therefore purely theoretical.

Information relating to the portfolio in operation

Situation of the investment properties on 31 December 2017[1]	Fair value	Acquisition value	Insured value[2]	Gross yield[3]
Brussels Capital Region	**267 496 665**	189 358 109	188 401 983	5.06%
Flemish Region	**39 375 322**	33 858 785	21 115 541	5.73%
Walloon Region	**67 130 060**	65 907 327	59 711 169	8.14%
Netherlands	**49 103 922**	48 851 269	0	5.48%
Total	423 105 968	337 945 489	269 228 693	5.64%

[1] Not including buildings up for sale and development projects.
[2] The insured value is known only for wholly owned properties; jointly owned properties are insured by the building managers. Accessorily, the difference between the acquisition price and the insured value can be explained on the one hand by the value of the land which is not insured and on the other by the temporal difference between the historical acquisition and the current insured value.
[3] Gross rent in progress + ERV on unoccupied property / Investment value.

THE MARKET

Demographic growth requires the creation of new housing units

Albeit at a slower rate than in the past

The most recent demographic forecasts drawn up by the Federal Planning Bureau date from March 2017. These projections confirm the previous forecasts of growth in the Belgian population in the long term. These forecasts are based on assumptions that take account of the impact of the refugee crisis seen in the past few months. In the long term, this demographic outlook is in line with a scenario of unchanged social organisation but nevertheless includes a scenario of a stricter migration policy at European Union level.

At the end of 2017, the Belgian population stood at around 11 330 000 inhabitants, including 1 201 000 inhabitants in Brussels. This represents growth of around 0.57% compared with 2016. By 2020, the population of Belgium is expected to reach 11 503 000 people, by 2030 almost 12 million inhabitants. This represents average annual growth of around 0.44%, although there is a downward trend over the years (it is expected to be around 0.36% by the end of this period). Belgium remains among the most dynamic European countries in terms of population growth.

Growth is greatest in Brussels, compared with the other two regions of the country:

- The population of Brussels is in fact expected to increase from 1 201 000 inhabitants in 2017 to 1 309 000 in 2030, an increase of 8.9% whereas
- The population of Flanders is expected to rise from 6 512 000 to 6 869 000 inhabitants, representing growth of 5.5% and
- The population of Wallonia is set to rise from 3 618 000 to 3 803 000 inhabitants, up 5.1%.

This demographic growth brings with it changes in ways of life which impact on the number of additional households expected every year. Nationally, for instance, the total number of private households is expected to rise from 4 896 000 in 2017 to 5 277 000 in 2030, an increase of around 7.8% over the period. The differences between Brussels and the two other regions of the country are relatively marked:

- In Brussels, the number of households is expected to rise from 551 000 to 583 000 units, an increase of 5.8%, which is lower than the growth in the population. This implies an increase on the average size of households, from 2.17 people per household to 2.24.
- In Flanders and Wallonia, the trends are similar, with the total number households in these two regions expected to increase from 4 345 000 to around 4 694 000 units, or growth of 8%. The growth in the number of households is therefore faster than the population growth in these regions, implying a decline in the size of the average size of households. In 2030, an average household is expected to consist of 2.3 people.

In absolute values, the Federal Planning Bureau estimates at 382 000 the number of additional households between 2017 and 2030, i.e. average annual growth of around 27 000 households, implying the creation of 27 000 housing units per year on average to meet this demand.

More specifically in Brussels, the number of households is expected to increase by 32 000 by 2030, or an average rise of around 2 300 units every year, below the figure of 4 000 housing units per year previously put forward. So the demographic pressure appears to be declining a little in Brussels, although the pressure on prices and rents in Brussels is expected to be maintained in the years to come, in a context where the land reserves in Brussels fall year by year.

Another interesting element worth highlighting: given the downward trend in the average size of households, the average size of housing units has also fallen in recent years. The average surface area of a new housing unit in 2005 was 104 m². Today it is 92 m² for Belgium (taking all types of housing together).

In Brussels, the average size of a housing unit is currently around 76 m². Units with two bedrooms or fewer account for around 84% of the total number. They clearly meet demand focusing mainly on expats and childless households.

Property acquisitions continued throughout the year

The improvement in the economic climate and interest rates remaining at record low levels (still around 2% for all types of new contracts) contributed towards supporting real estate activity throughout 2017, albeit at a slower pace than that seen in 2016.

The amount of new mortgage loans granted stood at approximately € 40 billion (compared with € 59 billion the previous year).

The differences in the tax system which are tending to be put in place in the three regions of the country could have an impact on the liquidity of the different regional residential markets. For instance, the Flemish government's decision to revise registration duties (a decision that has yet to be approved) could strengthen the liquidity of the residential market in Flanders. Conversely, the cost of registration duties in Wallonia and Brussels could penalise liquidity in these regions and hence also impact on acquisition prices in the years to come.

Acquisition prices are rising slightly at national level

Methodological note: our source of information for determining real estate acquisition prices is the Federal Public Service for the Economy through its statistics platform www.statbel.fgov.be. The real estate prices statistics are based on all real estate transactions on which registration duties had to be paid. The data come from the General Administration of Asset Documentation of the Federal Public Service for Finance.

It is important to specify that the figures from 2015 onwards are considered to be provisional and the robustness of these figures may be questioned. Sometimes significant differences may in fact be observed between the figures from the notaries' barometer and the figures published on the website of the Federal Public Service for the Economy.

On a national level, according to the latest statistics from the National Institute of Statistics (which only cover the first three trimesters of the year 2017), prices are rising slightly in the various market segments, a trend which can be observed nationwide.

In Belgium as a whole, the price of a single-family house rose by around 4.89% compared with 2016 and almost 23% compared with 2010. In 2017, the average house price was € 223 000. It should be noted, however, that the table below reveals an inconsistency in that the price growth nationally is higher than the growth observed in each of the three regions of the country. It should also be noted that compared with these figures, the 2017 notaries' barometer shows prices that are € 17 000 to € 33 000 higher depending on the region concerned. Moreover, according to the notaries' barometer, house prices fell by 2.5% in Brussels in 2017.

Trend in average house prices per region, in €

	2017	Growth 2017-2018	Growth 2017-2010
Flanders	235 000	2.85%	22%
Wallonia	162 000	2.80%	16%
Brussels	412 000	- 0.14%	22%
Belgium	223 000	4.89%	23%

Source: Statbel

According to the Federal Public Service for the Economy, the average price of an apartment also rose in 2017 at a stronger rate than houses.

Nationally, growth was 2.67% compared with 2016, ranging from 0.9% in Flanders to 3.7% in Brussels. Compared with 2010, prices have risen by 19% in Belgium. The average price of an apartment reached about € 227 000 in 2017, ranging from € 179 000 in Wallonia to € 244 000 in Brussels.

Trend in average apartment prices per region, in €

	2017	Growth 2017-2016	Growth 2017-2010
Flanders	230 000	0.86%	18%
Wallonia	179 000	3.17%	21%
Brussels	244 000	3.71%	21%
Belgium	227 000	2.67%	19%

Source: Statbel

It should be noted here that the average prices given in the notaries' barometer are lower than those presented by the Federal Public Service for the Economy, with the difference lying between – € 7 000 in Wallonia and – € 10 000 in Brussels and Flanders.

Depending on the sources of information consulted, the observations should therefore be qualified. However, it appears that after a period of sustained price growth between the year 2000 and 2008, the trend has been more moderate since 2012.

All the other real estate indexes (TREVI, Eurostat House Price Index) confirm these trends in terms of both the level of activity observed and the price rises.

Average rents in Brussels stabilised in 2017

The owner – tenant ratio for Belgium as a whole is around 72 % - 28 %, globally in line with the European average (70 % - 30 %).

In Brussels, however, the ratio is totally different because, according to the rental observatory published by the Brussels-Capital Region, the rate of ownership is 38 %. Consequently, around 62 % of the population of Brussels are tenants. This may be attributed in particular to the higher acquisition costs and the greater presence of expats, logically prompting people to be more in favour of renting.

According to the figures from the rental observatory 2016, average rents (i.e. including new and 'second-hand' buildings, both single-family houses and apartments) fell in 2016, after having risen steadily between 2004 and 2015. The average rent thus stood at € 710/month in 2016, compared with € 723/month in 2015. The figure in 2004 was € 601/month.

The average rental of course depends on the intrinsic characteristics of the housing, its surface area, quality, location, the number of bedrooms and/or bathrooms, its environmental performances, etc. So for example the average rent ranges from € 519 in a studio dating from pre-1945 to € 1 623 for a house built or renovated after 2001, with the vast majority of rents lying with a range of between € 500 and € 800/month.

The rental observatory highlights the gradual decoupling observed between rents and the health index in Brussels. It appears that rents have tended to rise more than the health index during the period under review, especially during the years 2008 to 2013. One interesting element worth noting is the fact that the increase in rents has only been due to indexation since 2013.

Although it seems slight at first glance, the study also highlights the gradual decoupling between average rents and average disposable income of households.

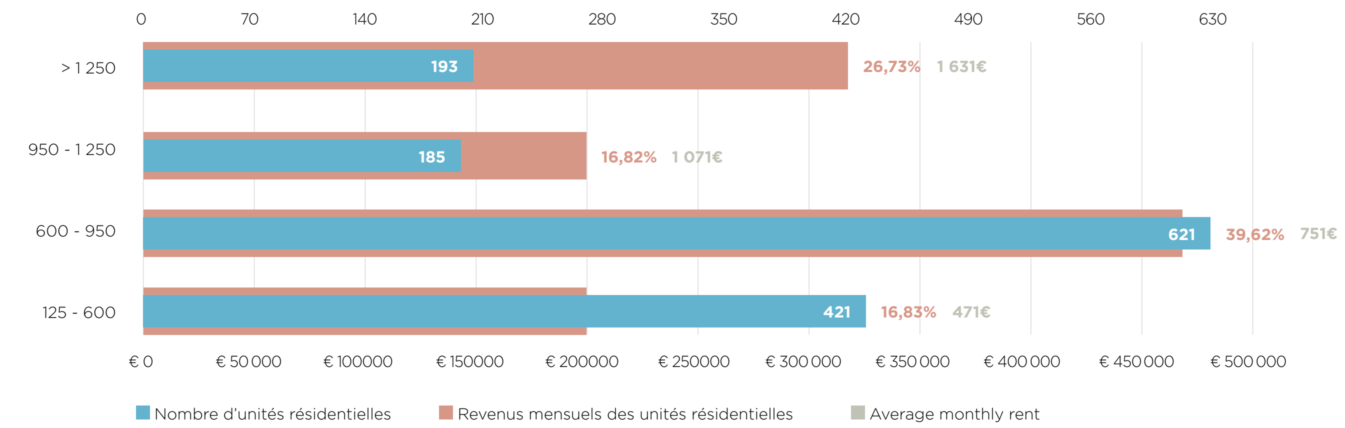
On the basis of an index equal to 100 in 2004, the gap between the average rent and the average income is currently more than 30 points. According to the figures from the observatory, half of tenants have income of less than € 2 000/month and the average disposable income is € 1 842/month. So while Brussels is more of a rental market given the high level of acquisition prices, a gradual decoupling may also be observed in the balance between housing on offer for rent and the income of the people of Brussels. It appears in fact that 70 % of the poorest members of the Brussels population have access to just 21 % of the residential property available for rent (considering that a household devotes 25 % of its income to its housing).

Finally, it is important to bear in mind the substantial disparities that exist between the different communes in Brussels. For instance, the lowest average rents are recorded in the commune of Saint-Josse-Ten-Noode, at around € 560/month, whereas they easily rise to over € 900/month on average in the south-east of Brussels, in communes such as Uccle, Watermael-Boitsfort, Woluwe-Saint-Pierre or Woluwe-Saint-Lambert.

Navez, Schaerbeek

By way of illustration, the graph below shows the breakdown of the rents charged by Home Invest Belgium.

BREACKDOWN OF RENTS BY INCOME BRACKET (NOT FURNISHED RESIDENTIAL UNITS)



[1] Regional Housing Observatory, 'Rental Observatory, 2015 survey, April 2016.

In Brussels, the prices observed on the new residential buildings market target a limited section of the population

The new residential buildings market always arouses more interest among property developers and purchasers, both nationwide and in Brussels. In the capital in particular, characterised by ageing structures, increasingly demanding energy performance standards and the strong demographic growth (need to create around 2 800 housing units per year), a certain lack of interest may be observed in so-called 'secondary' housing units, which often use a great deal of energy and are more costly to renovate, along with a growing desire to develop new projects.

It appears, however, that the price differences between secondary properties and new buildings often constitute an obstacle for a population made up primarily of middle-income households.

So the wish of developers to build increasingly small housing units in Brussels (while remaining relatively big compared with Paris, for instance) is understandable.

With an average price of at least around € 2 700 to € 3 000/m², the imbalance between the housing on offer and the income of the population is increasing.

In the most sought-after, best located districts, average prices easily reach € 3 500/m² for acquisition. Finally, the most exclusive projects are now selling at prices well above € 4 000/m².

The conversion of office buildings is continuing, albeit at a slower pace.

The conversion of obsolete office buildings to create residential projects reached a peak three years ago, with almost 130 000 m² converted in one year. The conversion trend is currently continuing at a less sustained pace. Approximately 80 000 m² of obsolete offices are converted annually, mainly for residential purposes.

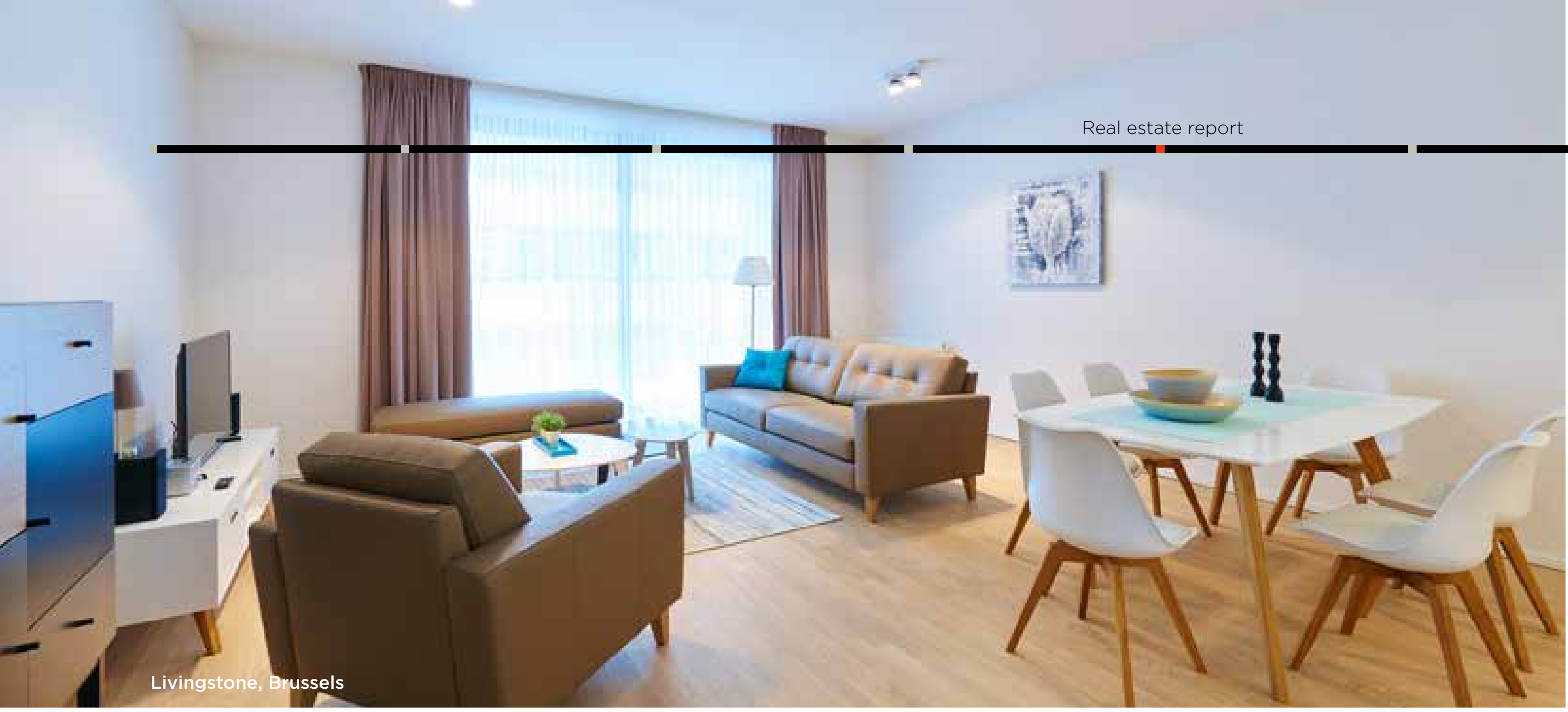
These office building conversion projects are located mainly in the mixed districts of the city centre. In the Louise district, for example, a number of projects have been started along avenue Louise or near the Porte de Namur. In the decentralised north-east (primarily in Schaerbeek, Evere, Woluwé-Saint-Lambert), conversion is also continuing, mainly in the area around rue Colonel Bourg and avenue Marcel Thiry or along the boulevard de la Woluwe.

SOURCE : Cushman & Wakefield

Gent - Zuid

Developers build continuously smaller properties in Brussels

In Belgium the ratio between owners and tenants stands at 72 vs. 28% in line with the european overage (70% - 30%)



Livingstone, Brussels

Main features of the Belgian residential market

Further to the sixth reform of the State, competence regarding matters relating to residential leases has been transferred to the Regions. The national regulations continue to apply until a Region decides to make changes or introduce new rules. The Brussels-Capital Region is the first to have adopted its own regulations, which came into force on 1 January 2018.

For the remainder of Belgium, the Civil Code remains provisionally applicable to residential leases. Tenants of residential property for whom the property is their principal residence are protected by the Civil Code (specific rules for leases relating to the principal residence of the tenant).

The amount of the rent is negotiated and set freely between the tenant and the landlord. In principle, rents are indexed annually (if the lease agreement provides for indexation, which is generally the case for the leases concluded by Home Invest Belgium).

Common charges are borne by the tenant (if this is provided for in the lease agreement).

The property tax relating to the rented property is borne by the landlord. The law states that it may not be charged to the tenant.

Each lease agreement is covered by a rental guarantee. This may take several forms:

- either an individual account opened with a financial institution in the name of the tenant (for a maximum of two months' rent);
- or a bank guarantee or any other type of guarantee (for a maximum of three months' rent).

Any lease agreement relating to a principal residence is deemed to be concluded for a period of nine years. The tenant has the right to terminate the lease at any time subject to three months' notice. However, if the tenant terminates the lease during the first three years, the landlord is entitled to compensation. This compensation is equal to three months', two months' or one month's rent, depending on whether the lease is terminated during the first, second or third year.

The landlord has the right to terminate the lease when it expires, subject to three months' notice.

The landlord can also use other, specific reasons for termination (for renovation work or if he wants to occupy the rented premises himself or have them occupied by a member of his family).

Short-term leases cover a maximum of three years. The tenant and the landlord have the right to terminate the agreement when it expires, subject to three months' notice. If notice is not given within this period, the lease is deemed to have a duration of nine years.

[1] This is the general rule for leases concluded by Home Invest Belgium.

I.Brussels-Capital Region

Order of 27 July 2017

The Order is divided into two parts: a general part containing the common rules applicable to all residential leases (rules on pre-contractual information, maintenance and renovation, rent, costs, etc.) and the provisions specific to each type of lease.

The Order requires the landlord to provide a minimum of information for the tenant before the lease is concluded, including an estimate of the charges relating to the private and/or the communal areas to be borne by the tenant. The landlord risks heavy penalties if this duty to provide information is not fulfilled.

Either of the parties may ask the judge at any time to review the costs and fixed charges or convert them into real costs and charges, even if the agreement provides for fixed charges.

The amount of the rent is negotiated and set freely between the tenant and the landlord. Finally, as of 1 January 2018, a new indicative rents schedule has been available in the Brussels region. This schedule is not binding, but it enables the parties to better assess the rent, bearing in mind the location, the condition, the size and the number of rooms in the property.

The ban on charging the property tax to the tenant remains applicable.

The Government has drawn up a non-exhaustive list of the repair and maintenance work that must be borne by the tenant or that must be borne by the landlord.

The annual indexation of the rent is also carried out in accordance with common law.

In addition, the Order contains rules specific to leases relating to the main residence of the tenant. This refers to housing that the tenant uses as his main residence, with the express or tacit consent of the landlord.

This lease is deemed to have been concluded for a period of nine years. It terminates after the expiry of this period by means of notice given by one of the parties at least six months before the expiry date. Otherwise, the lease will be extended for a period of three years. The landlord may, however, terminate the lease at any time, giving six months' advance notice, if he intends to occupy the premises himself or have them occupied by a member of his family. At the end of the first and second three-year periods, the landlord may also terminate the lease by giving six months' notice if he intends to rebuild, convert or renovate all or part of the building. At the end of the first and second three-year periods, the landlord may terminate the lease by giving six months' notice, without giving a reason, but subject to payment of compensation of nine or six months depending on whether the agreement ends at the expiry of the first or the second three-year period. The tenant can terminate the lease at any time subject to three months' notice. However, if the tenant terminates the lease during the first three years, the landlord is entitled to compensation. This compensation is equal to three months', two months' or one month's rent, depending on whether the lease is terminated during the first, second or third year.

The Brussels Capital Region is the first region to have adopted its own regulations, on residendial leases which came into force on 1 January 2018.

It will still be possible to conclude short-term leases, that is leases covering a period of less than or equal to three years. It is now possible for these leases to be extended on one or more occasions, in writing, under the same conditions, without the total lease period exceeding three years. The Order also introduces the possibility for each of the parties to terminate this short-term lease. This termination may take place at any time for the tenant and after the first year of the lease for the landlord. This can only be done by giving prior notice of three months and paying compensation of one month's rent.

Unless extended, leases of less than six months end at the expiry of the agreed period.

Leases concluded for a period equal to or longer than six months terminate by means of notice given by one of the parties at least three months before the expiry of the agreed period. They may be terminated at any time by the tenant, by giving three months' notice and paying compensation of one months' notice. Unless notice is given within the periods stated or if the tenant continues to occupy the leased premises without any objection from the landlord, the lease is deemed to have been concluded for a period of nine years as of the date when the initial short-term lease came into force.

The rental guarantee amounts to two or three months' rent, depending on whether it is a guarantee in an individual account or a bank guarantee.

[1] SPRL

II. Reform plan in the Flemish Region

In the Flemish Region, the new rental decree (Huurdecreet) will in principle come into force on 1 September 2018. As in Brussels, this decree will replace the law on residential leases.

A nine-year agreement remains the rule.

During the first three-year period, the landlord will still be able to terminate the lease it he wishes to occupy the premises himself, but no longer for members of his family. The old rule will only become applicable again after the end of the first three-year period.

After the end of the first three-year period, the landlord will be able to terminate the lease at any time to carry out renovation and/or conversion work.

A short-term agreement may be terminated at any time by the tenant, subject to three months' prior notice.

The rental guarantee will be increased from two to three months' rent for guarantees placed in an individual account. Tenants who do not have sufficient financial means will be able to take out an anonymous loan with the Flemish government.

The government is to draw up a non-exhaustive list of the repairs and costs borne by the landlord or the tenant.

III. Reform plan in the Walloon Region

The lease permit has existed in the Walloon Region since 2004. This applies to collective housing units and small individual housing units leased to domiciled individuals or non-domiciled individuals who live there for most of the year. Collective housing units are buildings comprising one or more rooms that the various tenant households can use collectively (living areas, kitchens, bathrooms, toilets, etc.), such as student accommodation. Small housing units have a habitable surface area of less than 28 m^2. These housing units must be fit for habitation, must have a minimum surface area and must guarantee the inviolability of the home as well as respect for privacy. In addition, they must comply with any municipal regulations on fitness for habitation and fire safety, the urban planning provisions and the rules on the energy performance of buildings. The lease permit which will then be granted by the College of Mayors and Aldermen at the request of the owner will be valid for a period of five years.

In terms of lease agreements in the Walloon Region, a new decree is being prepared. From now on, all residential leases must be concluded in writing. Standard leases and inventories of fixtures and fitting will be drawn up. All residential leases will have to be registered. Clear penalties will be put in place, such as the ban on indexing rents. Tenants will also have to take out insurance to cover their liability in the event of fire.

As in the Flemish region, the government may also draw up a non-exhaustive list of the repairs incumbent on the tenant and those that must be carried out by the landlord.

Archview, Etterbeek

REPORTS FROM THE REAL ESTATE EXPERTS

Portfolio located in Belgium

In accordance with the legal and statutory requirements, we are pleased to provide you with our opinion of the current Investment Value of the real estate portfolio of the Belgian REIT (Real Estate Investment Trust) HOME INVEST BELGIUM as at the valuation date on 31st December 2017.

We carried out our valuations based on the capitalisation of the estimated rental value method in accordance with the current IVS (International Valuation Standards) and RICS (Royal Institution of Chartered Surveyors) standards.

As is customary, our assignment has been carried out on the basis of information provided by HOME INVEST BELGIUM regarding tenancy schedules, charges and taxes borne by the landlord, works to be carried out and all other factors that could affect property values. We assume that the information provided is complete and accurate.

Our valuation reports do not in any way constitute an assessment of the structural or technical quality of the buildings or of the potential presence of harmful substances. This information is well known to HOME INVEST BELGIUM, which manages its properties in a professional way and performs technical and legal due diligence before acquiring each property.

The **Investment Value** is defined as the estimated amount for which a property, or space within a property, should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties have acted knowledgeably,prudently and without compulsion. The investment value includes transaction costs.

In theory, the disposal of properties is subject to a transfer tax charged by the Government and paid by the acquirer, which represent substantially all transaction costs. For properties situated in Belgium, the amount of this tax mainly depends on the mode of transfer, the capacity in which the acquirer acts and the property's location. The first two variables, and therefore the amount of tax payable, are only known once the sale is contracted. Based on a study from independent real estate experts dated 8 February 2006 and reviewed on 30/06/2017, the "average" transaction cost for properties over € 2 500 000 is assessed at 2.5%.

The fair value (as defined under IFRS 13 and by the BEAMA's (Belgian Asset Managers Association) press release of 8 February 2006 and reviewed on 30/06/2017) for properties over € 2 500 000 can therefore be obtained by deducting 2.5% of "average" transaction cost from their investment value. This 2.5% figure will be reviewed periodically and adjusted if on the institutional investment transaction market a change of at least +/- 0.5% in the effectively "average" transaction cost is observed.

For properties with an investment value under € 2 500 000 transfer taxes of 10% or 12.5% have been subtracted, depending on the region of Belgium where they are situated.

Based on our analysis of the portfolio, we have identified the following elements:

1) the current portfolio consists of 83.71% residential properties, 1.52% nursing homes, 11.71% retail properties and 3.06% office properties;
2) the occupancy ratio of the real estate portfolio under review as at 31st December 2017 currently stands at 90.31%;
3) the average effective or guaranteed rental level is 2.03% higher than total rental value estimated at valuation date.

Based on the previous comments, we hereby confirm that the estimated **Investment Value** of the real estate portfolio of HOME INVEST BELGIUM, as of **31st December 2017**, amounts to **€ 413 170 000** (four hundred thirteen million ona hundred seventy thousand euros).

The Fair Value of the real estate portfolio of HOME INVEST BELGIUM as of **31st December 2017**, corresponding to the fair investment value under IAS/IFRS, is estimated at **€ 374 002 000** (three hundred seventfour million two thousand euros).

Yours sincerely,

Brussels, 22nd January 2018
WINSSINGER & ASSOCIES SA

Christophe ACKERMANS[1] MRICS
Director
Valuation & Advisory

Portfolio located in The Netherlands

This letter follows your instruction with regards to the estimation of the Fair Value of a real estate portfolio composed of 241 cottages at Center Parcs Port Zélande located in Ouddorp, the Netherlands, on December 1, 2016, and the subsequent quarterly updates of this estimation, in accordance with legal and statutory requirements. To be noted that the scope of the estimation was enlarged to 248 cottages and 40 apartments following the acquisition by HOME INVEST BELGIUM of additional units in 2017.

Our work is carried out in accordance with the International Valuation Standards (IVS) and the European Evaluation Standards published by TEGoVA (The European Group of Valuers' Associations) and in compliance with the valuation standards published by RICS (Royal Institution of Chartered Surveyors).

We have carried out our assignment on the basis of the information and data provided by HOME INVEST BELGIUM relating in particular to the lease conditions, non-recoverable charges and taxes, and investments borne by the lessor. These different elements and documents have been taken into account in the estimation of the value. We were unable to verify the data independently and we have considered them to be accurate and reliable.

We are not not qualified to undertake structural audits and therefore are unable to confirm whether the properties are free from structural defects or environmental risks ; for our assignment, we have assumed that the constructions and installations are in proper operational condition and compliant with all legislative requirements. As such, our conclusions are subject to a technical audit which only a qualified and skilled expert can conduct and comment on.

The Fair Value is defined as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date" (IFRS 13).

For the estimation of the Fair Value we have applied two methods:

- Discounted Cash Flow method: This method consists in discounting the sum of the net rents received over the assumed holding period, added to the discounted exit value of the leased property;
- Direct comparison method: This method allows to estimate the value by reference to the market, that is to say by referring to the recent transactions that took place in the same market for real estate assets presenting similar characteristics. General market trends are also taken into consideration.

Our estimate takes into account the local taxation currently applicable in the case of direct sales of real estate assets. The transfer costs are set at 2.0%, in accordance with the locally applicable real estate transfer costs ("Overdrachtsbelasting") for residential properties, including leisure properties ("Recreatiewoningen").

The real estate portfolio was estimated based on the assumption that its current use would be maintained.

On the basis of the foregoing, we confirm that the **Investment Value** of the real estate portfolio comprising 248 cottages and 40 apartments at Center Parcs Port Zélande, Ouddorp, the Netherlands, estimated as at **31 December 2017**, amounted to **€ 50 086 000** (fifty million eighty-six thousand euros). The estimated value corresponding to the **Fair Value according to IAS / IFRS standards** was **€ 49 104 000** (forty-nine million one hundred and four thousand euros).

Issy-les-Moulineaux, March 19, 2018.

BNP Paribas Real Estate Valuation France
Blandine TROTOT
Senior Consultant – Valuation & Consulting – Hotels

Property and projects location

n°	Name	City	Address
1.	**The Link**	Auderghem	Rue Maurice Charlent 51-53
2.	**Belliard 21**	Brussels	Rue Belliard 21
3.	**Clos de la Pépinière**	Brussels	Rue de la Pépinière 6-14 - Avenue Thérésienne 5-9
4.	**Joseph II**	Brussels	Rue Joseph II
5.	**Lebeau**	Brussels	Rue Lebeau 55-57
6.	**Livingstone**	Bruxelles	Av. Livingstone
7.	**Résidences du Quartier Européen**	Bruxelles	Rue Joseph II 82-84 - Rue Lebon 6-10 - Rue Stevin 21
8.	**Trône**	Bruxelles	Rue du Trône
9.	**Birch House**	Etterbeek	Cours Saint-Michel 96
10.	**Erainn**	Etterbeek	Rue des Ménapiens 29
11.	**Archview**	Etterbeek	Avenue de l'Yser 13
12.	**Giotto**	Evere	Av. du Frioul 2-10
13.	**Belgrade**	Forest	Rue de Belgrade 78-84
14.	**Les Jardins de la Cambre**	Ixelles	Av. de l'Hippodrome 96 - Rue des Echevins 75
15.	**Charles Woeste**	Jette	Av. Charles Woeste 296-306
16.	**Odon Warland**	Jette	Rue Odon Warland 205 - Rue Bulins 2-4
17.	**Baeck**	Molenbeek-St-Jean	Rue Joseph Baeck 22-46
18.	**Lemaire**	Molenbeek-St-Jean	Rue Joseph Lemaire 13-15
19.	**La Toque d'Argent**	Molenbeek-St-Jean	Rue Van Kalck 30-32
20.	**Sippelberg**	Molenbeek-St-Jean	Av. du Sippelberg 3-5
21.	**Bosquet - Jourdan**	Saint-Gilles	Rue Bosquet 72 - Rue Jourdan 71
22.	**Jourdan - Monnaies**	Saint-Gilles	Rue Jourdan 121-125
23.	**Jourdan 85**	Saint-Gilles	Rue Jourdan 85
24.	**Lambermont**	Schaerbeek	Bd du Lambermont 210-222 - Rue Desenfans 13-15
25.	**Melkriek**	Uccle	Rue du Melkriek 100
26.	**Les Érables**	Woluwe-St-Lambert	Av. de Calabre 30-32
27.	**Les Mélèzes**	Woluwe-St-Lambert	Av. de Calabre 34-38
28.	**The Horizon**	Woluwe-St-Lambert	Av. Ariane 4
29.	**The Inside**	Woluwé St Lambert	Avenue Marcel Thiry 202-206
30.	**Mélopée**	Molenbeek St Jean	Rue de la Mélopée 36
31.	**De Wand**	Laeken	Rue de Wand 54
32.	**Liberty's**	Auderghem	Place de l'Amitié 7-8
33.	**Navez**	Schaerbeek	Rue François-Joseph Navez 81-83
34.	**Xavier de Bue**	Uccle	Rue Xavier de Bue 30A-34
35.	**Waterloo**	Saint-Gilles	Chaussée de Waterloo 41-43
36.	**Voisin**	Woluwe-St-Pierre	Rue Montagne au Chaudron 13
37.	**City Gardens**	Leuven	Petermannenstraat 2A-2B - Ridderstraat 112-120
38.	**Haverwerf**	Mechelen	Haverwerf 1-10
39.	**Gent Zuid**	Gent	Woodrow Wilsonplein 4
40.	**Wetteren**	Wetteren	Cederdreef 9
41.	**Scheldevleugel**	Oudenaarde	Remparden 12
42.	**Clos Saint-Géry**	Ghlin	Rue de Tournai 4
43.	**Quai de Compiègne**	Huy	Quai de Compiègne 55
44.	**Galerie de l'Ange (appartements)**	Namur	Rue de la Monnaie 4-14
45.	**Galerie de l'Ange (commerces)**	Namur	Rue de la Monnaie 4-14
46.	**Léopold**	Liège	Rue Leopold 2-8
47.	**Mont-Saint-Martin**	Liège	Mont Saint-Martin 1
48.	**Saint-Hubert 4**	Liège	Rue Saint-Hubert 4
49.	**Saint-Hubert 51**	Liège	Rue Saint-Hubert 51
50.	**Florida**	Waterloo	Av. Florida 75-79
51.	**Louvain-la-Neuve CV9**	Louvain-La-Neuve	Angle des Rues des Wallons et Grand Rue
52.	**Louvain-la-Neuve CV10&18**	Louvain-La-Neuve	Rues Charlemagne, Grand Rue, Rabelais, Grand Place, Agora
53.	**Colombus**	Jambes	Rue de l'Orjo 52-56
54.	**Port Zélande**	Ouddorp (Pays-Bas)	Center Parc Port Zélande
55.	**Brunfaut**	Molenbeek-St-Jean	Rue Fin 4-12
56.	**The Pulse**	Molenbeek-St-Jean	Rue de la Célidée 29-33
57.	**Reine Astrid**	Kraainem	Bld Reine Astrid 278

STOCK MARKET ACTIVITY

The Horizon, Woluwe-Saint-Lambert

Your investment in trusted hands

Investors in Home Invest Belgium shares benefit from the professionalism of the management, the transparency of the RREC thanks to its corporate governance and favourable legal and tax provisions.

+7%

Increase of result for distribution in 2017

€ 4.50

Gross dividend per share in 2017

STOCK MARKET ACTIVITY

The share on the stock market.......86
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STOCK MARKET ACTIVITY

Investor profile

Given the favourable system applicable to Regulated Real Estate Companies, Home Invest Belgium is an attractive security for both individual and institutional investors.

For more details about the RREC system, please refer to the chapter entitled ‘Permanent Document’.

Compared to a direct investment in residential property, buying shares in Home Invest Belgium has several advantages:

- it offers a release from the increasing constraints - notably administrative and technical - arising from the direct management of residential buildings;
- the risks of loss of income in the event of rental vacancy or default on payment, which are also increasing, can be spread;
- it enables obvious improved liquidity of assets, given the stock market listing of the shares in the RREC;
- it makes real estate investment accessible even with a small amount.

The company aims to offer its shareholders a return at least equal to that generated by direct investment in residential property.

Evolution of share price

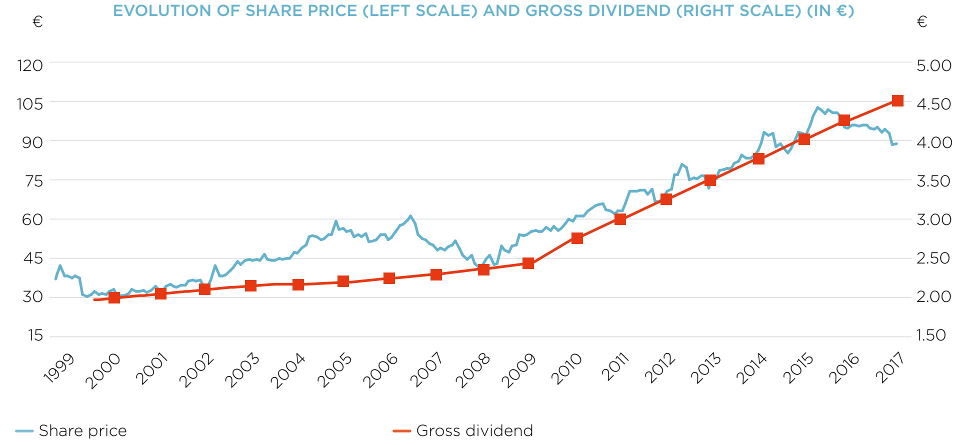
Home Invest Belgium shares have been listed on Euronext Brussels (HOMI) since 16 June 1999.
During the 2017 financial year, the net asset value per share rose by 1.2% compared with level at the start of the year, increasing from € 65.19 to € 65.98 on 31 December 2017, despite the increase in the number of shares.

Home Invest Belgium shares therefore fell slightly in 2017, dropping by 6.35% between 2 January 2017 (opening price € 94.74) and 30 December 2017 (closing price € 88.72, without taking account of the balance of the dividend distributed in May 2017 and the interim dividend paid in December 2017 (in total € 4.25.

Home Invest Belgium shares remained above € 95.00 until September 2017 before stabilising at around € 94.00 in October and November and then seeing a drop in price following the detachment of the coupon corresponding to the interim dividend (€ 3.75).

The total average closing price for the 2017 financial year was € 94.93.

EVOLUTION OF SHARE PRICE (LEFT SCALE) AND GROSS DIVIDEND (RIGHT SCALE) (IN €)



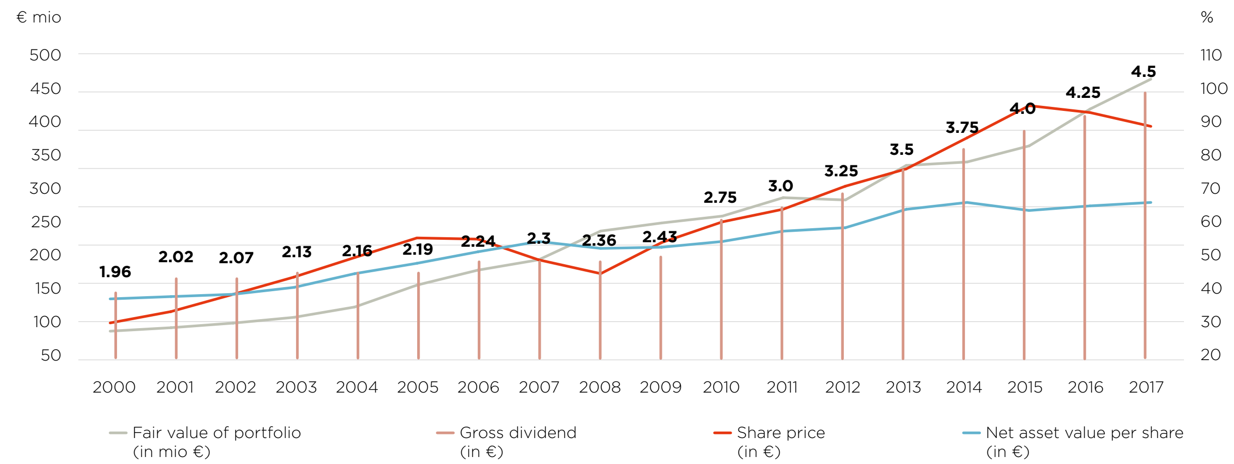
Based on the last closing price for 2017 (€ 88.72), the proposed dividend of € 4.50 represents a gross return of 5.07 (compared with a return of 4.49% in 2016).

The liquidity of the shares is slight increasing, with a daily average of 779 shares traded per trading session during the 2017 financial year as a whole (compared with a daily average of 747 shares during 2016 and 1 058 during 2015).

The ‘velocity’ - the ratio between the number of shares traded and the free float - is slightly increasing to 12.09% compared with 12.04% in 2016.


Belliard, Brussels

EVOLUTION OF THE GROSS DIVIDEND (OFF SCALE), THE NET ASSET VALUE PER SHARE, THE SHARE PRICE (RIGHT SCALE) AND THE FAIR VALUE OF THE PORTFOLIO (LEFT SCALE)

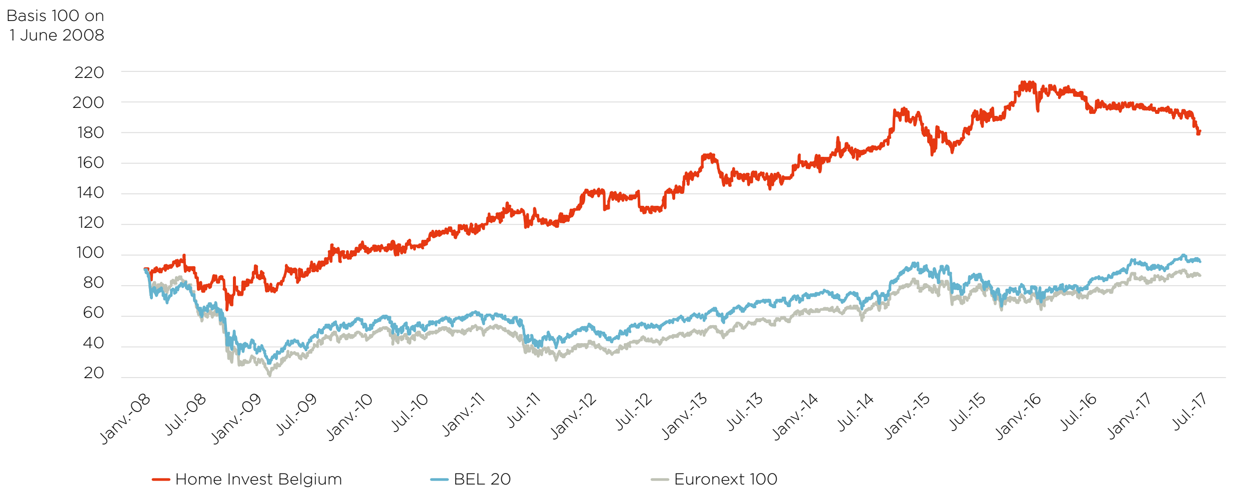


Evolution of the BEL 20

Despite the poor performance in 2017, the graph below illustrates the excellent stock market performance of the Home Invest Belgium share compared with that of the BEL 20 indices since January 2008 (+81,1%).

The performance of the Home Invest Belgium share during the 2017 financial year (-33%) should be compared with the evolution of the BEL 20 index.

COMPARISON OF THE EVOLUTION OF THE SHARE PRICE COMPARED WITH VARIOUS MARKET INDICES




Florida, Waterloo

[1] Additional information about the EPRA Belgium and BEL 20 indices can be obtained from Euronext Brussels services for the BEL 20 index and by referring to www.epra.com for the EPRA Belgium index.

Evolution of share price relative to the net asset value per share

During the 2017 financial year, the net asset value per share increased by 1.2%% compared to its level at the start of the year, rising from € 65.19 to €,65.98 on 31 December 2017, despite the increase in the number of shares resulting from the capital increase in September.

It should be noted that the net asset value per share is now 191.5% higher than its level of € 34.46 at the time of the IPO in June 1999. This reflects the quality of the property investments negotiated by Home Invest Belgium and the good management of its assets, both in terms of maintenance or renovation and in sales. Home Invest Belgium shares benefited from a premium compared with the published net asset value per share throughout 2017.

On 29 December 2017, the closing price was € 88.72 recording a premium of 35.5% compared with the net asset value per share at year end.

The premium calculated in relation to the net asset value per share excluding changes in the fair value of financial instruments (€ 68.43) stands at 29.7%.

This premium once again shows the confidence that shareholders have in the significant performances resulting from investment in Home Invest Belgium. It also reflects the added value created for a series of buildings by a professional management team.

Share price data	2017	2016	2015	2014	2013
Share price (in €)					
Highest	€ 97.75	€ 103.00	€ 95.50	€ 87.00	€ 82.35
Lowest	€ 87.88	€ 91.81	€ 81.95	€ 73.50	€ 69.27
On the last day of the financial year	€ 88.72	€ 94.74	€ 92.59	€ 85.10	€ 76.00
Average price	€ 94.93	€ 98.40	€ 89.58	€ 80.91	€ 76.03
Gross dividend return[1]	5.07%	4.49%	4.32%	4.41%	4.61%
Dividend (in €)					
Gross	€ 4.50	€ 4.25	€ 4.00	€ 3.75	€ 3.50
Net[2]	€ 3.1500	€ 3.0875	€ 3.3700	€ 3.1875	€ 2.9750
Volume					
Average daily volume	779	747	1058	996	703
Annual volume	198 650	191 851	270 860	254 159	179 166
Total number of shares on 31 December	3 299 858	3 160 809	3 160 809	3 160 809	3 056 143
Market capitalization on 31 December	€ 293 million	€ 311 million	€ 293 million	€ 269 million	€ 232 million
Free float	50.19%	52.54%	49.21%	48.96%	50.24%
Velocity[3]	12.09%	11.55%	17.41%	16.42%	11.67%
Pay out ratio (statutory)	96.54%	96.75%	95.81%	88.93%	93.03%

[1] Gross dividend for the financial year divided by the last share price of the financial year.
[2] As from 1 January 2017, the withholding tax amounts to 30%.
[3] Number of shares traded / free float

DIVIDEND AND RETURN

Dividend

Home Invest Belgium endeavours to offer its shareholders a growing dividend at least equal to if not higher than inflation over a long period. Between 2000 and 2017, the gross dividend rose from € 1.96 to € 4.50 per share, an increase of 230 % in 18 and a half years, or an average annual increase of 12.4 %.

Since 2015, the Board of Directors has adopted a dividend policy of paying an interim dividend in December and a final dividend in May.

Based on the quarterly results as at 30 September 2017 and the general medium- and long-term outlook for the evolution of the portfolio and the residential rental market, on 23 October 2017 the Board of Directors decided to distribute an interim dividend payable in cash of € 3.75 gross or € 2.7375 net per share (after deduction of the withholding tax of 30 %).

Investers, Saint-Gilles

At the Annual General Meeting of shareholders, which will be held on Wednesday, 2 May 2018 and will approve the financial statements for the 2017 financial year, the distribution of the remaining dividend of € 0.75 gross per share will be presented for approval. This will result in a total dividend for the 2017 financial year of € 4.50 gross per share will be validated.

This distribution demonstrates once again a remarkable growth of 5.9 % compared with the gross dividend of € 4.25 distributed for the 2016 financial year, with the distribution rate for 2016 standing at 96.54 %.

The dividend growth achieved, which has been considerably stronger since 2011, is made possible among other things by the increase in the volume of portfolio divestment, the target for which is set by the Board at 4 % per annum.

It should be noted that since the RREC was established, a significant portion of the profits from each financial year has been carried forward. The reserve established currently amounts to € 7.7 per share at the consolidated level, before the appropriation of the profit for 2017. This reserve is expected to smooth the dividend curve in the future if real estate market conditions become more difficult.

Withholding tax

The interim dividend distributed in December 2017 and the dividend paid in 2018 by the RREC will be liable to a withholding tax of 30 %. As a result, the proposed net dividend will be € 3.15.

For more information about the tax treatment of the dividends, see the chapter entitled 'Permanent Document'.

Return

The profitability of an investment can be measured both by the immediate return that can be obtained from it and the increase in the net asset value per share that this investment can record over the long term. The sum of these two components constitutes the annual return on the investment.

In the case of a Registered Real Estate Company, the level of the immediate return is certainly important, but the ability to generate capital gains constitutes the true label of quality for the future.

For a shareholder who participated in the Initial Public Offering (IPO) in June 1999 and reinvested all dividends in Home Invest Belgium shares, the internal rate of return (IRR) on the investment, calculated over a period of 18 and a half years, would be 13.77 %, despite the weak performance recorded in 2008, 2009 and 2017.

Similarly, the return for shareholders in Home Invest Belgium who may not have reinvested their shares every year nevertheless amounts to a remarkable average of 13.45 % per year over the period 1999-2017.

This return cannot be compared as is with those of the majority of other RRECs, as the latter are calculated before withholding tax on dividends whereas until the end of 2012, the Home Invest Belgium dividends were exempt from withholding tax and then subject to a reduced withholding tax of 15 % until the end of 2015, 27 % until the end of 2016 and 30 % since 1 January 2017.

Return (in €)[1]		Net value per share excluding dividend	Increase in value	Gross Dividend	Return per share[2]	Return as % for shareholder[3]
Consolidated accounts in IFRS	2017	€ 65.23	€ 0.54	€ 4.50	€ 6.38	10.07%
	2016	€ 64.69	€ 1.34	€ 4.25	€ 6.55	10.50%
	2015	€ 63.35	€ 0.96	€ 4.00	€ 4.96	7.95%
	2014	€ 62.39	€ 1.79	€ 3.75	€ 5.54	9.14%
	2013	€ 60.60	€ 5.12	€ 3.50	€ 8.62	15.54%
	2012	€ 55.48	€ 0.90	€ 3.25	€ 4.15	7.60%
	2011	€ 54.58	€ 2.65	€ 3.00	€ 5.65	10.88%
	2010	€ 51.93	€ 1.42	€ 2.75	€ 4.17	8.26%
	2009	€ 50.51	€ 0.16	€ 2.43	€ 2.59	5.14%
	2008	€ 50.35	€ -2.17	€ 2.36	€ 0.19	0.36%
	2007	€ 52.52	€ 3.21	€ 2.30	€ 5.51	11.17%
	2006	€ 49.31	€ 3.35	€ 2.24	€ 5.59	12.16%
	2005	€ 45.96	€ 4.17	€ 2.19	€ 6.36	14.47%
Statutory accounts in Belgian GAAP	2005	€ 46.91	€ 4.24	€ 3.47	€ 7.71	11.41%[4]
	2004	€ 42.67	€ 4.13	€ 2.16	€ 6.29	16.32%
	2003	€ 38.54	€ 1.15	€ 2.13	€ 3.28	8.77%
	2002	€ 37.39	€ 0.44	€ 2.07	€ 2.51	6.79%
	2001	€ 36.95	€ 1.19	€ 2.02	€ 3.21	8.98%
	2000	€ 35.76	€ 1.30	€ 1.96	€ 3.26	9.46%
	1999	€ 34.46				

[1] Based on consolidated figures as of 2005.
[2] Dividend for the financial year plus increase in net asset value per share during the financial year.
[3] Idem, divided by the net asset value per share at the beginning of the financial year.
[4] Adjusted to twelve months (12/19ths).

SHAREHOLDING STRUCTURE

The company has a statutory 3% threshold for declarations of transparency for the application of the mandatory rules relating to the disclosure of major shareholdings in issuers whose shares are admitted for trading on a regulated market.

According to the declarations of transparency received until 31 December 2017, the shareholding structure of Home Invest Belgium is as follows:

SHAREHOLDERS	NUMBER OF SHARE	% OF CAPITAL
Van Overstraeten Group[1,2]	880 965	26.70%
BMVO 2014 Burgerlijke Maatschap	510 960	15.48%
Stavos Luxembourg	257 462	7.80%
VOP SA	102 575	3.11%
M. Hans Van Overstraeten	6 640	0.20%
M. Johan Van Overstraeten	1 231	0.04%
M. Bart Van Overstraeten	1 095	0.03%
M. Liévin Van Overstraeten	871	0.03%
COCKY SA	131	0.00%
AXA Belgium SA[1,3]	537 830	16.30%
M. Antoon Van Overstraeten[1]	121 916	3.69%
Partners Van Overtveldt - Henry de Frahan[1]	102 792	3.12%
M. S. Van Overtveldt	51 396	1.56%
Ms. P. Henry de Frahan	51 396	1.56%
Other shareholders	1 656 355	50.19%
GENERAL TOTAL	3 299 858	100.00%


Reine Astrid, Kraainem

[1] Shareholder who filed a statement compliant with the Law on Transparency of 2 May 2007.
[2] Stavos Luxembourg SA is controlled for 97% by the company under common law BMVO 2014. The company under common law BMVO 2014 is controlled for 25%% by the Stichting Administratiekantoor Stavos and for 75% by the company under common law Van Overstraeten. The company under common law Van Overstraeten is controlled for 99.9% by the Stichting Administratiekantoor Stavos. The Stichting Administratiekantoor Stavos is controlles by Liévin, Hans, JOhan and Bart Van Overstraeten. Cocky NV is controlled for 99.9% by the company under common law Van Overstraeten. VOP NV is controlled for 99.9% by Stavos Luxembourg SA.
[3] AXA Belgium is a subsidiary of AXA Holdings Belgium, itself a subsidiary of AXA SA.


City Gardens, Leuven

CORPORATE GOVERNANCE STATEMENT

CORPORATE GOVERNANCE STATEMENT

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DECISION-MAKING BODIES

This corporate governance statement1 falls under the provisions of the Belgian Code of Corporate Governance 2009 ('Code 2009') and the act of 6 April 2010 amending the Companies Code.

Code of reference

The Royal Decree of 6 June 2010 declared the Code 2009 to be the only code applicable to listed companies. The Code 2009 is available on the website of the Moniteur belge (Belgian official journal) and on the website www.corporategovernancecommittee.be.

Taking into account the specificities of the company, Home Invest Belgium considers that it complies with all the provisions of the aforementioned Code, with the following exceptions (application of the comply or explain principle):

- the individual contribution of each director and member of the specialised committees (assessment) is assessed continuously (rather than periodically), given the frequency of meetings of the Board of Directors, and when mandates are renewed (derogation from principle 4.11);
- the rules on the remuneration of members of the Management team may potentially deviate from the recommendations laid down in the Code 2009; see below 'Remuneration Report' (derogation from principle 7.18).

The Corporate Governance Charter describes the corporate governance rules applicable within the company. The Charter was drawn up by the Board of Directors of Home Invest Belgium and may be consulted on the company website, www.homeinvestbelgium.be. This charter was last modified on 6 September 2017.

The Corporate Governance Charter is supplemented by the Risk Management Regulations and the Internal Audit Rules, which form an integral part of the charter.

Liberty's, Auderghem

First row: W. Aurousseau, L. Van Overstraeten, S. Lambrighs, J. Van Overstraeten
Second row: E. Spiessens, K. Dejonckheere, L. de Hemptinne

Board of Directors

Current composition

The Board is currently made up of seven directors. Of the six non-executive directors, three are independent within the meaning of Article 526ter of the Companies Code and three represent the shareholders.

The Board of Directors is well aware of the content of the act of 28 July 2011 and provisions of Article 518bis of the Companies Code, which require that at least one-third of the members of the Board shall be of a different gender than the other members. In application of this provision, the minimum number of these members of a different gender required is rounded up to the nearest whole number.

The minimum number according the current composition is 7/3 = 2.3, or 2 after application of the rounding-off rule. The current composition of the Board therefore complies with the law.

[1] The corporate governance statement is an integral part of the Management Report.


Wim Aurousseau


Liévin Van Overstraeten


Laurence de Hemptinne


Eric Spiessens


Koen Dejonckheere


Sophie Lambrighs


Johan Van Overstraeten

The resumee of the directors may be summarised as follows:

Liévin Van Overstraeten

Chairman, director (Representative of the van overstraeten group)

M. Van Overstraeten, aged 61, has a law degree (KU Leuven 1982) and a degree in advertising management (Vlerick 1983). He has wide experience in business management, particularly in the real estate sector, sports centres and wood processing, in Belgium and in Romania.

Other mandates held in listed companies: none.

Other mandates held in unlisted companies: Managing Director of VOP SA, director of Immovo SA, Sippelberg SA, Behind the Buttons SA, Cocky SA, Stichting Administratiekantoor Stavos, Stavos Luxembourg SA, Burgerlijke Maatschap Van Overstraeten, Burgerlijke Maatschap BMVO 2014.

Mandates expired during the last five years: none.

Eric Spiessens

Vice chairman, independent director

M. Spiessens is 57 years old and has a degree in sociology (KU Leuven). He is also a qualified secondary school teacher and a social sciences engineer (KU Leuven).

Other mandates held in listed companies: none.

Other mandates held in unlisted companies: various positions of responsibility and mandates in the companies Auxipar, VEH CVBA, Publigas CVBA, Aspiravi NV, Aspiravi International NV, EPC CVBA, Pronet Verzekeringen CVBA and Sociaal Engagement CVBA-SO.

Mandates expired during the last five years: in particular in the companies Gimv NV and DG Infra+ NV, Livingstones CVBA and Sint-Jozefskredietmaatschappij NV.

Sophie Lambrighs

Ceo, executive manager

Ms. Lambrighs, who is 46, obtained a master's degree in civil engineering (ULB) and an executive master's degree in management (ULB). She began her career in construction, undertaking functions related to the design of buildings and engineering structures (at Spie, BGroup and Ergon). She has also held various positions of responsibility in the real estate sector in the companies Axa Belgium, Immobel and Retail Estates. In addition, she has taught at the ULB.

Other mandates held in listed companies: director of Immobel SA[1].

[1] Mandate held as permanent representative of Zou2 SPRL.

Other mandates held in unlisted companies: manager of Zou2 SPRL and the SPRL 53 Charlent Freehold[1], director of UPSI/BVS and of CBFI ASBL and of S & F Immobilière SA.

Mandates expired during the last five years: in the companies Gateway SA, Greendog SA and Home Invest Development.[1]


Haverwerf, Mechelen

Wim Aurousseau

Director (representative of axa shareholder)

M. Aurousseau, aged 46, holds a degree in applied economic sciences and finance (UA) and financial analysis (ICHEC). He has extensive experience in property management and business management, particularly in the banking and insurance sector in Belgium.

Other mandates held in listed companies: none.

Other mandates held in unlisted companies: Chief Investment Officer at Axa Belgium.

Mandates expired during the last five years: none.

Laurence de Hemptinne

Independent director

Ms. de Hemptinne is 55 years old and holds a law degree from the ULB. She was a lawyer at the Brussels Bar for a number of years. She then worked as an economic and legal journalist. Specialising in issues relating to the property market, urban planning and real estate taxation, she collaborated for almost ten years with various publications, mainly La Libre Belgique. She set up Editions & Séminaires SA, a company dedicated to publishing books and organising seminars related to real estate.

Other mandates held in listed companies: none.

Other mandates held in unlisted companies: Managing Director of Editions & Séminaires SA.

Andates expired during the last five years: none.

Koen Dejonckheere

Independent director

M. Dejonckheere is 49 years old and holds a degree in civil engineering (Ghent) and an MBA (IEFSI-ECHEC, Lille-France).

Other mandates held in listed companies: CEO of Gimv NV and independant director of Roularta NV/SA.

Other mandates held in unlisted companies: CEO of Noorderman NV and Invest at Value NV, mandates held in companies TDP NV, AZ Delta VZW (hospital group), Enternext NV/SA, Gimv Arkiv Technology Fund NV, Voka-VEV, European Issuers AISBL/IVZW and VBO-FEB.

Capman Plc (Finland), Biofonds Vlaanderen SA, Belgian Venture Capital & Private Equity Association ASBL.

Johan Van Overstraeten

Director (representative of the Van Overstraeten group)

M. Van Overstraeten, who is 56 years old, has extensive experience in the running and management of companies, especially in the field of property development and software development.

Other mandates held in listed companies: none.

Other mandates held in unlisted companies: Behind the Buttons SA, VOP SA, Immovo SA, Sippelberg SA, Cocky SA, Stavos Luxembourg SA (Grand Duchy of Luxembourg), Stichting Administratiekantoor Stavos NV (Netherlands), Burgerlijke Maatschap Van Overstraeten and Burgerlijke Maatschap BMVO 2014, and Cocky BVBA.

Mandates expired during the last five years: none.

[1] Mandate held as permanent representative of Zou2 SPRL.

Composition of the board of directors on 31 december 2017

Name	Position	Start of first appointment	End of mandate[1]	Business address	Attendance rate at Board meetings in 2017
Liévin Van Overstraeten	Chairman Director	23 May 2008	2018	VOP SA avenue du Sippelberg 3 1080 Brussels	100%
Eric Spiessens	Vice-Chairman Independent director	3 mai 2011	2019	Beweging.net chaussée de Haecht 579 1030 Schaarbeek	100%
Sophie Lambrighs	CEO	22 July 2014	2018	Home Invest Belgium SA, boulevard de la Woluwe 46 1200 Brussels	100%
Wim Aurousseau	Director	12 February 2014	2019	Axa Belgium SA Place du Trône 1000 Brussels	92%
Laurence de Hemptinne	Independent director	5 May 2015	2019	rue de Ferrière 1470 Bousval	85%
Koen Dejonckheere	Independent director	3 May 2011	2019	Gimv NV Karel Oomsstraat 37 2018 Antwerpen	92%
Johan Van Overstraeten	Director	18 August 2010	2019	VOP SA avenue du Sippelberg 3 1080 Brussels	100%

Proposal for renewing of mandates at Ordinary General Assembly 2018.

At the Ordinary General Assembly of 2 May 2018 (under reserve of FSMA approval) the proposal will be done to renew the mandates of Ms Sophie Lambrighs as CEO, and of Liévin Van Overstraeten as Director, both for a period of 4 years, ending at the ordinary general meeting in 2022.

Honorary members of the Board of directors

Guillaume H. Botermans	Honorary Chairman
Michel Pleeck	Honorary Chairman
Guy Van Wymersch-Moons	Honorary Chairman
Xavier Mertens	Honorary CEO
Luc Delfosse	Honorary independent director

[1] Annual General Meeting to be held in the year mentioned.

Activity report

The Board of Directors acts in the corporate interest (which implies taking into account interests other than solely those of the shareholders, such as the interest of clients and users of buildings). Its role is to:

- determine the company's strategy and take the final decisions on investments and divestments;
- draw up the half-yearly and annual financial statements for the Regulated Real Estate Company, the annual and half-yearly financial report and interim statements;
- ensure the rigour, accuracy and transparency of communications sent to shareholders, financial analysts at the FSMA and the public;
- approve the merger reports, decide on the use of the authorised capital and convene the general and extraordinary meetings of shareholders;
- delegate the day-to-day operations to the Management, which regularly reports on its actions and submits an annual budget and a quarterly statement to it.

Besides the general functions described above, the Board of Directors has, during the past year, decided on various issues including:

- the study and choice of guidelines for the development, diversification and strategy of Home Invest Belgium;
- the analysis and approval of investment and divestment dossiers;
- the report from the Appointment and Remuneration Committee;
- the composition of the Board of Directors and its committees;
- the internal organisation of the RREC, including the internal audit, risk management and compliance;
- the analysis of the 2017 and 2018 budgets;
- the financing structure, interest rate hedging policy and the restructuring of certain hedging instruments;
- the agreement with the real estate expert;
- amendments to the withholding tax system applicable to dividends distributed by Regulated Real Estate Companies;
- the analysis of the impact of government measures commonly known as the Tax Shift on the company's business plan;
- the follow-up of the implementation of the company's new IT tool.

The Board of Directors meets at least seven times a year and whenever a particular or exceptional event so requires.

Erainn, Etterbeek

During the 2017 financial year, the Board of Directors of Home Invest Belgium met thirteen times

The rules on the quorum and decision making are laid down in Articles 17 and 18 of the articles of association:

- in accordance with Article 17 of the Articles of Association, "except in cases of force majeure, the Board of Directors may validly deliberate and take decisions only if half of its members are present or represented. If this condition is not met, a second meeting may be convened to deliberate and validly decide on the items that were included on the agenda of the previous meeting, provided that at least two directors are present or represented";
- article 18 states that "barring exceptional circumstances, the deliberation and voting may only concern the items included on the agenda. Any decision of the Board of Directors is taken by an absolute majority of the directors present or represented and, in the event of the abstention of one or more of them, by a majority of the other voting directors";
- in exceptional circumstances, in accordance with Article 521 of the Companies Code, when required by the urgent need and interests of the company, decisions taken by the Board of Directors can be taken by the unanimous written agreement of the directors. This procedure may not, however, be used for the approval of the annual accounts and the implementation of the authorised capital.

Specialised committees

LThe responsibilities and functioning of the specialised committees set up within the Board of Directors are detailed in the Corporate Governance Charter of Home Invest Belgium. This Charter can be consulted on the company website.

Investment Committee

The Investment Committee is responsible mainly for the selection, analysis and preparation of investment and divestment dossiers, although final approval is given by the Board of Directors.

The Investment Committee met seven times during the past year and consisted of the following persons:

- Johan Van Overstraeten, Chairman of the Investment Committee, director: attendance during the year: 7/7;
- Laurence de Hemptinne, independent director: attendance during the year: 3/7;
- Sophie Lambrighs, CEO; attendance during the year: 7/7;
- Alain Verheulpen, representative of AXA Belgium; attendance during the year: 7/7.

Charles Woeste, Jette

The Inside, Woluwe-Saint-Lambert

Audit Committee

Notwithstanding the fact that Home Invest Belgium is not obliged to establish an Audit Committee, given that the RREC meets two of the three exclusion criteria listed in Article 526bis § 3 of the Companies Code, the Board of Directors of the RREC nevertheless decided to set one up.[1]

The Audit Committee met four times during the past financial year and consisted of the following persons:

- Eric Spiessens, director and chairman of the Audit Committee; attendance during the year: 4/4;
- Wim Aurousseau, director: attendance during the year: 4/4;
- Liévin Van Overstraeten, director; attendance during the year: 4/4.

M. Eric Spiessens is an independent director and has the required qualities and skills in auditing and accounting.

The statutory auditor of the RREC (SIR/GVV) attended three meetings of the Audit Committee in 2017.

The mains tasks of the Audit Committee are as follows:

- financial reporting, which includes, in particular, monitoring the integrity and accuracy of the numerical data and the relevance of the accounting standards applied;
- assessment of internal control and risk management systems;
- reviewing and monitoring the independence of the statutory auditor;
- monitoring the statutory audit of the annual and consolidated accounts, including follow-up of questions and recommendations from the statutory auditor.

During the 2017 financial year, the following items in particular were discussed:

- quarterly review of the accounts and valuation of the portfolio;
- interest rate risk hedging policy (restructuring of certain hedging instruments);
- evolution of vacancy rate;
- monitoring of the recommendations made by the statutory auditor concerning internal control procedures;
- internal audit;
- the company's IT platform and IT security.

Appointment and Remuneration Committee

Given the size of the company and in the interests of efficiency, a single committee, comprising both appointment and remuneration competences, was set up within Home Invest Belgium.

The Appointment and Remuneration Committee met four times during the past year and consisted of the following persons:

- Liévin Van Overstraeten, director and Chairman of the Appointment and Remuneration Committee: attendance during the year: 4/4;
- Laurence de Hemptinne, independent director: attendance during the year: 4/4;
- Eric Spiessens, independent director; attendance during the year: 4/4.

The Appointment and Remuneration Committee reports regularly to the Board of Directors on the exercising of its missions. The Committee assists the Board in all matters relating to the composition of the Board of Directors (number, skills, gender diversification) and the specialised committees as well as the remuneration of the directors and members of the Management team of the RREC (5SIR/GVV).

The Appointment and Remuneration Committee is responsible in particular for:

- establishing profiles for the directors and management positions within the RREC (SIR/GVV) and issuing opinions and recommendations on candidates;
- putting proposals to the Board of Directors on remuneration policy and the individual remuneration of directors and members of the Management team;
- assessing the performance targets related to the individual remuneration of the CEO and the Management;
- preparing the remuneration report, in accordance with Article 96§3 of the Companies Code for inclusion in the governance statement and commenting on this report at the Annual General Meeting of shareholders.

Archview, Etterbeek

During the 2017 financial year, the committee met primarily to discuss the following points:

- changes in the composition of the Board of Directors;
- the evaluation of performance of members of the Management team in 2016 and the determination of their variable fees for this financial year;
- the determination of individual goals for the members of the Management team for 2017;
- the composition of the management team of the RREC.

Projects Committee

On 28 June 2017, Home Invest Belgium took over its subsidiary, Home Invest Development, whose teams focused on monitoring the development and renovation projects in the portfolio. In order to follow the risks specific to these projects, the Board of Directors set up a Projects Committee. This role had previously been fulfilled by the Board of Directors of Home Invest Development.

The Projects Committee met twice during the 2017 financial year and was made up of the following people:

- Johan Van Overstraeten, Chairman of the Projects Committee, director: attendance during the year: 2/2;
- Sophie Lambrighs, CEO; attendance during the year: 2/2;
- Alain Verheulpen, representative of AXA Belgium; attendance during the year: 2/2.

The Committee's role is to follow up and monitor renovation and development projects in terms of the schedule, budget, quality and organisation of the site.

During the 2017 financial year, it met mainly to discuss the following points:

- its organisation and the form of reporting expected;
- the review of ongoing projects;
- the workload of the team and its cost structure.

[1] The average number of employees was in fact less than 250 throughout the 2017 financial year and the net annual turnover in 2017 was below € 50 million.

Management

The Board of Directors is supported by the Management which implements the strategy adopted by the Board and reports to it.

Composition

The Management team is made up as follows:

- Sophie Lambrighs, Chief Executive Officer (CEO) ;
- Jean-Luc Colson, Chief Finance Officer (CFO)[1];
- Filip Van Wijnendaele, Chief Operating Officer (COO)[2] ;
- Nicolas Vincent, Chief Investment Officer (CIO) ;
- Toon Haverals, Chief Development Officer (CDO)[3] until 15 September 2017.

From left to right: S. Lambrighs, F. Van Wijnendaele, J.-L. Colson, N. Vincent

The resumee of the members of the executive management team (or their permanent representative) can be summarised as follows:

Jean-Luc Colson
Chief Finance Officer

M. Colson, aged 43, graduated in accounting (HEMES Sainte Marie). He has held various financial positions, including at Axa Belgium, ING Real Estate and Home Invest Development.

Filip Van Wijnendaele
Chief Operating Officer

M. Van Wijnendaele, aged 41, has a degree in commercial and consular sciences (HUB) and a diploma in business communication (KU Leuven) and a post-graduate degree in real estate (KULAK). He has held various positions of responsibility, including at Immobiliën Hugo Ceusters and with the Société des Centres Commerciaux de Belgique (SCCB).

Nicolas Vincent
Chief Investment Officer

M. Vincent, aged 38, has a degree from the Institut d'Administration et de Gestion (IAG -UCL) and has followed courses linked specifically to real estate at the University of Columbia (South Carolina - USA) and at Solvay Business School (post-graduate degree in Real Estate).

He began his career with GVA Grimley. He subsequently worked as Associate Director at Cushman & Wakefield in the Capital Markets department.

When exercising their duties, members of the management team are assisted by the operating teams. They can also call upon the skills of the directors and external advisers, if need be, within the limits set by the Board of Directors. In addition, they can count on the assistance of the Audit Committee for all matters within its area of competence.

The members of the Management team carry out their duties under the responsibility and supervision of the Board of Directors, to which they report regularly.

At least once a year, the CEO reports to the Board of Directors, the statutory auditor and the FSMA on the exercising of independent control functions, the main risks identified during the past year and measures taken to address them.

Members of the Management team undergo a formal annual evaluation by the Appointment and Remuneration Committee as part of the determination of their variable fees, based on targets and criteria set at the start of the year. A report is then submitted to the Board of Directors.

[1] For the exercising of his functions in this report, M. Jean-Luc Colson acts in his capacity as permanent representative of SPRL Ylkatt.
[2] For the exercising of his functions in this report, M. Filip Van Wijnendale acts in his capacity as permanent representative of SPRL FVW Consult.
[3] For the exercising of his functions in this report, M. Toon Haverals acts in his capacity as permanent representative of SPRL HIRES Consult.

Executive management

Home Invest Belgium has appointed an Executive Management team within the meaning of Article 14 of the act of 12 May 2014 on Regulated Real Estate Companies. The responsibilities and functioning of the Executive Management team are detailed in the Corporate Governance Charter of Home Invest Belgium. This Charter can be consulted on the company website.

The Executive Management team comprises the following persons[1]:

	Sophie Lambrighs CEO	Jean-Luc Colson CFO	Filip Van Wijnendaele COO	Nicolas Vincent CIO
Number of HIB shares held	1 200	N/A	N/A	N/A
Other mandates[2]	Ms. Lambrighs mandates are listed above	Director of Charlent 53 Freehold SPRL[3], director of Investers SA and of S&F Immobilière SA.	Director of Home Invest Development SA* and Manager of SPRL Charlent 53 Freehold, director of Investers SA and of S&F Immobilière SA	Manager of Nicolas Vincent SPRL of Charlent 53 Freehold, of BuyerSide SPRL and director of Investers SA and of S&F Immobilière SA

The business address of the members of the Executive Management team may be found at the registered office of the company.

Internal control, risk management and internal audit

Internal control

Home Invest Belgium has set up internal control and risk management systems, identifying the main risks it faces and putting in place the necessary means to control and limit the potential impact of each risk, as well as ensuring the reliability of the reporting and financial communication process.

The policy regarding integrity and the prevention of conflicts of interest (see below) also feature in this control.

Internal control environment

The system of internal control and risk management is implemented by the executive management under the supervision of the Board of Directors. It is based on:

- a clear definition of the respective roles of the Board of Directors, specialised committees, Management and members of staff at Home Invest Belgium;
- ongoing verification by these bodies, within their respective roles, of the conformity of every decision and/or action with the company's strategy;
- a risk culture: Home Invest Belgium adopts a due diligence approach to seeking stable and recurring income;
- the strict enforcement of standard of integrity and ethics through a Corporate Governance Charter and a Code of Conduct covering in particular conflicts of interest, purchase and sale of shares and the prevention of improper use of company property, as well as through the existence of a Compliance Officer.

Control activities

internal control at Home Invest Belgium is implemented in particular through:

- the monitoring of key performance indicators (occupancy rate, debt ratio, etc.);
- a review of differences between the projected and actual budget, which is regularly examined by the Management; furthermore, the Audit Committee and the Board of Directors examine the differences between the projected and actual budget every quarter;
- all investment decisions being taken by the Board of Directors after considering the opinion of the Investment Committee;
- the possibility of reconstructing each acquisition or disposal of real estate in terms of its point of origin, the parties involved, its nature and the time and place when it was effected, on the basis of written private agreements or notarial deeds; prior to conclusion, they undergo a compliance check with the articles of association of Home Invest Belgium and the legal and statutory provisions in force;
- periodic meetings of the Management (in principle every 15 days), during which issues relating to the management of each department and cross-cutting issues are addressed;
- regular meetings between the various managers and their respective teams.

[1] Exercising a mandate as an executive manager in the form of a legal person is temporary and will be regularised within four years of the date of approval of the company as a Regulated Real Estate Company.
[2] These are the mandates held by members of the Executive Management team in other companies during the past five years. Expired mandates are marked with an asterisk.
[3] Exercied int he quality of permanent representative of the SPRL YLKATT.

Risk analysis

identification and assessment of key risks are undertaken on a half-yearly basis by the Board of Directors and presented in the published annual and interim financial reports. The risks also undergo specific monitoring, in addition to the periodic exercises, by the Board of Directors during its meetings and continuously by the risk manager.

This risk analysis leads to remedial actions in relation to any vulnerabilities identified. For details of the risks, see the chapter entitled 'Risk Factors' in this report.

Information and communication

information and communication enable the company to manage, monitor and control ongoing operations. The communication put in place by the RREC (SIR/GVV) is adapted to the size of the company and is based mainly on daily internal communication between the Management and e-mail exchanges.

Computer data is protected by a continuous back-up system on hard disk and a weekly backup outside the company's registered office.

Clos de la Pépinière, Brussels

Risk management function

The risk management function is undertaken by a risk manager who is appointed by the Board of Directors with the prior approval of the FSMA.

M. Jean-Luc Colson was appointed as risk manager. The risk management regulations describe the functioning, role, objectives and scope of Home Invest Belgium's risk management.

Independent internal audit function

The person responsible for the internal audit function within the company is M. Liévin Van Overstraeten.

He has the skills required for this purpose. He meets the standards of good reputation, experience and expertise required by the RREC (SIR/GVV) and does not fall foul of any prohibitions laid down in the RREC act.

The function of internal auditor is, however, delegated to M. Pierre-Hugues Bonnefoy of Deloitte.

His mandate expires on 31 December 2019. The remuneration of the internal auditor amounted to € 19 872 VAT incl. for the 2017 financial year.

The regulations on internal audits describe the functioning, role, objectives and scope of the internal audit of Home Invest Belgium and can be consulted on the company's website.

Independent compliance function

Ms. Caroline Maddens was appointed Compliance Officer by the Board of Directors on 18 June 2014. As Ms. Maddens left the company during the financial year, this role has been fulfilled on a temporary basis by M. Eric Spiessens since then.

The Corporate Governance Charter describes the objectives and scope of the function of Compliance Officer of Home Invest Belgium and can be consulted on the company's website.

REMUNERATION REPORT

The remuneration report was approved by the Board of Directors on 21 March 2018 and takes account of the recommendations made by the Appointment and Remuneration Committee.
It contains the information recommended by the Belgian Corporate Governance Code (2009 edition) and Article 96§3 paragraph 2 of the Companies Code as introduced by the act of 6 April 2010.

Remuneration of non-executive directors

None of the non-executive directors receives a fixed or variable remuneration of any sort. Non-executive directors are entitled to attendance fees for meetings of the Board of Directors and the various specialised committees. In addition, they may enter expense reports for costs incurred in performance of their duties. The company does not intend to change the directors' remuneration policy for the next two years.

The Annual General Meeting of shareholders of 3 May 2016 decided that the attendance fees (per meeting) should be as follows:

- € 2 000 for the Chairman, € 1 500 for the Vice-Chairman and € 1 000 for the members of the Board of Directors;
- € 1 000 for the Chairmen and € 750 for the members of the Committees.

Members of the Executive Management who attend these meetings do not benefit from these fees.

Home Invest Belgium had entrusted the management, monitoring and supervision of the development of new residential buildings to its subsidiary, Home Invest Development SA. This company merged with Home Invest Belgium on 28 June 2017.

Presence and remuneration for the year 2017	Lieven Van Overstraeten	Eric Spiessens	Koen Dejonckheere	Johan Van Overstraeten	Wim Aurousseau	Laurence de Hemptinne	Cocky NV *
HOME INVEST BELGIUM							
Board of Directors	11/11	13/13	12/13	11/11	12/13	11/13	
Investment Committee				7/7		3/7	
Audit Committee	4/4	4/4			4/4		
Appointment and Remuneration Committee	4/4	4/4				4/4	
Projects Committee				2/2			
HOME INVEST DEVELOPMENT							
Board of Directors							4/4
Total attendance	**19/19**	**21/21**	**12/13**	**20/20**	**16/17**	**18/24**	**4/4**
Total remuneration	**29 000**	**26 500**	**12 000**	**25 000**	**15 000**	**17 750**	**1 200**

* Permanent representative M. Johan Van Overstraeten.

Remuneration of the executive management

This remuneration is based on a fair basic remuneration, taking into account the weight of the position, the knowledge required and the size of the company, supplemented by a capped variable remuneration based on performance compared with agreed targets.

The variable remuneration is determined according to the evaluation criteria, if possible measurable, agreed at the start of the year by the Board of Directors on the advice of the Appointment and Remuneration Committee. The extent to which the evaluation criteria are met is assessed by the Board of Directors on the advice of the Appointment and Remuneration Committee at the start of the following year, in the light of the financial statements for the year closed.

There are no performance bonuses in the form of shares, options or other rights to acquire shares, apart from those allocated to the CEO.

Remuneration of the Chief Executive Officer (CEO), Sophie Lambrighs

The agreement between Home Invest Belgium and Ms Sophie Lambrighs provides for an annual basic remuneration, payable in monthly instalments, of € 300 000 for 2017 and variable remuneration ranging from 0 % to 20 % of the basic annual remuneration for the year concerned.

Her variable remuneration is determined according to the following criteria:

- the development of the portfolio;
- the net result from core activities;
- the implementation of a new IT management tool;
- corporate management in general;
- external communication;
- and the implementation of the other strategic axes decided by the Board.

Ms. Lambrighs has also benefited from performance bonuses in shares, options or other rights to acquire shares, namely:

- she was entitled to 1 200 shares in the company;
- she is also entitled to the amount of the dividends declared by the company for the 2016 financial year relating to 1 200 shares in the company.

Ms. Lambrighs also benefits from a mobile phone and payment of mobile phone expenses incurred on behalf of the RREC.

Contractual provisions concerning notice and severance pay: the agreement reached between Ms Sophie Lambrighs and the company states that in the event of termination notified at the initiative of the company, it will observe a six-month notice period starting on the 1st of the month following notification. At the discretion of the company, such notice can (in whole or in part) be replaced by the payment of compensation, the amount of which will be calculated in relation to the fixed remuneration for a period equal to six full months of service or for the balance of the notification period under way. These contractual provisions comply with the Belgian Corporate Governance Code.

Remuneration of the Chief Finance Officer (CFO), Jean-Luc Colson

(As part of a business agreement concluded on 21 January 2010 between Home Invest Belgium SA and YLKATT SPRL)

The agreement provides for an indexed annual basic remuneration, payable in monthly instalments, and a variable remuneration ranging from 5 % to 20 % of the annual basic remuneration for the year concerned. He also benefits from a mobile phone and payment of mobile phone expenses incurred on behalf of the RREC.

His variable remuneration is determined on the basis of the application of the following criteria during the year concerned:

- the net result from core activities;
- the implementation of a new IT management tool.

Pension plan, supplementary insurance or other benefits: nil.

Performance bonuses in shares, options or other rights to acquire shares: nil.

Contractual provisions concerning notice and severance: the business agreement with YLKATT SPRL provides for nine months' notice in the event of the contract being terminated by the RREC, plus a severance payment of three months. The period of notice may be replaced by compensation in proportion to the duration of the remaining period of notice.

The three-month severance allowance will be increased by half a month for each year of service but may not exceed a total of nine months.

This allowance will be calculated taking into account both the fixed and the variable remuneration. These contractual provisions potentially diverge from the recommendations made in this area, as set out in the Belgian Code of Corporate Governance. However, taking into account the level of remuneration, experience and years' service, the Board of Directors considers that these provisions are balanced.[1]

[1] In the event of a conversion of the period of notice or part thereof, into compensation for termination, the 12-month maximum compensation stipulated by Principle 7.18 of the Belgian Corporate Governance Code (2009 edition) could be exceeded. This principle states that: "Any contract concluded with the company or its subsidiaries relating to the remuneration of the CEO or any other executive manager shall specify that the severance payment awarded in the event of termination shall not exceed 12 months' basic and variable remuneration". This derogation is justified by the years' service of the person concerned. It results from the negotiations conducted at the time as part of his new mandate as an executive manager and is in line with current market practices for this type of function.

Remuneration of the Chief Operating Officer (COO), Filip Van Wijnendaele

(As part of a business agreement concluded on 5 March 2011 between Home Invest Belgium SA and FVW Consult SPRL)

The agreement provides for an indexed annual basic remuneration, payable in monthly instalments, and a variable remuneration ranging from 5% to 20% of the annual basic remuneration for the year concerned. He also benefits from a mobile phone and payment of mobile phone expenses incurred on behalf of the RREC (SIR/GVV).

His variable remuneration is determined on the basis of the application of the following evaluation criteria during the year concerned:

- the net result from core activities;
- the search for and integration of new profiles within the property management team;
- the commercialisation of the building The Inside.

Pension plan, supplementary insurance or other benefits: nil.

Performance bonuses in shares, options or other rights to acquire shares: nil.

Odon Warland, Jette

Contractual provisions concerning notice and severance pay: the business agreement concluded with FVW Consult SPRL provides for three months' notice in the event of the contract being terminated by the RREC, supplemented by one month per year's service for a maximum of six months and four months' severance pay to be increased by one month per year's service, with a maximum of six months.

The period of notice may be replaced by compensation in proportion to the duration of the remaining period of notice.

These contractual provisions comply with the Belgian Corporate Governance Code.

Remuneration of the Chief Investment Officer (CIO), Nicolas Vincent

(As part of a business agreement concluded on 4 May 2016 between Home Invest Belgium SA and M. Nicolas Vincent SPRL)

The agreement provides for an indexed annual basic remuneration, payable in monthly instalments, and a variable remuneration ranging from 5% to 25% of the annual basic remuneration for the year concerned. He also benefits from a mobile phone and payment of mobile phone expenses incurred on behalf of the RREC (SIR/GVV).

His variable remuneration is determined on the basis of the application of the following evaluation criteria during the year concerned:

- the net result from core activities;
- new acquisitions made;
- the implementation of the sales programme.

Pension plan, supplementary insurance or other benefits: nil.

Performance bonuses in shares, options or other rights to acquire shares: nil.

Contractual provisions concerning notice and severance pay: the business agreement concluded with Nicolas Vincent SPRL provides for three months' notice in the event of the contract being terminated by the RREC, supplemented by one month per year's service for a maximum of six months and four months' severance pay to be increased by one month per year's service, with a maximum of six months.

The period of notice may be replaced by compensation in proportion to the duration of the remaining period of notice.

These contractual provisions comply with the Belgian Corporate Governance Code.

The Executive Management benefited from the following remunerations in 2017:

En €	Fixed remuneration	Variable remuneration	Pension plan	Other
CEO Home Invest Belgium Sophie Lambrighs	217 200	26 880	27 000	70 380[1]
Managing Director CEO Home Invest Development SPRL Zou2 represented by Ms. Sophie Lambrighs	72 600[2]	29 040	-	-
Direction effective	510 297[2]	55 879	-	-

[1] Allocation of 1 200 shares in the company.
[2] Includes VAT on the remuneration.

Other parties

Statutory Auditor

The statutory auditor of Home Invest Belgium is accredited by the FSMA, certifies in particular the accounts of the RECC, and revises its half-yearly statements.

SCRL Grant Thornton Auditors, represented by M. Dirk Van den Broeck, was appointed for a three-year term at the Annual General meeting of 3 May 2016. On 29 March 2018, Home Invest Belgium has been informed on the nomination of M. Philip Callens as the new permanent representative of Grant Thornton as from that day, replacing M. Dirk Van Den Broeck, having been barred. This nomination has been approved the same day by the Board of Directors of the FSMA, for approval of the accounts of Home Invest Belgium, closed on 31 December 2017.

His remuneration has been set at € 28 000 per year, increased with VAT and indexation. His mandate as statutory auditor will take an end after the Ordinary General Assembly to be held in 2019.

€ - VAT included	2017	2016
Fees for the Statutory Auditor (statutory basis)		
Fees for the exercising of the mandate of Statutory Auditor	€ 33 880	€ 33 638
Fees for extraordinary services or special missions		
Other certification missions	€ 7 260	€ 8 410
Other missions outside the audit mandate	€ 6 330	€ 907
TOTAL	€ 47 470	€ 42 955

The statutory auditor has reviewed this report and confirmed that the information provided does not present any obvious inconsistencies compared with the information obtained while fulfilling his mandate.

His report is integrated into that of the consolidated annual accounts included in the section on 'Financial Statements' below.

Real estate expert

The company has appointed three real estate experts, two for buildings in the portfolio located in Belgium and one for property in the portfolio located in the Netherlands. Each expert carries out the valuation on a quarterly basis, as well as at the time of acquisition, contribution, sales of buildings or merger/de-merger of a real estate company or companies with the RREC or the integration of buildings into the consolidation scope of the RREC by other means.

Winssinger & Associés SA (RPM Brussels: 0422.118.165), with its registered office at chaussée de La Hulpe 166, 1170 Brussels, Belgium, represented by M. Christophe Ackermans, acts as the company's independent real estate expert for part of the property located in Belgium. Their mandate expires on 31 December 2020. Their annual remuneration is calculated as follows:

Surfaces to be appraised	per m² appraised (excl. VAT)
< 0 to 125 000 m²	€ 0.40
> 125 001 and < 175 000 m²	€ 0.35
> 175 000 m²	€ 0.30

During the 2017 financial year, the total amount of fees received by Winssinger & Associés amounted to € 115 863 incl. VAT.

CBRE Valuations Services SPRL, (RPM Brussels: 0859.928.556), with its registered office at Avenue Lloyd George 7, 1000 Brussels, Belgium, represented by M. Pieter Paepen, acts as the company's independent real estate valuation expert for the rest of the property located in Belgium. Their mandate expires on 31 December 2019. Their annual remuneration is calculated as follows:

Surfaces to be appraised	per m² appraised (excl. VAT)
< 0 to 125 000 m²	€ 0.375
> 125 001 and < 175 000 m²	€ 0.325
> 175 000 m²	€ 0.275
Initial evaluation	€ 0.5

During the 2017 financial year, the total amount of fees received by CBRE Valuations Services SPRL amounted to € 0 incl. VAT.

BNP Paribas Real Estate Hotels France, with its registered office at 167, quai de la Bataille de Stalingrad, 92867 Issy-les-Moulineaux, France, and represented by Ms Blandine Trotot, acts as an independent property expert for Port Zélande's property portfolio comprising 248 holiday homes and 40 apartments.

Their mandate expires on 30 September 2019. Their annual remuneration is fixed at € 2 500 excl. VAT per trimester and at € 6 500 excl. VAT for a first evaluation. .

During the 2017 financial year, the total amount of fees received by BNP Paribas Real Estate Hotels France amounted to € 13 088 excl. VAT.

Financial services

BNP Paribas Fortis SA (RPM Brussels: 0403.199.702), located at rue Montagne du Parc 3, 1000 Brussels, is the lead bank responsible for the financial servicing of Home Invest Belgium shares (paying dividends, subscribing to capital increases, convening General Meetings).

Their remuneration is set as follows, plus VAT:

Dematerialised securities (excl. VAT)	0.12% of the net value of the coupon paid (excl. VAT)
Bearer securities	2% of the net value of the coupon paid + € 0.10 per coupon (excl. VAT)

During the fiscal year 2017, the total amount of sums paid to the company BNP Paribas Fortis' services amounted to € 14 877.33 VAT incl.

Liquidity provider

Banque Degroof Petercam acts as the liquidity provider for Home Invest Belgium shares. Remuneration for the liquidity provider amounts to € 20 000 excl. VAT per year.

REGULATIONS AND PROCEDURES

Prevention of conflicts of interest

The legal rules for preventing conflicts of interests that apply to Home Invest Belgium are contained in Articles 523, 524 and 524ter of the Companies Code and in Articles 36 to 38 of the act of 12 May 2014.

Other rules on preventing conflicts of interest are laid down in the Home Invest Belgium Corporate Governance Charter[1], to which all the directors of the RREC adhere. Article 4.8 of this Charter states as follows: "(...) If Home Invest Belgium proposes to conclude with a director or a company linked to a director, a transaction that is not covered by Article 523 of the Companies Code, (for example because it is a habitual transaction concluded under normal market conditions and guarantees), Home Invest Belgium nevertheless requires the director to signal this intention to the other directors before deliberation by the Board of Directors and to abstain from participating in the deliberations of the Board of Directors on this transaction and taking part in the vote. (...)"

The accumulation of mandates or positions may also give rise to conflicts of interest.

Depending on the specific circumstances,

- if transactions occur between Home Invest Belgium and VOP SA, of which M. Liévin Van Overstraeten is the CEO and M. Johan Van Overstraeten is a director, VOP SA could have an interest that is counter to that of Home Invest Belgium;
- if transactions occur between Home Invest Belgium and Axa Belgium, of which M. Wim Aurousseau is the Chief Investment Officer, Axa Belgium would have an interest that is counter to that of Home Invest Belgium.

The Executive Management is subject to the same rules regarding conflicts of interest as the Board of Directors. Likewise, Home Invest Belgium requires its main service providers to adhere to the Corporate Governance Charter regarding the prevention of conflicts of interest[1] and insider trading. Specifically regarding the approved property valuation expert of the RREC, the agreement reached with Home Invest Belgium states that in the event of a conflict of interest, the initial evaluation of the property will be entrusted to another real estate agent.

Regulations and procedures

However, Article 37 of the act of 12 May 2017 was applied to two dossiers during the 2017 financial year. This article contains special provisions when companies that own a stake in the RREC are direct or indirect counterparties or receive any material benefit whatsoever from the transaction planned by the RREC.

On the other hand, Article 524 of the Companies Code was applied to a transaction on a voluntary basis.

• Jourdan 95

The first transaction concerns the purchase by Home Invest Belgium of an office building belonging to SA AXA Belgium, located at rue Jourdan 89-103, 1060 Saint-Gilles, further to an authentic deed dated 17 January 2017 for the amount of € 5 200 000.

Since SA AXA Belgium may be described as a company that owns a stake in Home Invest Belgium within the meaning of Article 37 of the law of 12 May 2014, this information was passed on to the FSMA in a letter of 11 January 2017. The information was also made public in a press release of 17 January 2017 in accordance with Article 8 of the Royal Decree of 13 July 2014. The release stated that:

- the building was acquired at the market price;
- the transaction was concluded under normal market conditions in the interests of Home Invest Belgium;
- the transaction forms part of the normal course of its business strategy.

In fact, Home Invest Belgium aims to expand and renew its portfolio of residential buildings, especially in Brussels.

Article 523 of the Companies Code did not have to be applied to this dossier as it does not settle purely functional conflicts of interest. In fact, the director Wim Aurousseau is 'Chief Investment Officer' (CIO) at SA

AXA Belgium, but not a shareholder in this company.

Article 524 of the Companies Code did not have to be applied, either, because the shareholder who may benefit directly or indirectly does not exert a decisive or notable influence in appointing directors in this company. In this instance, AXA Belgium holds only 17.02% of the social capital.

• The partial de-merger of SA VOP

The second dossier concerns the partial de-merger by take-over of V.O.P. Through this transaction, in September 2017 Home Invest Belgium acquired full ownership of a building located at place de l'Amitié, 1160 Auderghem.

The shareholders of VOP SA are SA Stavos Luxembourg, M. Liévin Van Overstraeten and SA Cocky, M. Liévin Van Overstraeten is the CEO and M. Johan Van Overstraeten is a director. All these people are also shareholders in Home Invest Belgium. Given the fact that VOP SA can be described as a company with a stake in Home Invest Belgium within the meaning of Article 37 of the RREC act, this information was passed on to the FSMA on the basis of Article 37 of the act of 12 May 2014 and Article 8 of the Royal Decree of 13 July 2014. The information was also made public in two press releases dated 19 July 2017 and 8 September 2017. The conclusion of this press release states that the company believes that this transaction is positive for its development.

Article 523 of the Companies Code did not have to be observed in this dossier as the merger by partial de-merger is a decision taken by the general meeting of shareholders and not by the Board of Directors.

Moreover, Article 524 of the Companies Code did not apply to this de-merger either, because this provision does not concern decisions that have to be taken by the general meeting of shareholders. However, the Board of Directors of Home Invest Belgium decided to apply this provision voluntarily. A committee of three independent directors, assisted by PWC as an independent expert, drew up the report provided for by this provision.

This committee concluded that:

1. the partial de-merger and the proposed conditions complied with the market practices in force;
2. consequently, the planned partial de-merger and the benefits it offers are not likely to cause excessive damage to the company in the light of its policy.

Moreover, M. Liévin and M. Johan Van Overstraeten did not take part in the Board of Director's deliberation in voluntary application of Article 523 of the Companies Code.

Preventing insider trading

given Home Invest Belgium's reputation for integrity, the Board of Directors has put in place a Code of Conduct[1] applicable to transactions involving shares and other financial instruments of the Regulated Real Estate Company by directors and employees of the RREC and its subsidiaries.

Among other things, this Code provides for:

- the setting of a calendar of periods during which the execution of stock exchange transactions involving shares in the RREC is not authorised ('closed periods');
- the obligation to give written notification to the Compliance Officer and the FSMA within three working days of any transaction involving shares in the RREC (by means of on-line notification via the FSMA application available on its website).

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[1] The Corporate Governance Charter is available on the company website.
[2] The Van Overstraeten Group is represented on the HIB Board of Directors by two directors (currently M. L. Van Overstraeten and M. J. Van Overstraeten) and Axa Belgium is represented on the HIB Board of Directors by one director (currently M. W. Aurousseau).

Information under article 34 of the royal decree of 14 november 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market[2]

The following information constitutes explanations about elements likely to have a bearing in the event of a takeover bid on the shares of Home Invest Belgium, as referred to in Article 34 of the Royal Decree of 14 November 2007:

- as at 31 December 2017, the share capital of Home Invest Belgium was represented by 3 299 858 ordinary shares[3], fully paid up, without indication of nominal value. The shareholder structure is given in the section on 'Stock Market activity' in this annual financial report;
- there are no legal or statutory restrictions on the transfer of securities;
- there are no holders of securities with special controlling rights;
- there is no employee share scheme;
- there is no legal or statutory restriction on the exercising of voting rights;
- to the best knowledge of Home Invest Belgium, there are no agreements between shareholders which may result in restrictions on the transfer of securities or the exercising of voting rights;
- the rules governing the appointment and replacement of members of the Board of Directors are those included in the articles of association of the company and the Corporate Governance Charter;
- the rules governing amendments to the articles of association of Home Invest Belgium are those included in the articles of association, which take into account the legislation applicable in this field (the Companies Code, the act of 12 May 2014, the Royal Decree of 13 July 2014 relating to regulated real estate companies);

  The Board of Directors is expressly authorised to increase the share capital on one or more occasions up a maximum amount of eighty-eight million, nine hundred and forty-nine thousand, two hundred and ninety-four euros and seventy-five cents (€ 88 949 294.75) on the dates and under terms which it shall set, in accordance with Article 603 of the Companies Code. Under the same conditions, the Board of Directors is authorised to issue convertible bonds or subscription rights.

  This authorisation is granted for a period of five years as of the publication in the Annexes to the Moniteur belge (Belgian official journal) of the minutes of Extraordinary General Meeting held on 13 September 2017. In any case, within the framework of this authorisation, the share capital may never be increased to more than eighty-eight million, nine hundred and forty-nine thousand, two hundred and ninety-four euros and seventy-five cents (€ 88 949 294.75). During the 2017 financial year, no use was made of the authorised capital. At 31 December 2017, the authorised capital still available amounted to (€ 88 949 294.75);
- in accordance with Article 6.4 of the articles of association of Home Invest Belgium, the company may acquire or pledge own shares within the following limits:
  - on the one hand, the possibility of acquiring, pledging and disposing of the company own shares at a unit price of not less than sixty-five per cent (65%) of the closing market price on the day prior to the date of the transaction (acquisition, disposal or pledging) and which may not be more than one hundred and thirty-five percent (135%) of the closing market price on the day prior to the date of the transaction (acquisition, disposal or pledging) for a period of five years from the publication in the Annexes to the Moniteur belge (Belgian official journal) of the minutes of the Extraordinary General Meeting of shareholders of the company of 3 May 2016, bearing in mind that at no time may the company hold more than twenty per cent (20%) of the total number of shares issued;
  - and on the other hand, the possibility of acquiring, pledging and disposing of the company's own shares on its behalf without the need for any prior additional decision of the General Meeting of shareholders of the company, if such acquisition, pledging or disposal is necessary in order to avoid serious and imminent harm to the company. This authorisation is granted for a period of three years as of the publication in the Annexes to the Moniteur belge (Belgian official journal) of the minutes of Extraordinary General Meeting held on 3 May 2016;
- there are no significant agreements to which Home Invest Belgium is party and which can take effect, be amended or terminate in the event of a change of control in the context of a public takeover bid, with the exception of a 'change of control' clause (i) in the credit agreements concluded with Banque Degroof Petercam and ING Bank Belgium NV allowing the respective banks to prematurely terminate the credit agreement in the event of a change of control and (ii) in the contractual documentation of the bond issue which stipulates that in the event of a change of control of the company, bondholders can require advance payment of the bonds issues from Home Invest Belgium;
- there are no agreements between Home Invest Belgium and the members of its Board of Directors or its staff stipulating the payment of compensation in the event of resignation or termination of activities as a result of a public takeover bid.


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[1] The Code of Conduct is available on the company website.
[2] See also the act of 1 April 2007 on public takeover bids and Article 21.2.6 of Appendix I to Prospectus Regulation 809/2004.
[2] Including 11 712 self-held shares.

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CONSOLIDATED FINANCIAL STATEMENTS[1,2]

BALANCE SHEET

ASSETS	Note	2017	2016
I. Non-current assets		**459 002 506**	**409 872 451**
B. Intangible assets	15	416 024	278 118
C. Investment properties	16	457 636 191	408 833 729
D. Other tangible assets	18	391 371	102 316
E. Non-current financial assets	24	112 033	75 649
F. Finance lease receivables	19	446 887	582 639
II. Current assets		**11 058 584**	**9 429 070**
A. Assets held for sale	20	0	1 457 192
C. Finance lease receivables	19	135 752	135 243
D. Trade receivables	21	3 326 818	3 169 636
E. Tax receivables and other current assets	21	376 707	842 449
F. Cash and cash equivalents	22	7 183 786	3 437 814
G. Deferred charges and accrued income	23	35 520	386 735
TOTAL ASSETS		**470 061 090**	**419 301 520**

SHAREHOLDERS' EQUITY	Note	2017	2016
A. Capital	26	87 999 055	75 999 055
B. Share premium account	26	24 903 199	24 903 199
C. Reserves	26	102 796 510	98 198 999
D. Net result of the financial year	26	1 256 723	6 101 079
SHAREHOLDERS' EQUITY		**216 955 487**	**205 202 333**
LIABILITIES			
I. Non-current liabilities		**232 805 745**	**201 485 901**
B. Non-current financial debts	24	224 745 100	192 205 885
a. Financial debts		185 000 000	152 500 000
c. Others		39 745 100	39 705 885
C. Other non-current financial liabilities	24	8 060 644	9 280 017
II. Current liabilities		**20 299 859**	**12 613 287**
B. Current financial debts	24	10 673 829	712 226
a. Financial debts		10 000 000	0
c. Others		673 829	712 226
D. Trade debts and other current debts	25	8 106 746	10 385 458
b. Others		8 106 746	10 385 458
E. Other current liabilities	25	62 656	90 680
F. Accrued charges and deferred income	23	1 456 627	1 424 923
LIABILITIES		**253 105 603**	**214 099 188**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**470 061 090**	**419 301 520**
Number of shares at end of period [3]		3 288 146	3 147 897
Net asset value		216 955 487	205 202 333
Net asset value per share		**65.98**	**65.19**
Adjusted net asset value per share [4]		**68.43**	**68.14**
Indebtedness		243 588 331	203 394 248
Debt ratio		**51.82%**	**48.51%**

[1] The 2017 consolidated annual accounts of Home Invest Belgium include those of its subsidiaries are presented in €, unless mentioned otherwise.
The accounting and valuation criteria set out in the "International Financial Reporting Standards" ("IFRS") have been applied since the annual accounts for the 2006 financial year. The annual financial reports (including the consolidated financial statements, with a shortened version of the statutory accounts, the consolidated management reports, the reports of the Auditor and the Surveyor), the interim statements, the half-year financial reports, the description of the financial situation, the information concerning the related parties and the historical financial information concerning the subsidiaries of the SIR, are included by reference in the present financial annual report.
[2] The difference between the Net result of the finanical year in the Equities (€ 1 256 723) ant the Net result in the consolidated Profits & Losses (€ 13 222 981) represent the dividend paid in december 2016 for € 11 966 258.
[3] Number of shares at the end of the period is calculated with the exclusion of 11 712 own shares.
[4] Corresponds to the net asset value, adjusted in order to exclude, among others, the fair value of the financial hedging instruments.

CONSOLIDATED RESULT

	Note	2017	2016
I. Rental Income	4	22 683 114	18 979 691
III. Rental-related expenses	4	-183 272	-178 922
NET RENTAL RESULT		**22 499 843**	**18 800 769**
IV. Recovery of property charges	5	136 764	86 482
V. Recovery of charges and taxes normally payable by the tenant on let properties	5	598 574	660 864
VII. Charges and taxes normally payable by the tenant on let properties	5	-2 769 775	-2 705 975
VIII. Other incomes and expenses related to letting	5	-30 000	0
PROPERTY RESULT		**20 435 406**	**16 842 140**
IX. Technical costs	6	-1 086 011	-843 970
X. Commercial costs	7	-342 219	-406 804
XI. Taxes and charges on unlet properties	8	-289 436	-392 488
XII. Property management costs	8	-3 766 408	-2 780 000
XIII. Other property costs		19 853	-81 388
PROPERTY COSTS		**-5 464 220**	**-4 504 650**
PROPERTY OPERATING RESULT		**14 971 186**	**12 337 491**
XIV. General corporate expenses	9	-1 066 763	-845 488
XV. Other operating incomes and expenses		-112 236	-29 448
OPERATING RESULT BEFORE PORTFOLIO RESULT		**13 792 187**	**11 462 554**
XVI. Result sale investment properties	10-20	719 633	279 654
XVIII. Changes in fair value of investment properties	10	1 450 369	11 295 322
OPERATING RESULT		**15 962 188**	**23 037 530**
XX. Financial income	11	90 494	78 701
XXI. Net interest charges	12	-3 548 571	-3 048 453
XXII. Other financial charges	13	-65 034	-65 705
XXIII. Changes in fair value of financial assets and liabilities	13	1 226 658	-2 025 345
FINANCIAL RESULT		**-2 296 453**	**-5 060 803**
PRE-TAX RESULT		**13 665 735**	**17 976 727**
XXIV. Corporation tax	14	-361 199	-71 034
XXV. Exit tax		-81 555	0
TAXES		**-442 754**	**-71 034**
NET RESULT		**13 222 981**	**17 905 693**
NET RESULT ATTRIBUTABLE TO THE PARENT COMPANY		**13 222 981**	**17 905 693**
NET RESULT PER SHARE		**4.14**	**5.69**

Statement of comprehensive income	2017	2016
I. Net result	**13 222 981**	**17 905 693**
II. Other items of comprehensive income:		
B. Variation of the effective part of the fair value of hedging instruments for authorised cash flows as defined in IFRS.	0	-303 405
1. Effective hedging information	0	-303 405
COMPREHENSIVE INCOME (I + II)	**13 222 981**	**17 602 288**

Net result for the year (€ 13 222 981) is recorded in full under section D. Net result for the year under the own funds after deducting the amount of the interim dividend distributed in December 2017 of € 11 966 258.17.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Capital	Capital increase expenses	Share premium	Legal reserve	Reserver from the balance of changes in fair value of investment properties	Reserve from estimated transfer costs and rights	Reserve from the balance of changes in fair value of hedgesreserve for treasury shares (IFRS applicable)	Reserve from the balance of changes in fair value of hedgesreserve for treasury shares (IFRS not applicable)	Reserve for treasury shares	Other reserves	Result carried forward from previous financial years	Net result of the financial year	Total
BALANCE AT 31/12/2015	**76 949 295**	**-950 240**	**24 903 199**	**98 778**	**105 544 309**	**-27 453 339**	**-1 006 688**	**0**	**-757 323**	**1 259 467**	**18 096 940**	**3 507 233**	**200 191 632**
Transfert											-3 271 610	3 271 610	0
Changers resulting from the sale of a building					-7 221 461	2 071 300					5 150 161		0
Dividend distribution												-12 591 588	-12 591 588
Interim dividend of previous year												11 804 614	11 804 614
Interim dividend												-11 804 614	-11 804 614
Result of the financial year												17 905 693	17 905 693
Changes in fair value of hedges							-303 405						-303 405
Reclassification of hedges								-5 944 578			5 944 578		0
Changes in fair value of property					10 105 545	-4 113 677						-5 991 869	0
BALANCE AT 31/12/2016	**76 949 295**	**-950 240**	**24 903 199**	**98 778**	**108 428 393**	**-29 495 716**	**-1 310 093**	**-5 944 578**	**-757 323**	**1 259 467**	**25 920 070**	**6 101 079**	**205 202 333**
BALANCE AT 31/12/2016	**76 949 295**	**-950 240**	**24 903 199**	**98 778**	**108 428 393**	**-29 495 716**	**-1 310 093**	**-5 944 578**	**-757 323**	**1 259 467**	**25 920 070**	**6 101 079**	**205 202 333**
Transfert											-6 768 191	6 768 191	0
Changers resulting from the sale of a building					-5 529 628	1 327 794					4 201 834		0
Dividend distribution												-13 378 562	-13 378 562
Interim dividend of previous year												11 804 614	11 804 614
Interim dividend												-11 966 258	-11 966 258
Result of the financial year												13 222 981	13 222 981
Changes in fair value of hedges							0	-2 025 345			2 025 345		0
Reclassification of hedges							1 310 093	-1 310 093					0
Changes in fair value of property					17 402 429	-6 107 108						-11 295 322	0
Partial demerger VOP	12 000 000												12 000 000
Allocation of shares held in treasury									70 380				70 380
BALANCE AT 31/12/2017	**88 949 295**	**-950 240**	**249 031 199**	**98 778**	**120 301 194**	**-34 275 030**	**0.03**	**-9 280 017**	**-686 943**	**1 259 467**	**25 379 059**	**1 256 723**	**216 955 487**

CASH FLOW STATEMENT

	2017	2016
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	3 437 814	2 487 426
1. Cash flow from operating activities	7 288 851	18 778 554
Result for the financial year	13 222 981	19 931 038
Result for the financial year before interest and taxes	15 962 188	23 037 530
Interest received	90 494	78 701
Interest paid	-3 613 605	-3 114 159
Change in fair value of financial assets and liabilities	1 226 658	0
Taxes	-442 754	-71 034
Adjustment of profit for non-current transactions	-3 221 069	-11 498 740
Depreciation and write-downs	105 211	76 236
- Depreciation and write-downs on non-current assets	105 211	76 236
Other non-monetary elements	-2 606 647	-11 295 322
- Changes in fair value of investment properties (+/-)	-1 450 369	-11 295 322
- Other non-current transactions	-1 156 278	0
Gain on realisation of assets	-719 633	-279 654
- Capital gains realized on the sale of non-current assets	-719 633	-279 654
Change in working capital needs	-2 713 062	10 346 256
Movements in asset items:	828 115	6 842 801
- Current financial assets	-509	-509
- Trade receivables	547	7 501 489
- Tax receivables and other short-term assets	465 742	-566 580
- Deferred charges and accrued income	362 335	-91 599
Movements of liabilities items:	-3 541 177	3 503 455
- Trade and other current debts	-3 544 857	4 145 324
- Other current liabilities	-28 024	-532 338
- Accrued charges and deferred income	31 704	-109 531
2. Cash flow from investment activities	-32 541 887	-49 768 207
Investment properties - capitalized investments	-4 990 057	-11 932 359
Investment properties - new acquisitions	-3 769 711	-39 012 825
Divestments	11 407 839	18 185 471
Development projects	-28 815 412	-15 537 258
Other intangible assets	-140 612	-274 542
Other tangible assets	-391 560	-25 334
Other non-current financial assets	-24 242	-1 463
Acquisitions of subsidiaries	-5 818 133	-1 169 897
3. Cash flow from financing activities	28 999 009	31 947 627
Changes in financial liabilities and debts		
Increase/decrease in financial debts	42 539 215	44 539 215
Dividend of the previous financial year	-1 573 949	-786 974
Dividende intérimaire	-11 966 258	-11 804 614
CASH AND CASH EQUIVALENTS AT END OF PERIOD	7 183 786	3 437 814

Note A Acquisition of subsidiaries	INVESTERS	S&F
Cash and cash equivalents	642 089	2 102
Investment properties	4 507 877	2 500 051
Other current financial debts	4 856	0
Trade debts	17 901	4 075
Accrued charges of assets	6 924	4 198
Other current liabilities	-314 454	-902 322
Accrued charges and deferred income	-10 973	0
Total acquisitions	4 854 220	1 608 104
Cash flow of subsidiaries	-642 089	-2 102
Cash flow on acquisition of subsidiaries	4 212 131	1 606 002

Notes to the consolidated financial statement

NOTE 1 : GENERAL INFORMATION ON THE COMPANY

Home Invest Belgium SA is a Regulated Real Estate company and is incorporated as a public limited company under Belgian law. Its registered office is located in Belgium at 60 Boulevard de la Woluwe 46/11, 1200 Brussels. The company is listed on Euronext Brussels. The consolidated annual financial statement encompasses those of Home Invest Belgium and its subsidiaries, Home Invest SA, SPRL Charlent 53 Freehold, SA Investers, and SA S&F Immobilière.

NOTE 2 : ACCOUNTING POLICIES

DECLARATION OF CONFORMITY

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union. In accordance with article 11 of the Royal Decree of 13 July 2014 with regard to the bookkeeping, annual financial statements and consolidated financial statements of real estate SIR (fixed capital investment trusts), Home Invest Belgium has made use of the option to draw up its annual financial statements in accordance with IFRS standards.
The company drew up its opening IFRS balance sheet on 1 January 2005 (date of transition to IFRS). In accordance with IFRS 1 - First-time adoption of IFRS, the company decided not to restate acquisitions made prior to the IFRS transition date, in accordance with IFRS 3 - Business combinations.

PREPARATION BASIS

The financial statements are presented in euros unless otherwise stated. They are prepared on a historical cost basis, with the exception of investment properties and certain financial instruments, which are assessed at their fair value. The accounting policies have been applied consistently for the financial years presented.

BASE DE CONSOLIDATION

The consolidated annual financial statements include the annual accounts of Home Invest Belgium and its subsidiaries.

Subsidiaries are entities controlled by the group. Control exists when Home Invest Belgium holds, directly or indirectly, the power over the entity; is exposed or has rights to variable returns as a result of its involvement in that entity; has the ability to use its power over the entity to influence the amount of such returns.

As Home Invest Belgium holds more than half of the shares/ voting rights of its subsidiaries, these subsidiaries are controlled by Home Invest Belgium (IFRS 12 § 7 (a)).

The annual accounts of the subsidiaries are fully consolidated from the date of acquisition until the date of control. The accounts of subsidiaries are prepared for the same accounting year as that of Home Invest Belgium. Uniform IFRS valuation rules are applied to the subsidiaries concerned.
All intra-group transactions, as well as unrealised intra-group profits and losses on transactions between group companies, are eliminated. Unrealised losses are eliminated unless the loss is extraordinary.

GOODWILL - BADWILL

Goodwill is the positive difference between the price of the business combination and the group's share in the fair value of the acquired assets and liabilities of the acquired subsidiary, at the time of takeover. The price of the business combination consists of the acquisition price plus all directly attributable transaction costs.

Negative goodwill (badwill) is the negative difference between the price of the business combination and the group's share in the fair value of the acquired assets, and liabilities of the acquired subsidiary, at the time of takeover. This negative goodwill is immediately recognised in the acquirer's income statement.

The IFRS 3 - Business Combinations - governs the accounting treatment of Goodwill or Badwill and also refers to IAS 36 - Depreciation of assets - concerning the depreciation test to be carried out each year.

INTANGIBLE ASSETS

Intangible assets having a limited life are initially valued at cost. After initial recognition, they are valued at cost less accumulated amortisation and any impairment losses.
Intangible assets are amortised on a straight-line basis based on a best estimate of their useful lives. The useful life and amortization method of intangible assets are reviewed at least at the end of every financial year.

INVESTMENT PROPERTIES

Investment properties in operation are investments in real estate assets held for long-term rental and/or to increase capital. Investment properties are initially recognised at cost, including transfer rights and non-deductible VAT. Where buildings are acquired through mergers, demergers and contribution of a business segment, the taxes owed on the potential capital gains of the assets integrated in this way are included in the cost of the assets in question.

At the end of the first accounting period after their initial recognition, investment properties are valued at fair value. Every quarter an independent external real estate expert values the property portfolio, including costs, registration duty and fees (i.e. in terms of their "investment" value). The expert values properties on the basis of two methods: capitalisation of their estimated rental value and valuation per unit. The expert can decide to use one or the other method to value the real estate properties.

In order to determine the fair value of the property assets assessed, Home Invest Belgium makes the following adjustments:

- for residential or mixed-use buildings, the design and structure of which are suitable for resale in separate units, Home Invest Belgium deducts the full registration fee depending on the applicable regional regulations (2% In the Netherlands, 10% in Flanders or 12.5% in Brussels and Wallonia);
- for other properties in the portfolio, the RREC reduces the investment value determined by the expert by 2.5% less, if their investment value exceeds € 2 500 000. This correction was made for the sector following the estimation of the experts who analysed a sample of 220 transactions concluded on the Belgian market between 2002 and 2005 representing a total of about € 6 billion and corresponding to the average weighted rights of 2.5%[1].
- However, if the investment value of these other buildings is less than this amount of € 2 500 000, the full registration duties will be deducted from the valuation amount in accordance with the applicable regional regulations.

As long as the investment buildings are new according to the VAT Code, the above restatements are limited to the investment value of the plots of land on which they are built.

Accounting treatment of the valuation of investment properties in operation
Any gain or loss resulting from a change in fair value is recognised in the results statement under "XVIII. Changes in Fair Value of Investment Properties» in line «A. Positive Changes in Fair Value of Investment Properties" or "B. Negative Changes in Fair Value of Investment Properties".
As regards changes in fees and charges, they are included under the heading "XVIII. Changes in the fair value of investment properties" in lines "C. Positive changes in estimated costs and transfer taxes involved in the hypothetical disposal of investment properties" or "D. Negative changes in estimated costs and transfer taxes Intervening in the hypothetical disposal of investment property".
The appropriation shall then be made in the own equity under heading C. Reserves – "b. Reserve of the balance of changes in the fair value of properties" and "c. Reserve for the estimated costs and transfer duties involved in the hypothetical disposal of investment properties (-)".

Works undertaken in investment properties in operation
Building works which are the owner's responsibility are recognised in the financial statements in three different ways, depending on the type of work in question:

- the cost of maintenance and repair work which does not add any additional functionality or which does not increase the level of comfort of the building is considered as current expenses of the period and as property charges;
- improvement work: that is work undertaken on an occasional basis to increase the functionality of the building or dwelling concerned, or to significantly increase the standard of comfort, and so increasing the estimated rental value.
- The cost of this work is capitalised in so far and to the extent that the expert recognises, in the normal course of things, an appropriate appreciation in the estimated rental value. Examples: in-depth renovation of a dwelling, laying of parquet flooring, refurbishment of an entrance hall;
- major renovation works: these are normally undertaken every 20 or 30 years and involve the waterproofing, structure or essential functions of the building (replacement of lifts, heating installation, window frames, etc.).

This type of renovation work is also capitalised.

The buildings where the costs are to be capitalised are identified according to the preceding criteria at the budget preparation stage.
The costs that can potentially be capitalized relate to materials, contracting works, technical studies, fees (architects, engineers, project management), VAT, taxes, internal costs and interest charges during the construction period.

[1] The accounting treatment (2.5% transfer tax) is detailed in the press release published by BeAMA on 8 February 2006 and confirmed in the press release of the BE-REIT Association of 10 November 2016.

Realisation of real estate asset
At the moment of the sale of a real estate property, the gross sale price, minus the expenses related to the conclusion of these sales, is recognised in the income statement under the item XVI.A. Net sales of investment properties, while the cancellation of the latest fair value recorded for the asset in question, can be found (negative) under the item XVI.B. Book value of sold properties.
The realised gain distributable to the shareholder is accounted for as the difference between the net sales price (minus the marketing costs) and the historical acquisition value, increase with later investments. Given that the capital gain realized in relation to the last fair value is already recognized in the income statement, it is necessary to cancel further the unrealized gains and transfer taxes previously recognized in the "balance of changes in the fair value of real estate properties" by reclassification in the allocation of profit or loss in distributable capital gains. This last operation is carried out the same year as the sale of the real estate asset.

These amounts are fully included in the Calculation Scheme for the amount referred to in Article 13 §1, paragraph 1 of the Law of 16 June 2014 and published below.

Development projects
Property that is being constructed or developed is recognized under investment properties at cost till the end of the construction or the development. At that time, the asset is transferred to investment properties in operation. The costs that can potentially be capitalised relate to materials, contracting works, technical studies, fees (architects, engineers, project management), VAT, taxes, internal costs and interest charges during the construction period.

Paid commissions
The accounting treatment for commissions paid to real estate agents and other transaction costs is as follows:

a. all transaction fees and commissions incurred on the acquisition of a building are activated with the purchase price of the property.
b. all transaction costs and commissions incurred in connection with the purchase of shares of a real estate company are included in the income statement in item XIV General expenses.
c. all transaction costs and commissions incurred in connection with a contribution in kind of a building in consideration for the issue of new shares or a contribution of assets by merger are deducted from the amount of the capital increase.
d. commissions relating to the letting of buildings are included in the income statement under item X Commercial costs.

Other tangible assets
Other tangible assets are recorded at cost less accumulate depreciation and any impairment losses. Depreciation is recorded on a straight-line basis over the estimated useful life of the asset. The useful life and form of depreciation are reviewed at least at each year end.
The useful life is as follows for each asset category:

- IT hardware: 3 years;
- IT software: 5 years for Winlris and 6 years for Axxerion;
- furniture and office equipment: 10 years;
- office improvements: depending on the length of the lease, up to a maximum of 6 years.

Financial assets
Financial assets are presented in the balance sheet under current or non-current financial assets depending on the intention or the probability of realisation during the twelve months following the closing date.
A distinction can be made between:

- financial assets valued at fair value: the changes in fair value of these assets are recognised in the income statement;
- financial assets held for sale: shares and securities held for sale are valued at their fair value. Changes in fair value are recorded in shareholders' equity until sale or extraordinary impairment loss, at which time the accumulated revaluations are recognised in the income statement;
- financial assets held to maturity: non derivative financial assets, settled by determined or ascertainable payments and with target date, which the company has the manifest intention and capacity to hold to maturity. The financial assets held to maturity are recognised at amortised cost.

Financial liabilities
Financial liabilities are booked at amortised cost.

Financial derivatives
Home Invest Belgium uses financial derivatives to cover its exposure to the risk of interest rate changes in the context of the financing of its activities. Financial derivatives are initially recorded at cost and then marked to fair value at the following period closing dates.

- Economic cover
  Changes in the fair value of financial derivatives which do not meet the conditions for hedge accounting under IAS 39 are recognised in the income statement.
- Cash flow cover
  The effective portion of the profits or losses from changes in the fair value of financial derivatives which meet the conditions of hedge accounting under IAS 39, specifically designated and qualified as cash flow hedges of an asset or liability or planned transaction which is recorded in the balance sheet, is recognised in shareholders' equity. The non-effective part is recognised in the income statement. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any accumulated profit or loss shown at that time in shareholders' equity is recognised in the income statement.

Investment properties held for sale
An investment property is considered as held for sale if it can be sold immediately and entirely (block sale) in its present state and such a sale is highly likely.
An investment property held for sale is valued in the same way as any other investment property.
We note that, taking into account the specifity of unit sales (unit by unit) which can carry over several years, the reclassification within this section is not applied.

Trade receivables
Trade receivables are stated at their nominal value less estimated non-recoverable amounts. This reduction in value is recognised in the income statement.

Cash and cash equivalents
Cash and cash equivalents consists of cash and current accounts. Cash equivalents are short term and highly liquid investments, which can be easily convertible into a known cash amount, have a maturity of no more than three months, and present no major risk of change in value.
These items are recognised in the balance sheet at nominal value or cost.

Capital - Dividends
Ordinary shares are recognised in shareholders' equity. Costs directly linked to the issue of new shares or options are recognized in shareholders' equity, net of tax, as a deduction from the amount collected. Treasury shares repurchased are presented at purchase price and deducted from shareholders' equity.
A sale or cancellation of repurchased shares does not affect the income statement; gains and losses on treasury shares are recognised directly in shareholders' equity.
Dividends are recognised as liabilities only when approved by the General Meeting of shareholders. Any interim dividend is recorded as a liability as soon as the Board of Directors has taken the decision to proceed to pay such a dividend.

Provisions
A provision is recognised in the balance sheet when:
- an obligation (legal or implicit) exists resulting from a past event, and
- it is probable that resources will need to be spent in order to meet this obligation, and
- the amount of the obligation can be reliably estimated.

Taxes
Taxes on the earnings for the period consist of both current taxes and deferred taxes. These are recognised in the income statement except where they relate to items recognised directly in shareholders' equity, in which case they too are recognized in shareholders' equity.
Current taxes are the taxes payable on the taxable income of the past year as well as any adjustment to taxes paid (or recoverable) relating to past years. These taxes are calculated at the tax rate applicable at the closing date.

Deferred taxes are calculated using the liability method on temporary differences between the tax basis of an asset or liability and its accounting value as stated in the financial statements. These taxes are determined according to the tax rates expected at the time the asset will be realised or the obligation ends.

Deferred tax receivables are recognised for deductible temporary differences and on recoverable tax credits carried forward and tax losses, to the extent that it is probable that taxable profits will exist in the near future with which to use the tax benefit. The accounting value of deferred tax receivables is reviewed at every balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to absorb all or part of the deferred taxes.

Deferred tax debts and receivables are defined using the tax rates expected to apply in the years during which these temporary differences will be realised or settled, based on tax rates in effect or confirmed on the balance sheet date.

Exit tax is the tax on the capital gain resulting from the merger of a non-Sicafi company with a Sicafi. When a company without Sicafi status enters into the group's consolidation scope for the first time, a provision for exit tax is recorded simultaneously as an amount corresponding to the difference between the marked-to-market value of the property and the carrying value of the asset to be acquired in the merger, taking into account the planned merger date.

Income
Rental income from simple rental contracts is recorded as income on a straight-line basis over the life of the rental contract. Rent-free periods and other benefits granted to customers are recorded on a straight-line basis over the first firm rental period. Termination indemnities are recorded in full at the time of their invoicing under the item I.E. Rental Income.

Gain or loss on the sale of investment properties
The gain or loss on the sale of an investment property represents the difference between the sales income, net of transaction costs, and the latest fair value of the sold property on 31 December of the past financial year. That result is presented in item XVI "
Income from sale of investment properties "of the income statement. In the calculation scheme of article 27, para. 1, subpar. 1 of the RD of 7 December 2010, the distributable result comprises the item " ± Capital gains or losses realised on property during the financial year (capital gains or losses compared with the acquisition value plus by capitalised investment expenses)", which thus allows the initial acquisition value to be taken into account.

The accounting policies have been applied consistently for the years presented
Home Invest Belgium has not anticipated the application of the new or amended standards and interpretations which were issued before the date of authorisation to publish the consolidated financial statements but whose effective date is after the annual financial year closed on 31 December 2017, namely:
- IFRS 9 - Financial Instruments: classification and measurement, effective from 1 January 2018;
- IFRS 15 - Revenue from customer contracts, effective from beginning 1 January 2018;
- IFRS 16 - Lease agreement, effective from 1 January 2019;
- Amendments to IAS 12 on Recognition of deferred tax assets in respect of unrealised losses, effective from 1 January 2017;
- Amendments to IAS 7 - Disclosure initiative, to take effect from 1 January 2017;
- Amendments to IAS 40 - Transfer of investment property, which will be effective from 1 January 2018, provided EU approval;
- IFRIC Interpretation 22 - Foreign Currency Transactions and Anticipated Counterparty, effective from 1 January 2018 provided EU approval;
- Amendment to IFRS 2 - Classification and valuation of share-based payment transactions, to be effective 1 January 2018;
- Amendments to IFRS 4 - Application of IFRS 9, Financial Instruments and IFRS 4, Insurance Contracts, effective from 1 January 2018;
- Annual IFRS Improvement Process - 2015-2017 cycle, effective from 1 January, 2019 provided EU approval;
- New interpretation of IFRIC 23 - Uncertainty linked to the fiscal treatment which will be effective from 1 January provided EU approval;
- Amendment to IFRS 9 - Clauses on early reimbursement foreseeing a negative compensation effective from 1 January, 2019 provided EU approval;
- Amendment to norm IAS 28 - Long term interests in an associated company or co-enterprise, effective from 1 January, 2019 provided EU approval;
- IFRS 17 – Insurance contracts, effective from 1 January, 2021 provided EU approval;
- Amendment to norm IAS 19 "Plan amendment, curtailment or settlement", effective from 1 January, 2019 provided EU approval.

The future application of these standards or interpretations will have no material impact on the annual financial statements.

NOTE 3 : SEGMENT INFORMATION

The investment properties held by Home Invest Belgium comprise three categories:

- properties valued by individual units;
- properties valued "en bloc" with individual values in excess of € 2 500 000;
- properties valued "en bloc" with individual values below € 2 500 000.

In terms of geographic breakdown, the majority of Home Invest Belgium's investment properties are situated in Brussels.

The "unattributed" columns contain the amounts which cannot be attributed to any of these three categories:

- heading XII. covers primarily personnel and internal office costs;
- headings XXI., XXII., and XXIII. relate to attributable credits and financial income specific to a property.

INCOME STATEMENT BY REGION

2017	Consolidated total	Brussels-Capital Region	Flemish Region	Walloon Region	The Netherlands	Unattributed
I. Rental Income	22 683 114	12 800 798	2 007 308	5 247 454	2 627 554	
III. Rental-related expenses	-183 272	-104 446	-10 251	5 169		-73 744
NET RENTAL RESULT	22 499 843	12 696 352	1 997 058	5 252 623	2 627 554	-73 744
IV. Recovery of property charges	136 764	113 124	9 263	14 377		
V. Recovery of charges and taxes normally payable by the tenant on let properties	598 574	170 432	31 825	355 002	41 316	
VII. Charges and taxes normally payable by the tenant on let properties	-2 769 775	-1 919 981	-186 787	-621 079	-41 927	
VIII. Other incomes and expenses related to letting	-30 000	-30 000				
PROPERTY RESULT	20 435 406	11 029 927	1 851 358	5 000 923	2 626 943	-73 744
IX. Technical costs	-1 086 011	-731 846	-106 612	-247 553		
X. Commercial costs	-342 219	-225 322	-51 637	-65 260		
XI. Taxes and charges on unlet properties	-289 436	-177 754	-41 540	-70 142		
XII. Property management costs	-3 766 408	-20 610	0	-25 681	-66 865	-3 653 251
XIII. Other property costs	19 853	15 526	4 328			
PROPERTY COSTS	-5 464 220	-1 140 006	-195 461	-408 637	-66 865	-3 653 251
PROPERTY OPERATING RESULT	14 971 186	9 889 920	1 655 896	4 592 286	2 560 077	-3 726 995
XIV. General corporate expenses	-1 066 763					-1 066 763
XV. Other operating incomes and expenses	-112 236					-112 236
OPERATING RESULT BEFORE PORTFOLIO RESULT	13 792 187	9 889 920	1 655 896	4 592 286	2 560 077	-4 905 994
XVI. Result sale investment properties	719 633	761 779	127 823			-169 969
XVIII. Changes in fair value of investment properties	1 450 369	3 203 483	-750 284	-1 702 558	699 729	
OPERATING RESULT	15 962 188	13 855 182	1 033 435	2 889 728	3 259 806	-5 075 963
XX. Financial income	90 494	71 566				18 928
XXI. Net interest charges	-3 548 571					-3 548 571
XXII. Other financial charges	-65 034					-65 034
XXIII. Changes in fair value of financial assets and liabilities	1 226 658					1 226 658
FINANCIAL RESULT	-2 296 453	71 566				-2 368 019
PRE-TAX RESULT	13 665 735	13 926 749	1 033 435	2 889 728	3 259 806	-7 443 982
XXIV. Corporation tax	-361 199					-361 199
XXV. Exit tax	-81 555					-81 555
TAXES	-442 754					-442 754
NET RESULT	13 222 981	13 926 749	1 033 435	2 889 728	3 259 806	-7 886 737

INCOME STATEMENT BY REGION

2016	Consolidated total	Brussels-Capital Region	Flemish Region	Walloon Region	The Netherlands	Unattributed
I. Rental Income	18 979 691	11 386 568	2 285 745	5 114 285	193 094	
III. Rental-related expenses	-178 922	-56 269	-17 549	-46 735		-58 369
NET RENTAL RESULT	18 800 769	11 330 299	2 268 195	5 067 549	193 094	-58 369
IV. Recovery of property charges	86 482	73 472	8 612	4 398		
V. Recovery of charges and taxes normally payable by the tenant on let properties	660 864	238 818	74 950	347 096		
VII. Charges and taxes normally payable by the tenant on let properties	-2 705 975	-1 863 438	-232 589	-609 948		
VIII. Other incomes and expenses related to letting						
PROPERTY RESULT	16 842 140	9 779 152	2 119 168	4 809 095	193 094	-58 369
IX. Technical costs	-843 970	-534 739	-61 136	-248 094		
X. Commercial costs	-406 804	-334 477	-31 102	-41 226		
XI. Taxes and charges on unlet properties	-392 488	-231 006	-25 006	-136 475		
XII. Property management costs	-2 780 000	-205	-7 020	-23 467		-2 749 307
XIII. Other property costs	-81 388	-82 885	-450	-8 204		10 151
PROPERTY COSTS	-4 504 650	-1 183 313	-124 714	-457 466	0	-2 739 156
PROPERTY OPERATING RESULT	12 337 491	8 595 839	1 994 454	4 351 629	193 094	-2 797 525
XIV. General corporate expenses	-845 488					-1 068 093
XV. Other operating incomes and expenses	-29 448					-112 236
OPERATING RESULT BEFORE PORTFOLIO RESULT	11 462 554	8 595 839	1 994 454	4 351 629	193 094	-3 977 854
XVI. Result sale investment properties	279 654	115 111	325 072			-160 529
XVIII. Changes in fair value of investment properties	11 295 322	11 201 277	254 104	287 017	-447 076	
OPERATING RESULT	23 037 530	19 912 228	2 573 630	4 638 645	-253 982	-4 138 384
XX. Financial income	78 701	76 586				2 116
XXI. Net interest charges	-3 048 453					-3 606 773
XXII. Other financial charges	-65 705					-63 846
XXIII. Changes in fair value of financial assets and liabilities	-2 025 345					1 226 658
FINANCIAL RESULT	-5 060 803	76 586				-2 441 845
PRE-TAX RESULT	17 976 727	19 988 813	2 573 630	4 638 645	-253 982	-6 580 229
XXIV. Corporation tax	-71 034					-456 803
XXV. Exit tax						
TAXES	-71 034					-456 803
NET RESULT	17 905 693	19 988 813	2 573 630	4 638 645	-253 982	-7 037 032

INCOME STATEMENT BY TYPE OF ASSETS

2017	Consolidated total	Properties valued by individual units	Properties valued "en bloc" >2 500 000€	Properties valued "en bloc" <2 500 000€	Unattributed
I. Rental Income	22 683 114	15 012 577	7 352 988	317 549	
III. Rental-related expenses	-183 272	-109 527	0	0	-73 744
NET RENTAL RESULT	22 499 843	14 903 050	7 352 988	317 549	-73 744
IV. Recovery of property charges	136 764	122 700	13 344	720	
V. Recovery of charges and taxes normally payable by the tenant on let properties	598 574	152 123	394 513	51 938	
VII. Charges and taxes normally payable by the tenant on let properties	-2 769 775	-2 215 107	-491 557	-63 111	
VIII. Other incomes and expenses related to letting	-30 000	-30 000			
PROPERTY RESULT	20 435 406	12 932 766	7 269 288	307 097	-73 744
IX. Technical costs	-1 086 011	-909 360	-168 745	-7 906	
X. Commercial costs	-342 219	-322 548	-17 493	-2 178	
XI. Taxes and charges on unlet properties	-289 436	-240 178	-29 922	-19 336	
XII. Property management costs	-3 766 408	-46 292	-66 865		-3 653 251
XIII. Other property costs	19 853	19 853	0		0
PROPERTY COSTS	-5 464 220	-1 498 524	-283 026	-29 420	-3 653 251
PROPERTY OPERATING RESULT	14 971 186	11 434 242	6 986 262	277 677	-3 726 995
XIV. General corporate expenses	-1 066 763				-1 066 763
XV. Other operating incomes and expenses	-112 236				-112 236
OPERATING RESULT BEFORE PORTFOLIO RESULT	13 792 187	11 434 242	6 986 262	277 677	-4 905 994
XVI. Result sale investment properties	719 633	889 602			-169 969
XVIII. Changes in fair value of investment properties	1 450 369	2 221 203	-188 785	-582 049	
OPERATING RESULT	15 962 188	14 545 047	6 797 477	-304 372	-5 075 963
XX. Financial income	90 494			71 566	18 928
XXI. Net interest charges	-3 548 571				-3 548 571
XXII. Other financial charges	-65 034				-65 034
XXIII. Changes in fair value of financial assets and liabilities	1 226 658				1 226 658
FINANCIAL RESULT	-2 296 453			71 566	-2 368 019
PRE-TAX RESULT	13 665 735	14 545 047	6 797 477	-232 806	-7 443 982
XXIV. Corporation tax	-361 199				-361 199
XXV. Exit tax	-81 555				-81 555
TAXES	-442 754				-442 754
NET RESULT	13 222 981	14 545 047	6 797 477	-232 806	-7 886 737

INCOME STATEMENT BY TYPE OF ASSETS

2016	Consolidated total	Properties valued by individual units	Properties valued "en bloc" >2 500 000€	Properties valued "en bloc" <2 500 000€	Unattributed
I. Rental Income	18 979 691	13 787 348	4 834 669	357 675	
III. Rental-related expenses	-178 922	-87 748	-35 072	2 266	-58 369
NET RENTAL RESULT	18 800 769	13 699 600	4 799 597	359 941	-58 369
IV. Recovery of property charges	86 482	86 032	0	450	
V. Recovery of charges and taxes normally payable by the tenant on let properties	660 864	186 466	425 665	48 733	
VII. Charges and taxes normally payable by the tenant on let properties	-2 705 975	-2 201 120	-441 366	-63 489	
VIII. Other incomes and expenses related to letting	0				
PROPERTY RESULT	16 842 140	11 770 977	4 783 897	345 635	-58 369
IX. Technical costs	-843 970	-725 037	-107 557	-11 376	
X. Commercial costs	-406 804	-402 178	-283	-4 344	
XI. Taxes and charges on unlet properties	-392 488	-324 759	-22 230	-45 498	
XII. Property management costs	-2 780 000	-22 199	-8 493		-2 749 307
XIII. Other property costs	-81 388	-83 194	-8 345		10 151
PROPERTY COSTS	-4 504 650	-1 557 367	-146 909	-61 217	-2 739 156
PROPERTY OPERATING RESULT	12 337 491	10 213 610	4 636 988	284 418	-2 797 525
XIV. General corporate expenses	-845 488				-1 068 093
XV. Other operating incomes and expenses	-29 448				-112 236
OPERATING RESULT BEFORE PORTFOLIO RESULT	11 462 554	10 213 610	4 636 988	284 418	-3 977 854
XVI. Result sale investment properties	279 654	440 184			-160 529
XVIII. Changes in fair value of investment properties	11 295 322	11 861 831	-465 682	-100 827	
OPERATING RESULT	23 037 530	22 515 624	4 171 306	183 591	-4 138 384
XX. Financial income	78 701			76 586	2 116
XXI. Net interest charges	-3 048 453				-3 606 773
XXII. Other financial charges	-65 705				-63 846
XXIII. Changes in fair value of financial assets and liabilities	-2 025 345				1 226 658
FINANCIAL RESULT	-5 060 803			76 586	-2 441 845
PRE-TAX RESULT	17 976 727	22 515 624	4 171 306	260 177	-6 580 229
XXIV. Corporation tax	-71 034				-456 803
XXV. Exit tax					
TAXES	-71 034				-456 803
NET RESULT	17 905 693	22 515 624	4 171 306	260 177	-7 037 032

BALANCE SHEET BY ASSET TYPE

2017	Consolidated total	Properties valued by individual units	Properties valued “en bloc” >2 500 000€	Properties valued “en bloc” <2 500 000€	Unattributed
Investment properties in operation	423 105 968	363 798 520	55 768 780	3 538 667	
Investment properties - Development projects	34 530 224	34 530 224			
Assets held for sale	0	0			
Finance lease receivables	582 639			582 639	
Other assets	11 842 260				11 842 260
TOTAL ASSETS	470 061 090	398 328 744	55 768 780	4 121 305	11 842 260
Percentage by sector	100.00%	84.74%	11.86%	0.88%	2.52%
Shareholders’ equity	216 955 487				216 955 487
Liabilities	253 105 603				253 105 603
TOTAL SHAREHOLDERS’ EQUITY AND LIABILITIES	470 061 090				470 061 090

OTHER INFORMATION BY ASSET TYPE

2017	Consolidated total	Properties valued by individual units	Properties valued “en bloc”>2 500 000€	Properties valued “en bloc”<2 500 000€	Unattributed
Investment properties					
Investments	4 990 057	4 747 006	131 224	111 827	
Other tangible assets					
Investments	589 960				589 960
Depreciation	-198 589				-198 589
Intangible assets					
Investments	458 932				458 932
Depreciation	-42 908				-42 908

The other tangible assets are described in Annex 18.
The other intangible assets are described in Annex 15.

BALANCE SHEET BY REGION

2017	Consolidated total	Brussels-Capital Region	Flemish Region	Walloon Region	The Netherlands	Unattributed
Investment properties in operation	423 105 968	267 496 665	39 375 322	67 130 060	49 103 922	
Investment properties - Development projects	34 530 224	27 743 288	6 786 935			
Assets held for sale						
Finance lease receivables	582 639	582 639				
Other assets	11 842 260					11 842 260
TOTAL ASSETS	470 061 090	295 822 592	46 162 257	67 130 060	49 103 922	11 842 260
Percentage by sector	100.00%	62.93%	9.82%	14.28%	10.45%	2.52%
Shareholders’ equity	216 955 487					216 955 487
Liabilities	253 105 603					253 105 603
TOTAL SHAREHOLDERS’ EQUITY AND LIABILITIES	470 061 090					470 061 090

BALANCE SHEET BY ASSET TYPE

2016	Consolidated total	Properties valued by individual units	Properties valued “en bloc” >2 500 000€	Properties valued “en bloc” <2 500 000€	Unattributed
Investment properties in operation	381 316 652	321 481 422	55 826 341	4 008 889	
Investment properties - Development projects	27 517 077	27 517 077			
Assets held for sale	1 457 192	1 457 192			
Finance lease receivables	717 882			717 882	
Other assets	8 292 718				8 292 718
TOTAL ASSETS	419 301 520	350 455 691	55 826 341	4 726 770	8 292 718
Percentage by sector	100.00%	83.58%	13.31%	1.13%	1.98%
Shareholders’ equity	205 202 333				205 202 333
Liabilities	214 099 188				214 099 188
TOTAL SHAREHOLDERS’ EQUITY AND LIABILITIES	419 301 520				419 301 520

OTHER INFORMATION BY ASSET TYPE

2016	Consolidated total	Properties valued by individual units	Properties valued “en bloc”>2 500 000€	Properties valued “en bloc”<2 500 000€	Unattributed
Investment properties					
Investments	11 932 359	3 720 496	8 188 053	23 810	
Other tangible assets					
Investments	534 763				534 763
Depreciation	-432 447				-432 447
Intangible assets					
Investments	318 320				318 320
Depreciation	-40 202				-40 202

BALANCE SHEET BY REGION

2016	Consolidated total	Brussels-Capital Region	Flemish Region	Walloon Region	The Netherlands	Unattributed
Investment properties in	381 316 652	234 841 512	37 913 104	67 851 252	40 710 784	
Investment properties - Development projects	27 517 077	23 535 745	3 981 332			
Assets held for sale	1 457 192	923 556	533 636			
Finance lease receivables	717 882	717 882				
Other assets	8 292 718					8 292 718
TOTAL ASSETS	419 301 520	260 018 694	42 428 072	67 851 252	40 710 784	8 292 718
Percentage by sector	100.00%	62.01%	10.12%	16.18%	8.66%	1.98%
Shareholders’ equity	205 202 333					
Liabilities	214 099 188					
TOTAL SHAREHOLDERS’ EQUITY AND LIABILITIES	419 301 520					

NOTE 4 : RENTAL INCOME AND CHARGES

INCOME STATEMENT	2017	2016
I. Rental income		
A. Rent	22 619 301	18 959 663
C. Rent-free periods	-53 941	-77 186
E. Early lease termination indemnities	117 753	97 214
III. Rental-related expenses		
A. Rent payable on leased premises	-101 173	-108 248
B. Impairments on trade receivables	-150 195	-207 574
C. Reversal of impairments on trade receivables	68 096	136 900
NET RENTAL INCOME	22 499 843	18 800 769

Rental income increased following the acquisition and delivery of new buildings.

NOTE 5 : PROPERTY RESULT

	2017	2016
NET RENTAL INCOME	22 499 843	18 800 769
IV. Recovery of property charges		
A. Indemnities for tenant damage	136 764	86 482
V. Recovery of charges and taxes normally paid by the tenant on let properties		
A. Re-invoicing of rental-related charges paid by the owner	67 818	56 511
B. Re-invoicing of property and other taxes on let properties	530 756	604 353
VII. Rental-related charges and taxes normally paid by the tenant on let properties		
A. Rental charges incurred by the owner	-458 146	-494 623
B. Property and other taxes on leased buildings	-2 311 629	-2 211 352
VIII. Other rental income and expenses	-30 000	0
TOTAL	-2 064 437	-1 958 629
PROPERTY RESULT	20 435 406	16 842 140

The re-invoicing of rental expenses mainly concerns the insurance premiums relating to the abandonment of recourse which are contained in the majority of the fire policies of the buildings, as well as certain expenses related to the supply of telephone lines.

The rental expenses incurred by the owner relate to all charges for buildings whose rent paid by tenants includes all services and charges.

In the residential sector, the withholding tax is payable by the lessor for all principal residence leases. Invoicing of property tax and taxes therefore mainly concern commercial or office space.

NOTE 6 : TECHNICAL COSTS

	2017	2016
IX. Technical costs		
A. Recurrent technical costs		
1. Repairs	-919 824	-734 101
3. Insurance premiums	-131 913	-140 491
B. Non-recurrent technical costs		
1. Major repairs (companies, architects, engineering,...)	-47 359	-22 287
2. Indemnification of accidents by insurers	13 084	52 909
TOTAL	-1 086 011	-843 970

Within the light of its annual estimated budget, Home Invest Belgium determines a specific maintenance and renovation policy for each of its buildings, so that they correspond to the requirements of the rental market. The technical costs are often incurred during rental exits or in case of necessary repairs during the rental period.

NOTE 7 : COMMERCIAL COSTS

	2017	2016
X. Commercial costs		
A. Agency and experts' fees	-266 421	-249 034
B. Publicity	-50 619	-96 946
C. Lawyers' fees, legal costs	-25 179	-60 824
TOTAL	-342 219	-406 804

Marketing expenses are stable compared to 2016.

NOTE 8 : TAXES AND CHARGES ON UNLET PROPERTIES - MANAGEMENT COSTS

	2017	2016
XI. Taxes and charges on un-let properties	-289 436	-392 488
XII. Property management costs		
A. Managers' fees	-284 123	-81 548
B. (Internal) property management costs	-3 482 285	-2 698 451
XIII. Other property charges	19 853	-81 388
TOTAL	-4 035 990	-3 253 875
PROPERTY CHARGES	-5 464 220	-4 504 650
PROPERTY OPERATING RESULT	14 971 186	12 337 491

Internal property management expenses mainly include personnel costs incurred during the year.

NOTE 9 : GENERAL CORPORATE EXPENSES

	2017	2016
PROPERTY OPERATING RESULT	14 971 186	12 337 491
XIV. General corporate expenses	-1 066 763	-845 488
XV. Other operating income and charges	-112 236	-29 448
TOTAL	-1 178 999	-874 937
OPERATING RESULT BEFORE PORTFOLIO RESULT	13 792 187	11 462 554

General corporate expenses mainly relate to cost for publications, the valuation of the portfolio, costs for due diligence analysis (technical survey, judicial appraisal…) and the subscription tax.

NOTE 10 : RESULT ON SALE OF INVESTMENT PROPERTIES - CHANGES IN FAIR VALUE OF INVESTMENT PROPERTIES IN OPERATION

	2017	2016
OPERATING RESULT BEFORE PORTFOLIO RESULT	13 792 187	11 462 554
XVI. Result on sale of investment properties	719 633	279 654
A. Net sales of properties (sales price – selling costs)	11 273 651	18 185 471
B. Accounting values of the properties sold	-10 554 018	-17 905 816
XVIII. Changes in fair value of investment properties		
A. Positive changes in the fair value of investment properties	8 743 019	18 724 402
B. Negative changes in the fair value of investment properties	-1 437 982	-1 321 973
C. Positive changes in the estimated transfer costs and rights intervening in case of hypothetical alienation of investment property	130 419	75 767
D. Negative changes in the estimated transfer costs and rights intervening in case of hypothetical alienation of investment property	-5 985 086	-6 182 874
TOTAL	2 170 002	11 574 976
OPERATING RESULT	15 962 188	23 037 530

The gain on sale of investment property arises from the sale of real estate. The full details of the completed sales and realised capital gains are included in the Management Report.

We remind that the result on the sale of investment properties is accounted for as the difference between the sales price minus the expenses related to the conclusion of these sales (heading XVI.A.) and the latest fair value recorded for the asset in question (heading XVI.B.)

In accordance with article 13 §1 - § 1 of the Royal Decree of 13 July 2014 and Annex C, the distributable capital gains realised on property during the financial year are calculated in comparison with the acquisition value increased by the capitalized investment expenses. At 31/12/2017, the realised distributable capital gain generated was € 4 921 467 (compared to the acquisition value), while the realised capital gain compared with the last fair value was € 719 633.

NOTE 11 : FINANCIAL INCOME

	2017	2016
XX. Financial income		
A. Interest and dividends received	18 928	2 116
B. Lease-financing and similar payments	71 566	76 586
TOTAL	90 494	78 701

Interest and dividends received come exclusively from the short-term deposit of cash surpluses.

The lease-financing payments relate to the leasings described in Note 19.

NOTE 12 : INTEREST CHARGES

	2017	2016
XXI. Net interest charges		
A. Nominal interest on borrowings	-2 580 286	-2 144 866
C. Income from allowed hedges		
1. Allowed hedges to which hedge accounting as defined by IFRS is applied	0	-208 099
2. Allowed hedges to which hedge accounting as defined by IFRS is not applied	-968 285	-695 489
TOTAL	-3 548 571	-3 048 453

The charges resulting from hedging instruments relate to the difference between the fixed interest rate paid for the IRS purchased subsequently and the variable interest rates in effect during the course of the financial year. For more detail on the financial debt structure, please refer to Note 24 hereafter.

NOTE 13 : OTHER FINANCIAL CHARGES

	2017	2016
XXII. Other financial charges		
A. Bank charges and other fees	-61 842	-65 705
0 Realized loss on sale of financial assets	-2 522	0
D. Other	-671	0
XXIII. Changes in fair value of financial assets and liabilities		
A. Allowed hedges		
2. Allowed hedges to which hedge accounting as defined by IFRS is not applied	1 226 658	-2 025 345
TOTAL	1 161 624	-2 091 051
FINANCIAL RESULT	-2 296 453	-5 060 803
PRE-TAX RESULT	13 665 735	17 976 727

The changes in fair value of financial assets relate to hedges considered as ineffective according to the application of IAS 39, and are consequently accounted for in the income statement. This cost or product is purely latent, which does only count in the hypothesis that the RREC or the banks does not proceed to an early liquidation of these products and is excluded in the calculation of the distributable result.

NOTE 14 : INCOME TAXES

	2017	2016
PRE-TAX RESULT	13 665 735	17 976 727
XXIV. Corporation tax	-361 199	-71 034
XXV. Exit tax	-81 555	0
TAXES	-442 754	-71 034
NET RESULT	13 222 981	17 905 693

Registered Real Estate companies enjoy a specific tax regime. Only benefits in kind, abnormal and benevolent advantages as well as certain specific charges are subject to corporation tax in Belgium.
The subsidiaries do not enjoy this specific tax regime. Income from the Netherlands is taxed at source.
This total represents the due taxes paid by Home Invest Belgium.
We remark that in 2017, following a merger with the subsidiary Home Invest Development, an exit tax of € 81 555 has been paid.

NOTE 15 : INTANGIBLE ASSETS

	2017	2016
Intangible assets, beginning of the financial year	278 118	7 733
1. Gross value	318 320	43 778
2. Accumulated amortization (-)	-40 202	-36 045
Investments	140 612	274 542
Amortizations (-)	-2 706	-4 158
Intangible assets, end of the financial year	416 024	278 118
1. Gross value	458 932	318 320
2. Accumulated amortization (-)	-42 908	-40 202

Intangible assets consist of the WinIris real estate software amortised on a straight-line basis over a 5-year useful life, but equally its replacement Axxerion of which the amortisation will be done in 6 years as from the start of use foreseen in 2018. The amortisations are accounted for under heading XII "Property management costs" of the income statement.

NOTE 16 : INVESTMENT PROPERTIES

	2017	2016
C. Investment properties, balance at the beginning of the financial year	408 833 729	346 100 301
a. Investment properties		
Balance at the beginning of the financial year	381 316 652	313 635 127
Transferts vers les projets de développement (-)		
Completion of buildings under construction	21 802 265	22 319 503
Acquisition of buildings	5 894 980	39 012 825
Capitalized subsequent expenses	4 990 057	11 932 359
Acquisitions par voie de regroupements d'entreprises	16 882 659	
Gains (losses) from fair value adjustments	1 450 369	11 295 322
Transfer to assets held for sale	1 457 192	-16 878 483
Balance at the end of the financial year	423 105 968	381 316 652
b. Development projects		
Balance at the beginning of the financial year	27 517 077	32 465 174
Investments – development projects	28 815 412	17 371 406
Completion of development projects	-21 802 265	-22 319 503
Balance at the end of the financial year	34 530 224	27 517 077
c. Properties for own use		
	N/A	N/A
d. Others		
	N/A	N/A
C. Investment properties, closing balance at the end of the financial year	457 636 192	408 833 729

The development projects at the closing of the financial year 2017 are commented in detail in the Management report and the Property report.

IFRS 13 is applied to IFRS standards that demand or allow fair value measurements or disclosures on fair value and, consequently, IAS 40 Investment properties. IFRS 13 foresees a hierarchy in fair values under 3 data input levels (levels 1, 2 et 3).
As shown in the table above, the fair value of investment property at 31 December 2017 is € 457 636 192, all of which are at level 3. With no levels other than level 3, Home Invest Belgium does not have a policy to monitor transfers between hierarchical levels.

The valuations are made based on 2 methods:

- the capitalisation of estimated rental values;
- the valuation per unit.

The valuations take into account the rental state, the charges and taxes to be borne by the landlord and potential works to be carried out. The valuations are also based on market transactions, and this taking into account the values per square meter. carried out.

The valuations are also based on market transactions, and this taking into account the values per square meter.

Reconciliation between the financial years 2016 and 2017	
Investment properties at 31/12/2013	408 833 729
Acquisitions and investments	56 583 107
Transfer to assets held for sale	1 457 192
Profits resulting from fair value adjustments	1 450 369
Investment properties at 31/12/2014	440 389 102

As mentioned above, all these fair values are level 3 and no transfer to or from level 3 took place.

	Properties valued by individual units	Properties valued "en bloc" > € 2 500 000	Properties valued "en bloc" < € 2 500 000
Rents per m² per year	Weighted average of € 113 m² (range between: € 21 m² and € 217 m²)	Weighted average of € 145 m² (range between: € 105 m² and € 348 m²)	Weighted average of € 91 m² (range between: € 47 m2 and € 170 m²)
Estimated rental value per m² per year	Weighted average of € 114 m² (range between: € 46 m² and € 168 m²)	Weighted average of € 131 m² (range between: € 99 m2 and € 275 m²)	Weighted average of € 92 m² (range between: € 65 m² and € 200 m²)
Capitalization rate	Weighted average of 5.27% (range between 3.70% and 7.35%)	Weighted average of 6.68% (range between 5.75% and 7.65%)	Weighted average of 7.50% (range between 4.70% and 10.50%)

Sensitivity analysis for the level 3 fair values :
A decrease or an increase of the estimated rental value and/or the rents obtained will potentially have a downward or upward impact of the fair value of the investment properties. A decrease or an increase of the actualisation rate and/or capitalisation rate will potentially have an upward or downward impact of the fair value of the investment properties. These rates are defined by the conditions in the financial and real estate markets.

Valuation process used for the level 3 fair values :
The valuations of investment properties are realised four times a year by an independent and qualified real estate surveyor. These reports are realised based on information communicated by the company with regard to the rental state, the charges and taxes to be borne by the landlord, the rents, the works to be carried out,... This information is extracted from the database of the company's IT-system and is part of the administrative organisation and internal control of the company. The real estate surveyor uses market parameters (actualisation rate,...) that are based on his judgements and his professional experience. The information communicated to the real estate surveyor, the parameters and the valuation models used by the real estate surveyor are controlled by the Executive Management and by the Audit committee.

NOTE 17 : DEVELOPMENT PROJECTS

Note that the development projects are included among the investment properties in Note 16.

NOTE 18 : OTHER TANGIBLE ASSETS

	2017	2016
Other tangible assets, balance beginning of period	102 316	149 060
1. Gross value	534 763	509 429
2. Accumulated depreciation (-)	-432 447	-360 369
Investments	391 560	25 334
Cessions (-)	-336 363	0
Transfer depreciation (-)	-102 505	-72 078
Cessions (+)	336 363	
Other tangible assets, closing balance end of period	391 371	102 316
1. Gross value	589 960	534 763
2. Accumulated depreciation (-)	-198 589	-432 447

The other tangible assets relate exclusively to the operating assets. The increase in the tangible assets is due to the redecorating/installment of the new corporate offices.

D. Other tangible assets	2017	2016
a. Tangible assets for own use	391 371	102 316

NOTE 19 : FINANCE LEASE RECEIVABLES

	2017	2016
Receivables after 5 years	208 625	272 217
Receivables after one year and within 5 years	238 262	310 421
Receivables within one year	135 752	135 243
TOTAL	582 639	717 882

Finance lease receivables relate to the buildings Rue de Belgrade in Forest and Lemaine Lemaire in Molenbeek.

Short description of these contracts:

- **Rue de Belgrade** : long-term lease (Sept. 1999-Aug. 2026);
  - Operation treated for accounting purposes as a real estate leasing contract
  - Valuation at 31/12/2017:
  - short-term and long-term receivables: € 500 179.39
  - purchase option: € 798 222.29 (fair value)
- **Lemaire Residence** : real estate leasing (Dec. 2003-Nov. 2018);
  - Valorisation at 31/12/2017 :
  - short-term and long-term receivables: € 82 459.13
  - purchase option: € 222 222.22 (fair value)

	2017			2016		
	< 1 year	1 year < > 5 years	> 5 years	< 1 year	1 year < > 5 years	> 5 years
1. Gross investment in finance lease	163.084	303.442	227.739	169.722	390.643	303.622
2. Present value of future minimum lease payments	135.752	238.262	208.625	135.243	310.421	272.217
3. Unearned finance income	27.332	65.180	19.114	34.479	80.221	31.405

NOTE 20 : ASSETS SOLD AND HELD FOR SALE

	2017	2016
Net sales prices (excl. costs)	11 273 651	18 185 471
Latest fair value	-10 554 018	-17 905 816
Realized capital gain	719 633	279 654
Distributable realized capital gain	4 921 467	5 429 815

The balance of the assets held for sale is as follows:

A. Assets held for sale	2017	2016
a. Investment properties	0	1 457 192

The unit sales (unit by unit) of a property takes place over several years. Teken into account that the real estate expert values a property as a whole (and not piece by piece), the uptake in this section is unreliable and could mislead the reader as compared to the strategy put in place and described in earlier chapters. Therefore, starting ion. 2017, the company has decided to no longer reclassify these sales under this heading.

NOTE 21 : RECEIVABLES

D. Trade receivables	2017	2016
Tenants	948 545	500 849
Other	-317 984	134 423
Realized sales	2 696 257	2 534 364
TOTAL	3 326 818	3 169 636

Trade receivables consist of rental payments still receivable from tenants. These rents are payable in advance. In addition, following the signing of various sales agreements at the end of 2017, Home Invest Belgium had receivables of € 2 696 257 at 31 December 2017, which will be paid at the beginning of 2018 upon enactment of the notarial deeds.

E. Tax receivables and other current assets	2017	2016
a. Recoverable tax and other taxes	289 268	696 222
c. Others	87 440	146 227
TOTAL	376 707	842 449

Working capital payments which are the funds made available to building managers and agents (syndics) to enable them to financially assume the management of the common expenses of the investment properties are detailed in section c. Other.

Concerning the tax debts of 2017, they concern the enlistment to preliminary withholding taxes which have been contested.

NOTE 22 : CASH AND CASH EQUIVALENTS

	2017	2016
Cash in hand	0	57
Bank balances	7 183 786	3 437 757
TOTAL	7 183 786	3 437 814

NOTE 23 : DEFERRALS AND ACCRUALS

	2017	2016
Accrued and not due property income	14 454	8 298
Prepaid property charges	21 067	393 339
Other	0	-14 902
TOTAL ASSETS	35 521	386 735
Property income received in advance	368 074	263 578
Interest and other charges accrued and not due	1 088 336	1 159 692
Other	218	1 653
TOTAL LIABILITIES	1 456 627	1 424 923

Interest and other accrued liabilities represent, on the one hand, drawings on our credit lines and interest rate hedging instruments of which the interests are to be paid on the expiry of the drawing period and interest payable at the closing date of our bond issue.

NOTE 24 : FINANCIAL ASSETS AND LIABILITIES

E. Non-current financial assets	2017	2016
a. Assets hold until the maturity		
5. Others	4 089	0
e. Others	100 657	75 649
TOTAL	104 747	75 649

Other financial assets represent a guarantee in favour of the NSSO and reserve funds paid in several co-ownerships.

I. Non-current liabilities	2017	2016
B. Non-current financial debts		
a. Financial debts	185 000 000	152 500 000
c. Others		
1. Other debts	39 745 100	39 705 885
C. Other non-current financial liabilities		
a. Hedging	8 060 644	9 280 017
II. Current liabilities		
B. Current financial debts		
a. Financial debts	10 000 000	0
c. Others		
2. Bank guarantee	586 663	632 226
5. Others	87 166	80 000

The other financial liabilities represent an annual long lease payment due by the company.

The other borrowings of € 39 745 100 correspond to the bond investment (net of fees) realised in June 2014. The notional amount is equal to € 40 000 000 with maturity date at 18/06/2024.

Non-current financial liabilities relate to the IRS detailed below. Their negative fair value was € 8 060 644 at the end of the financial year. Hedge accounting as defined in IAS 39.

I. Non-current liabilities	2017	2016
D. Trade debts and other current debts		
b. Others		
1. Suppliers	4 839 837	9 133 693
2. Tenants	1 537 994	716 496
3. Tax, salary, social security	1 728 915	535 269

The figures in the table below relate solely to debts to financial institutions:

	2017	2016
Current financial liabilities at up to 1 year	10 000 000	0
Non-current financial liabilities at 1 to 5 years	102 000 000	74 500 000
Non-current financial liabilities at more than 5 years	122 745 100	117 705 885
TOTAL	234 745 100	192 205 885

The table below shows the credit lines of credit opened with each bank (contracted and withdrawn amounts) and the average maturity. Only one credit line matures in 2018 with the bank Degroof Petercam for € 10 million. As on 31/12/2017, Home Invest disposes € 13 million availabilities on its credit lines. The total of the credit lines are contracted at floating rate.

Financial debts	Amount of credit line	Amount drawn	Average duration
Bank debts	208 000 000	195 000 000	4 years and 9 months
Belfius	61 500 000	61 500 000	4 years et 10 months
BNP Paribas Fortis	46 500 000	46 500 000	7 years
ING	60 000 000	47 000 000	4 years et 6 months
KBC Bank	30 000 000	30 000 000	2 years and 11 months
Degroof	10 000 000	10 000 000	4 months
Bond issue	40 000 000	40 000 000	6 years et 6 months
Issue of 2014, 18 June	40 000 000	40 000 000	6 years and 6 months
TOTAL	248 000 000	235 000 000	5 years

Interest rate hedging instruments are exclusively IRS (Interest Rate Swaps), which constitute fixed-rate floating rate swaps. As of 31 December 2016, the total amount of IRS hedges subscribed is € 143 million as shown in the table below.

Following a restructuring in 2015, Home Invest Belgium benefits various IRS with staggering commencement dates as described below.

No instrument is subject to hedge accounting under the form of a cash flow hedge subject to IAS 39.

Hedge instruments 31/12/2017	Type	Amount	Interest Rate	Deadline	Qualification	Fair value 31/12/2017
Belfius	IRS	10 000 000	1.160%	10-11-2024	Transaction	-515 873
Belfius	IRS	10 000 000	1.060%	10-11-2024	Transaction	-445 048
Belfius	IRS	15 000 000	1.965%	10-11-2027	Transaction	-1 821 254
Belfius	IRS	21 500 000	0.585%	10-11-2025	Transaction	-73 443
BNP Paribas Fortis	IRS	25 000 000	1.199%	30-09-2027	Transaction	-1 060 470
BNP Paribas Fortis	IRS	21 500 000	0.400%	30-11-2021	Transaction	-111 680
ING	IRS	10 000 000	1.600%	14-04-2026	Transaction	-864 431
ING	IRS	15 000 000	0.350%	1-06-2022	Transaction	7 286
KBC	IRS	15 000 000	0.087%	5-05-2021	Transaction	-55 668
Hedging instrument IRS type		143 000 000		5 years and 7 months		-4 940 581

Hedge instruments 31/12/2017	Type	Amount	Interest Rate	Start	Deadline	Qualification	Fair value 31/12/2017
ING	IRS	20 000 000	1.90%	14-06-2018	14-12-2025	Transaction	-1 911 075
ING	IRS	20 000 000	1.90%	14-12-2021	14-12-2025	Transaction	-660 513
ING	IRS	15 000 000	2.34%	14-11-2021	14-05-2024	Transaction	-541 190
TOTAL		55 000 000					-3 112 777

The prudent hedging policy of Home Invest Belgium has enabled it to obtain **average interest rate of 2.09% for the year**, including banking margin and hedging cost, compared with 2.53% and 3.40% for the previous years. Average interest rate calculated after conversion of variable rates on fixed-rate lines of credit through Interest rate swaps (IRS).
Given the prudent financial structuring of its debt, combined with the moderate debt ratio, Home Invest Belgium has limited exposure to fluctuations in market interest rates.

Accounting :
In accordance with IAS39, the negative fair value of financial instruments as at 31 December 2017, is recognised in liabilities under heading IC "Other non-current financial liabilities" for a total amount of - € 8 053 358. The consideration is recognised as follows:

Fair value of financial instruments as at 31/12/2017	In the income statement under heading XXIII "Changes in fair value of financial assets and liabilities (+/-)"	In shareholders' equity under the heading "d. Reserve from the balance of changes in fair value of authorised hedges to which hedge accounting according to IFRS is applied (+/-)"	In shareholders' equity under the heading "n. Income brought forward from previous years (+/-)"
Effective instruments			
Ineffective instruments (change in 2017)	1 226 658		
Effective instruments previous year		-1 310 093	
Ineffective hedges (previous year)[1]			-7 969 924
TOTAL	1 226 658	-1 310 093	-7 969 924
OVERALL TOTAL			-8 053 358

Credit lines are recognised in "Non-current and current financial debts". Financial liabilities are recorded at amortised cost, IFRS 13 is applied to IFRS standards that demand or allow fair value measurements or disclosures on fair value and, consequently, IAS 39. IFRS 13 foresees a hierarchy in fair values under 3 data input levels (levels 1, 2 et 3).

Regarding financial instruments, all of these fair values are level 2. With no levels other than level 2, Home Invest Belgium does not have a policy to monitor transfers between hierarchical levels. The valuation is made by banks based on the present value of estimated future cash flows.

Although the majority of hedging instruments used are considered to be trading instruments within the meaning of IFRS, they are exclusively intended for the purpose of hedging interest rate variations and not for speculative purposes.

We note that the non current liabilities also include our bond investment issued in 06/2014 for the amount of € 39 745 100 (amount deduction of charges).

On 31 December 2017, Home Invest Belgium has opened bank credits for an amount of € 195 million on a total of € 208 million available credit lines. The average maturity of bank financing, linked to the 2014 bond issue (€ 40 million) enables to obtain an average maturity of 5 years (as compared to 4 years and 9 months on 31 December 2016).

The financial hedging instruments of the IRS type are concluded for a total of € 143 million and an average duration of 6 years and 11 months on 31 December 2017 (in comparison with 5 years and 1 month on 31 December 2016).

The IRS type non current financial liabilities amount to a negative real value of - € 8 060 644 at the semester closure. Only one instrument is subject to hedge accounting under the form of a cash flow hedge subject to IAS 39. The hedging accounting under IAS 39 is applied for just one IRS opened with BNP for € 25 million maturing on 23/08/2021 and covers the credit also taken with BNP for an amount of € 25 million. All the other hedging instruments are not considered as hedging accounting under IAS 39.

[1] The changes in fair value in previous financial years recognised in the income statement have since been assigned to Earnings brought forward from previous years.

NOTE 25 : TRADE DEBTS AND OTHER CURRENT LIABILITIES

TRADE DEBTS AND OTHER CURRENT DEBTS	2017	2016
Suppliers	4 839 837	9 133 693
Tenants	1 537 994	716 496
Tax, salary, social security	1 728 915	535 269
TOTAL	8 106 746	10 385 458

OTHER CURRENT LIABILITIES	2017	2016
Dividends	39 060	39 491
Other	23 596	51 188
TOTAL	62 656	90 680

Dividend debts relate exclusively to former dividends not yet claimed by the shareholders.

NOTE 26 : CAPITAL, SHARE PREMIUM ACCOUNT AND RESERVES

SHAREHOLDERS' EQUITY

	2017	2016
A. Capital		
a. Capital	88 949 295	76 949 295
b. Capital increase expenses	-950 240	-950 240
B. Share premium account	24 903 199	24 903 199
C.Reserve		
a. Legal reserve (+)	98 778	98 778
b. Reserve from the balance of changes in fair value of investment properties (+/-)	120 301 194	108 428 393
c. Reserve from estimated transfer costs and rights resulting from hypothetical disposal of investment properties (-)	-34 275 030	-29 495 716
d. Reserve from the balance of changes in fair value of allowed hedges to which hedge accounting according to IFRS is applied (+/-)	0	-1 310 093
e. Reserve from the balance of changes in fair value of allowed hedges to which hedge accounting according to IFRS is not applied (+/-)	-9 280 017	-5 944 578
h. Reserve for treasury shares (-)	-686 943	-757 323
m. Other reserves (+/-)	1 259 467	1 259 467
n. Result carried forward from previous financial years (+/-)	25 379 059	25 920 070
D. Net result of the financial year	1 256 723	6 101 079
TOTAL EQUITY	216 955 487	205 202 333

EVOLUTION OF SUBSCRIBED CAPITAL SINCE 2010 :

Date	Evolution of company capital	Nature of the operation	Issue price	Number of shares
Total on 31/12/2010	71 639 409			2 828 542
31/12/2011	122 709	Partial demerger of SA Masada	59.72	102 792
31/12/2011	5 585	Mixed demerger of SA Urbis	63.32	6 318
31/12/2011	2 633 519	Partial demerger of SA VOP	62.91	118 491
Total on 31/12/2011	74 401 222			3 056 143
Total on 31/12/2012	74 401 222			3 056 143
Total on 31/12/2013	74 401 222			3 056 143
11/6/2014	2 548 073	Contribution of properties by AXA Belgium	79.85	104 666
Total on 31/12/2014	76 949 295			3 160 809
Total on 31/12/2015	76 949 295			3 160 809
Total on 31/12/2016	76 949 295			3 160 809
13/09/2017	12 000 000	Partial demerger of SA VOP	86.30	139 049
Total on 31/12/2017	88 949 295			3 299 858

On 31 December 2017, 11 712 treasury shares were held by Home Invest Development

NOTE 27 : CONSOLIDATION SCOPE

Name	Company nr.	Country of origin	Direct or indirect shareholding	Annual accouts dd.
In 2017				
Home Invest Belgium N.V.	0420.767.885	Belgium	-	31-12-2017
Home Invest Development N.V.	0466.151.118	Belgium	100%	31-12-2017
Charlent 53 Freehold Bvba	0536.280.237	Belgium	100%	31-12-2017
HBLC Sprl	0541.863.576	Belgium	100%	31-12-2017
In 2016				
Home Invest Belgium N.V.	0420.767.885	Belgium	-	31-12-2016
Home Invest Development N.V.	0466.151.118	Belgium	100%	31-12-2016
Charlent 53 Freehold Bvba	0536.280.237	Belgium	100%	31-12-2016
HBLC Sprl	0541.863.576	Belgium	100%	31-12-2016

All the companies that are part of the consolidation scope are domiciled in Belgium at Boulevard de la Woluwe 46/11, 1200 Brussels. At 31 December 2017 there are no minority interests.

With the exception of the remuneration of the Managing director (see "Management report" - "Corporate Governance Statement") there have been no transactions with related parties within the meaning of IAS 24.

The table hereunder details the remunerations of the directors and effective managers.

Name	Short term benefits as at 31/12/2017	Post employment benefits as at 31/12/2017	Short term benefits as at 31/12/2016	Post employment benefits as at 31/12/2016
BOTERMANS Guillaume	0		28 133	
VAN OVERSTRAETEN Lieven	29 000		26 250	
SPIESSENS Eric	26 500		22 250	
DEJONCKHEERE Koen	12 000		11 000	
VAN OVERSTRAETEN Johan	25 000		20 000	
AUROUSSEAU Wim	15 000		9 500	
DE HEMPTINNE Laurence	17 750		13 250	
COCKY NV represented by Johan VAN OVERSTRAETEN	1 200		900	
LAMBRIGHS Sophie	341 460	27 000	157 600	27 000
ZOU2 Sprl represented by Sophie LAMBRIGHS	101 640		160 492	
Other effective leaders	566 176		488 618	
TOTAL	1 135 726	27 000	937 993	27 000

STATUTORY ACCOUNTS[1]

BALANCE SHEET

ASSETS	2017	2016
I. Non-current assets	456 869 467	405 340 681
B. Intangible assets	416 024	278 118
C. Investment properties	448 986 831	402 753 097
D. Other tangible assets	391 371	102 316
E. Non-current financial assets	6 628 354	1 624 511
F. Finance lease receivables	446 887	582 639
II. Current assets	11 715 333	14 403 846
A. Assets held for sale		1 457 192
C. Finance lease receivables	135 752	135 243
D. Trade receivables	3 337 699	3 238 028
E. Tax receivables and other current assets	1 607 723	6 012 866
F. Cash and cash equivalents	6 609 760	3 173 782
G. Deferred charges and accrued income	24 400	386 735
TOTAL ASSETS	468.584.800	419 744 527
SHAREHOLDERS' EQUITY		
A. Capital	87 999 055	75 999 055
B. Share premium account	24 903 199	24 903 199
C. Reserves	102 800 276	98 986 509
D. Net result of the financial year	272 813	6 081 114
SHAREHOLDERS' EQUITY	215 975 343	205 969 877
LIABILITIES		
I. Non-current liabilities	232 805 745	201 485 901
B. Non-current financial debts	224 745 100	192 205 885
a. Financial debts	185 000 000	152.500.000
c. Others	39 745 100	39.705.885
C. Other non-current financial liabilities	8 060 644	9 280 017
II. Current liabilities	19 803 713	12 288 748
B. Current financial debts	10 664 663	712 226
a. Financial debts	10 000 000	0
c. Others	664 663	712.226
D. Trade debts and other current debts	7 621 767	10 060 920
b. Others	7 621 767	10.060.920
E. Other current liabilities	62 656	90 680
F. Accrued charges and deferred income	1 454 627	1 424 923
LIABILITIES	252 609 457	213 774 650
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	468 584 800	419 744 527

[1] Home Invest Belgium's statutory annual financial statements have been prepared in accordance with IFRS standards since 1 January 2005. They are presented in an abridged version, in accordance with article 105 of the Company Code. The detailed statutory financial statements will be lodged with National Bank following the Annual General Meeting. They are also available upon request from the company's registered headquarters.

INCOME STATEMENT

	2017	2016
I. Rental Income	22 576 322	18 977 691
III. Rental-related expenses	-183 272	-178 922
NET RENTAL RESULT	22 393 050	18 798 769
IV. Recovery of property charges	136 764	86 482
V. Recovery of charges and taxes normally payable by the tenant on let properties	598 574	660 864
VII. Charges and taxes normally payable by the tenant on let properties	-2 763 020	-2 705 975
VIII. Other incomes and expenses related to letting	-30 000	0
PROPERTY RESULT	20 335 368	16 840 140
IX. Technical costs	-1 085 251	-842 135
X. Commercial costs	-342 219	-406 804
XI. Taxes and charges on unlet properties	-289 436	-392 488
XII. Property management costs	-3 759 573	-2 861 945
XIII. Other property costs	19 853	-81 388
PROPERTY COSTS	-5 456 625	-4 584 760
PROPERTY OPERATING RESULT	14 878 744	12 255 380
XIV. General corporate expenses	-1 064 434	-841 829
XV. Other operating incomes and expenses	-112 236	-29 448
OPERATING RESULT BEFORE PORTFOLIO RESULT	13 702 073	11 384 103
XVI. Result sale investment properties	719 633	279 654
XVIII. Changes in fair value of investment properties	421 475	11 295 322
OPERATING RESULT	14 843 181	22 959 078
XX. Financial income	344 098	233 053
XXI. Net interest charges	-3 700 382	-3 142 062
XXII. Other financial charges	-62 129	-63 989
XXIII. Changes in fair value of financial assets and liabilities	1 226 658	-2 025 345
FINANCIAL RESULT	-2 191 755	-4 998 344
PRE-TAX RESULT	12 651 426	17 960 735
XXIV. Corporation tax	-412 355	-26 587
TAXES	-412 355	-26 587
NET RESULT	12 239 071	17 934 148
NET RESULT ATTRIBUTABLE TO THE PARENT COMPANY	12 239 071	17 934 148

Appropriation and withdrawals	2017	2016
A. Net result	12 239 071	17 934 148
B. Transfer to/from reserves (-/+)		
1. Transfer to/from reserves of the balance (positive or negative) of changes in fair value of investment properties (-/+)		
- financial year	-5 497 698	-17 402 429
- realisation of real estate	4 201 834	5 150 161
2. Transfer to/from reserves of estimated transfer rights and costs resulting from hypothetical disposal of investment properties (-/+)	5 076 223	6 107 108
5. Transfer to the reserve of the balance of changes in the fair value of the hedge instruments to which hedge accounting as defined in IFRS is applied.		
- financial year	-1 226 658	2 025 345
11. Transfer to/from result from previous financial years carried forward (-/+)	-433 262	-380 895
C. Remuneration of capital according to art.27, § 1, lid 1	-11 899 897	-11 108 006
D. Remuneration of capital – other than C	-2 459 613	-2 325 433

Scheme for calculation of result according to art. 27, § 1, § 1	2017	2016
Corrected result (A)		
Net result	12 239 071	17 934 148
+ Depreciations	150 195	207 574
- Write-back of depreciations	-68 096	-136 900
+/- Other non monetary items	-1 226 658	2 025 345
+/- Result on sale of property	-719 633	-279 654
+/- Changes in fair value of property	-421 475	-11 295 322
Corrected result (A)	**9 953 404**	**8 455 192**
Net capital gains on the sale of property not exempt from distribution (B)		
+/- Capital gains and losses on property realized during the financial year (capital gains or losses compared with the acquisition value plus capitalised investment expenses)	4 921 467	5 429 815
= Net capital gains on the sale of property not exempt from distribution (B)	**4 921 467**	**5 429 815**
TOTAL (A + B)	**14 874 871**	**13 885 007**
80% according to art. 13, §1, al. 1	**11 899 897**	**11 108 006**
Net reduction in debt	0	0
Minimum distribution required by art. 13.	11 899 897	11 108 006

In accordance with art. 617 of the Belgian Company Code, the net assets, after distribution of the proposed dividend, must not be less than the called-up capital, plus all reserves which the law or the articles of association do not permit to be distributed. The margin remaining after distribution is € 20.6 million.

Net statutory assets after distribution of the dividend:		213 582 091
Method of calculation of the amount referred to in art 13 § 1er al. 6		
Paid-up capital or, if greater, called-up capital (+)	87 999 055	
Share premiums not available pursuant to the articles of association (+)	24 903 199	
Reserve from the positive balance from changes in the fair value of real estate assets (+)	120 164 015	
Reserve for transfer rights and costs estimated to arise on the hypothetical disposal of investment properties (-)	-34 275 030	
Authorised hedging instruments where hedge accounting according to IFRS is not applied	-9 280 017	
Legal reserve (+)	98 778	
TOTAL		**189 610 001**
Difference		23 972 090

AUDITOR'S REPORTS

Statutory auditor's report to the general meeting of the company Home Invest Belgium NV for the year ended 31 december 2017

In the context of the statutory audit of the consolidated financial statements of the company Home Invest Belgium NV (the Company) and its subsidiaries (together referred to as 'the Group'), we hereby present our statutory auditor's report. It includes our report on the audit of the consolidated financial statements as well as our report on the other legal and regulatory requirements. These reports form part of an integrated whole and are indivisible.

We have been appointed as statutory auditor by the general meeting of 3 May 2016, following the proposal formulated by the board of directors issued upon recommendation of the audit committee. Our statutory auditor's mandate expires on the date of the general meeting deliberating on the annual accounts closed on 31 December 2018. We have performed the statutory audit of the consolidated financial statements of the company for 2 consecutive years.

Report on the audit of the consolidated financial statements

Unqualified opinion

We have performed the statutory audit of the Group's consolidated financial statements, which comprise the consolidated balance sheet as at 31 December 2017, and the consolidated statement of profit or loss, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, and which is characterised by a consolidated statement of financial position total of € 470 061 090 and for which consolidated income statement shows a profit for the year of € 13 222 981.

In our opinion, the consolidated financial statements give a true and fair view of the Group's net equity and financial position as at 31 December 2017, as well as of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Belgium. Our responsibilities under those standards are further described in the 'Statutory auditor's responsibilities for the audit of the consolidated financial statements' section in this report. We have complied with all the ethical requirements that are relevant to the audit of consolidated financial statements in Belgium, including those concerning independence.

We have obtained from the board of directors and company officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the matter
Valuation of investment property Home Invest Belgium NV and its subsidiaries have investment properties on their balance sheets with a consolidated value of € 457 636 191 as at 31 December 2017. Investment properties include investment properties in operation for an amount of € 423 105 968 which are valued at fair value. The determination of the fair value requires a high level of judgement by the board of directors, in which they are assisted by an external and independent real estate expert. In determining the fair value, parameters, assumptions and estimates are used. In view of the significant estimation uncertainty, and the possible effect of minor adjustments to the expectations on the total of the valuation of this section in the financial statements, we have designated the valuation of the investment properties in operation as a key audit matter of our audit.	In our audit, we have obtained sufficient assurance regarding the competence and independence of the external real estate experts. We have established for all valuation methods that valuation methodologies as used by the external real estate experts are acceptable for the underlying property. We have established that the valuation is useful for the purpose of the valuation in the financial statements. We have fully reconciled the valuation reports with the accounting records. In addition, we have determined the integrity of the source data used, such as rental income and surfaces for the calculation of the valuation, on the basis of a sample. We did not find any material differences in this respect. We then reviewed the parameters used by the real estate expert and management using the information we obtained from other control procedures and external data. Based on this, we can conclude that the parameters used are reasonable for the purpose of the valuation. Finally, we have ascertained that all necessary disclosures regarding the property portfolio, the fair value valuation and the underlying parameters have been included in the financial statements and that these disclosures are sufficiently, accurately and clearly stated. We have no comments in this respect.
Revenue Recognition The consolidated income statement of Home Invest Belgium NV shows rental income amounting to € 22 683 114. As a result, rental income is an important item in the consolidated income statement of Home Invest Belgium NV. The number of rent contracts that generated revenues for Home Invest Belgium NV is significant. We conclude from this that there is a significant risk, in particular an income recognition that would not be in line with the underlying contracts, as a result of fraud or errors.	We have verified the accuracy of the rental income by reconciling the reported rental income in the annual accounts with the income from the current rental contracts. By means of a sample check, we have reconciled the booked rental income with the underlying signed rental contract and checked whether the terms stipulated in the rental contract are correctly recorded in the accounts. As the rental terms and conditions may vary from one rental agreement to another for each rental agreement, we have specifically verified that the cut-off for rental income is properly reflected in the financial statements. We have paid particular attention to the explanations provided with regard to the recognition of revenue in the financial statements. We believe that the explanations provided are sufficient, accurate and clear.
Recognition of sale and acquisition of property In 2017 Home Invest Belgium NV acquired and sold various real estate investments. The accurate and complete processing of these transactions is a key audit matter in our control.	We have checked the buying and selling transactions on the basis of a sample. We have reconciled this with relevant supporting documents, checked the reporting and determined the correct and accurate processing of the results in the financial year. In addition, for sales transactions, we have reviewed the sales price against recent valuations.

Responsibilities of the board of directors for the consolidated financial statements

The board of directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory provisions applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the consolidated financial statements, the board of directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. 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 consolidated financial statement.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain 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 Group's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
- Conclude on the appropriateness of the board of directors' 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 the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the management, the supervision and the performance of the Group audit. We assume full responsibility for the auditor's opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit as well as significant audit findings, including any significant deficiencies in internal control identified during the audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year, and are therefore the key audit matters. We describe these matters in our statutory auditor's report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

Responsibilities of the board of directors

The board of directors is responsible for the preparation and the contents of the management report on the consolidated financial statements and for the other information included in the annual report on the consolidated financial statements.

Responsibilities of the statutory auditor

In the context of our mandate and in accordance with the Belgian standard (revised in 2018) that is supplementary to the International Standards on Auditing (ISA) as applicable in Belgium, it is our responsibility to verify, in all material aspects, the management report on the consolidated financial statements and the other information included in the annual report on the consolidated financial statements, as well as to report on these elements.

Aspects related to the management report on the consolidated financial statements and to the other information included in the annual report on the consolidated financial statement

In our opinion, after having performed specific procedures in relation to the management report, the management report is consistent with the consolidated financial statements for the same same financial year, and it is prepared in accordance with article 119 of the Company Code.

In the context of our audit of the consolidated financial statements, we are also responsible for considering, in particular based on the knowledge we have obtained during the audit, whether the management report on the consolidated financial statements and the other information included in the annual report on the consolidated financial statements, namely:

- risk factors
- key figures (page 24)
- corporate governance statement

contain a material misstatement, i.e. information which is inadequately disclosed or otherwise misleading. Based on the procedures we have performed, there are no material misstatements we have to report to you. We do not not express any form of assurance whatsoever on the management report on the consolidated financial statements nor on the other information contained in the annual report on the consolidated financial statements.

Statement concerning independence

Our audit firm and our network did not provide services which are incompatible with the statutory audit of consolidated financial statements, and we remained independent of the Group throughout the course of our mandate.

The fees related to additional services which are compatible with the statutory audit as referred to in article 134 of the Company Code were duly itemised and valued in the corporate governance statement.

Other statements

This report is in compliance with the contents of our additional report to the audit committee as referred to in article 11 of Regulation (EU) No 537/2014.

Antwerp, 11 April 2018

Grant Thornton Bedrijfsrevisoren CVBA

Statutory Auditor represented by

Philip Callens
Registered Auditor

PERMANENT DOCUMENT

PERMANENT DOCUMENT

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GENERAL INFORMATION

Company name	Home Invest Belgium SA, a Belgian Public Regulated Real Estate Company (RREC) (SIR/GVV)
Legal form	A Belgian public limited liability company (*Société anonyme - SA*)
Register of legal entities (RPM)	The company is registered with the RPM in Brussels under number 0420.767.885.
Registered office	B - 1200 Brussels, Boulevard de la Woluwe 46/11
Telephone number	+32 2 740 14 50
Website	www.homeinvestbelgium.be
Incorporation	The company was established on 4 July 1980 under the name 'Philadelphia', further to a deed received by Notary Daniel Pauporté in Brussels published in the annexes to the Moniteur belge (Belgian official journal) on 12 July 1980 under No 1435-3). The articles of association have been amended on several occasions and most recently further to the record drawn up by Notary Louis-Philippe Marcelis on 13 September 2017 (published in the annexes to the Moniteur belge (Belgian official journal) on 21 November 2017 under no 0161972).
Term	The company is established for an unlimited period of time.
Company purpose	The company purpose is reproduced in full hereafter, in Article 3 of the coordinated articles of association. The company's exclusive purpose is to make available buildings to users, directly or through a company in which it holds a stake in accordance with the provisions of the regulations on Public Regulated Real Estate Companies.
Changes to the company purpose	The company can only make changes to its company purpose in accordance with its articles of association and provided that said changes are consistent with the laws and regulations applicable to Regulated Real Estate Companies.
Financial year	The financial year begins on 1 January and ends on 31 December.
Places where the documents accessible to the public can be consulted	• The company's articles of association can be consulted at the Registrar's Office of the French-speaking Commercial Court of Brussels and on the company's website. • The company's deed of incorporation can be consulted at the Registrar's Office of the French-speaking Commercial Court of Brussels and at the company's registered office. • The annual financial statements are filed with the National Bank of Belgium and can be consulted at the Registrar's Office of the Commercial Court of Brussels. • Decisions concerning the appointment and dismissal of members of the Board of Directors are published in the annexes to the Moniteur belge (*Belgian official journal*). • The annual financial reports are available at the registered office or can be consulted on the website. These reports include the real estate expert's report and the auditor's report and are sent every year to the registered shareholders and to anyone who requests them. Other publications can be obtained at the registered office or by consulting the company's website. Anyone interested can register free of change on the website in order to receive press releases and mandatory financial information by e-mail.

Trône, Brussels

SHARE CAPITAL

Issued share capital	on 31 December 2017, the share capital stood at € 88 949 294.75. It is represented by 3 299 858 shares without indication of nominal value. The share capital is fully paid-up.
Authorised capital	the Board of Directors is authorised to increase the share capital, on one or more occasions, to the sum of € 88 949 294.75. Under the same conditions, the Board of Directors is authorised to issue convertible bonds or subscription rights. This authorisation has been conferred for a period of five years as of 21 November 2017. These capital increases can be effected by subscriptions in cash, contributions in kind or via the incorporation of reserves or issue premiums. As at 31 December 2017, the balance of the authorised capital amounted to € 88 949 294.75.

CO-ORDINATED ARTICLES OF ASSOCIATION - EXCERPTS

The complete coordinated articles of association of Home Invest Belgium SA can be consulted at the Registrar's Office of the French-speaking Commercial Court of Brussels, at the company's registered office and on the website www.homeinvestbelgium.be.

Company purpose (Article 3 of the articles of association)	3.1. The company's exclusive purpose is: (a) to make available buildings to users, directly or through a company in which it holds a stake in accordance with the provisions of the RREC regulations; and (b) within the limits set by RREC regulations, to own the real estate mentioned in Article 2, 5°, vi to x of the RREC act. Real estate shall be understood to mean: i. buildings as defined in Articles 517 ff. of the Civil Code and real rights exercised on buildings, to the exclusion of buildings for forestry, agriculture or mining; ii. shares with voting rights issued by real estate companies, exclusively or jointly controlled by the company; iii. option rights on real estate; iv. shares in public regulated real estate companies or institutional regulated real estate companies, provided that in the latter case, the company has joint or exclusive control thereof; v. the rights deriving from contracts granting one or more properties to the company in the form of a finance lease or conferring similar rights of use; vi. shares in public real estate investment funds (sicafi); vii. shares in foreign undertakings for collective investment in real estate as registered on the list referred to in Article 260 of the act of 19 April 2014 relating to alternative foreign undertakings for collective investment and their managers; viii. shares in undertakings for collective investment in real estate established in another Member State of the European Economic Area and not included on the list referred to in Article 260 of the act of 19 April 2014 relating to alternative foreign undertakings for collective investment and managers, insofar as they are subject to similar supervision as that applicable to public sicafi; ix. shares issues by companies (i) with a legal personality; (ii) falling under the law of another Member State of the European Economic Area; (iii) whose shares are admitted to trading on a regulated market and/or which are subject to prudential supervision; (iv) whose primary activity is the acquisition or construction of buildings to be made available to users, or direct or indirect holdings in certain types of entities whose company purpose is similar; and (v) which are exempt from income tax on the profits derived from the activities referred to under (iv) above, subject to compliance with various constraints, relating at least to the legal obligation to distribute part of their earnings to their shareholders ('Real Estate Investment Trusts', or 'REITs'); x. real estate certificates, as referred to in Article 5, § 4 of the act of 16 June 2006. In the framework of the provision of buildings, the company may in particular undertake all activities related to the building, conversion, renovation, development, acquisition, sale, management and operation of buildings.

3.2. On a temporary or ancillary basis, the company may invest in securities that do not constitute real estate within the meaning of the RREC regulations. These investments will be made in compliance with the risk management policy adopted by the company and will be diversified in order to ensure adequate risk diversification. The company may also hold unallocated liquid assets in any currency, in the form of current or term deposits or any money market instruments that may be easily mobilised. It can also carry out transactions on hedging instruments, intended exclusively to cover exposure to interest rate and currency exchange risks in the framework of the financing and management of the company's real estate and to the exclusion of any speculative transactions.

3.3. The company may rent or let one or more buildings itself under a finance lease agreement. The finance-lease activity with a purchase option relating to buildings can only be carried out as a secondary activity unless these buildings are intended for public purposes including social housing and education (in which case the activity may be exercised as the company's primary activity).

3.4. The company may take an interest, by merger or otherwise, in any business, undertakings or companies with a similar or related company purpose and which are conducive to the development of its business and, in general, carry out all operations that are directly or indirectly related to its purpose and all acts deemed necessary or useful for the achievement of its purpose. The company is required to perform all its activities and operations in accordance with the rules and within the limits set by the RREC regulations and any other applicable legislation.

Prohibitions (Article 4 of the articles of association)

The company may not:
a. act as a real estate developer within the meaning of the RREC regulations with the exception of occasional transactions;
b. participate in an underwriting or guarantee syndicate;
c. lend financial instruments, with the exception of loans under the conditions and in accordance with the provisions of the Royal Decree of 7 March 2006 on loans of securities by certain collective investment bodies;
d. acquire financial instruments issued by a private company or association which has been declared bankrupt, which enters into a mutual agreement with its creditors, which is the subject of a judicial reorganisation procedure, which has obtained a suspension of payments or which has been the subject of similar measures in a foreign country.

Authorised capital (Article 6.3. of the articles of association)

The Board of Directors is expressly authorised to increase the share capital on one or more occasions up a maximum amount of eighty-eight million, nine hundred and forty-nine thousand, two hundred and ninety-four euros and seventy-five cents (€ 88 949 294.75) on the dates and in accordance with terms which it shall set, in accordance with Article 603 of the Companies Code. Under the same conditions, the Board of Directors is authorised to issue convertible bonds or subscription rights.
This authorisation is granted for a period of five years as of the publication in the annexes to the Moniteur belge (Belgian official journal) of the minutes of Extraordinary General Meeting held on 13 September 2017. In any case, within the framework of this authorisation, the share capital may never be increased to more than eighty-eight million, nine hundred and forty-nine thousand, two hundred and ninety-four euros and seventy-five cents (€ 88 949 294.75).
Whenever the share capital is increased, the Board of Directors will set the price, any issue premium and the issue conditions of the new shares, unless the general meeting decides on this itself.
The preferential subscription right of shareholders can either be limited or abolished in accordance with Article 6.5. of the articles of association.
Capital increases decided in this way by the Board of Directors may be undertaken by subscription in cash or by contributions in kind or by incorporation of reserves or issue premiums, with or without the creation of new securities, or through the distribution of an optional dividend, in each case with due respect for the legal provisions; such increases may lead to the issuing of voting or non-voting shares. Such capital increases may also take the form of the conversion of convertible bonds or the exercising of subscription rights - whether or not attached to another security - which can give rise to the creation of voting or non-voting shares.
Where the capital increases decided on pursuant to this authorisation include an issue premium, the amount of this premium, after the charging of any expenses, will be placed in an unavailable account named 'issued premium'. This will constitute, in the same way as capital, the guarantee in respect of third parties and may be reduced or abolished only by a decision of the general meeting ruling under the conditions regarding quorum and majority required for a capital reduction, unless incorporated into the capital.

Acquisition of own shares (Article 6.4. of the articles of association)

The company may acquire its own shares by purchase or accept them as a security under conditions laid down by law.
By decision of the extraordinary general meeting of shareholders of 3 May 2016, the Board of Directors is authorised:
- in the context of Articles 620 ff. of the Companies Code, on behalf of the company, to acquire, pledge and dispose of the company's own shares at a unit price of not less than sixty-five per cent (65%) of the closing market price on the day prior to the date of the transaction (acquisition, disposal or pledging) and may not be more than one hundred and thirty-five percent (135%) of the closing market price on the day prior to the date of the transaction (acquisition, disposal or pledging) for a period of five years as of the publication in the annexes to the Moniteur belge (*Belgian official journal*) of the minutes of the extraordinary general meeting of shareholders of the company of 3 May 2016, bearing in mind that at no time may the company hold more than twenty per cent (20%) of the total number of shares issued;
- to acquire, pledge and dispose of its own shares on behalf of the company without the need for an additional prior decision from the general meeting of shareholders of the company, where such acquisition, pledging or disposal is necessary in order to avoid serious and imminent danger. This authorisation is granted for a period of three years as of the publication in the annexes to the Moniteur belge (*Belgian official journal*) of the minutes of extraordinary general meeting held on 3 May 2016.

In the context of these authorisations, the company is authorised to dispose of shares acquired by the company, on or off the stock market, under conditions set by the Board of Directors, without the prior authorisation of the general meeting of shareholders of the company.
The above authorisations extend to acquisitions and disposals of shares in the company by one or more of its direct subsidiaries, within the meaning of the legal provisions relating to the acquisition by subsidiaries of shares in their parent companies.

Capital increase (Article 6.5. - 6.7. of the articles of association)

Article 6.5. Capital increases by contribution in cash
In the event of a capital increase by cash contribution and without prejudice to the application of Articles 592 to 599 of the Companies Code and the RREC regulations, the preferential sub-scription rights of existing shareholders may not be abolished or limited unless an irreducible allocation right is granted to them when new shares are allocated. This irreducible allocation right must meet the following conditions under the RREC regulations:
1. it extends to all newly issued shares;
2. it is granted to shareholders in proportion to the portion of the capital represented by their shares at the time of the capital increase;
3. a maximum price per share is announced at the latest on the eve of the opening of the public subscription period which must last for at least three trading days. Without prej-udice to the application of Articles 595 to 599 of the Companies Code and the RREC reg-ulations, said irreducible allocation right must not be granted in the event of a contribu-tion in cash with limitation or abolition of the preferential right, as a supplement to a contribution in kind within the framework of the distribution of an optional dividend, provided that this dividend is effectively granted to all shareholders.

Article 6.6. Capital increases by contribution in kind
Issuing shares in return for a contribution in kind is only possible in application of Articles 601 and 602 of the Companies Code.

6.6.1. Furthermore, the following conditions must be respected in the event of a contribution in kind, in accordance with the RREC regulations:
1° the contributor's identity must be indicated in the report from the Board of Directors referred to in Article 602 of the Companies Code and, if appropriate, in the convening notice to the general meeting that will decide on the capital increase;
2° the issue price cannot amount to less than the lowest value of (a) a net asset value per share dating back no more than four months before the date of the agreement on the contribution or, if the company prefers, before the date of the deed relating to the capital increase and (b) the average closing price of the thirty calendar days prior to this date. In this respect, it may be decided to deduct from the amount mentioned in the previous paragraph an amount that corresponds to the portion of the undistributed gross dividends to which the holders of the new shares would potentially not be entitled, pro-vided that the Board of Directors specifically justifies the amount of the accumulated dividends to be deducted in its special report and explains the financial conditions of the transaction in its annual financial report;
3° unless the issue price or, in the event of the situation referred to in Article 6.6.3., the exchange ratio, as well as the applicable terms, are determined and communicated to the public at the latest on the working day following the conclusion of the contribution agreement, indicating the period during which the capital increase will actually take place, the capital increase deed will be recorded within a maximum period of four months; and
4° the report referred to in point 1° above must also explain the impact of the proposed contribution on the situation of existing shareholders, in particular with regard to their share of the profit, the net asset value and the capital, as well as the impact with re-gard to voting rights.

	6.6.2. The conditions laid down in Article 6.6.1. do not apply in the case of a contribution of the right to a dividend within the framework of the distribution of an optional dividend, on condition that this right to a dividend is open to all the shareholders. 6.6.3. In accordance with the RREC regulations, Article 6.6.1. of these articles of association will apply mutatis mutandis in the context of mergers, de-mergers and similar transactions referred to in Articles 671 to 677, 681 to 758 and 772/1 of the Companies Code. In this case, the contribution agreement date relates to the date when the plan for the merger or de-merger is filed.
	Article 6.7. Capital increase of a subsidiary with the status of an institutional RREC. In accordance with the RREC regulations, in the event of a capital increase in a subsidiary with the status of a listed institutional RREC by means of a contribution in cash at a price that is 10% or more lower than the lowest value of (a) a net asset value per share dating back no more than four months before the date of the start of the issue or (b) the average closing price of the thirty calendar days prior to date of the start of the issue, the Board of Directors draws up a report explaining the economic justification for the discount applied, the financial consequences of the transaction for the shareholders and the interest of the capital increase under consideration for the company. This report and the valuation criteria and methods are commented on by the statutory auditor in a separate report. It is possible to deduct from the amount mentioned in the previous paragraph an amount that corresponds to the portion of the undistributed gross dividends to which the holders of the new shares would potentially not be entitled, provided that the Board of Directors specifically justifies the amount of the accumulated dividends to be deducted and explains the financial conditions of the transaction in its annual financial report. If the subsidiary in question is not a listed company, the discount referred to in paragraph 1 is calculated only on the basis of a net asset value per share dating back no more than four months; all the other obligations apply. This article does not apply to capital increases fully subscribed by the company or its subsidiaries, whose capital is directly or indirectly held entirely by the company.
	Article 6.8. Capital reduction The company can reduce its capital in compliance with the applicable legal provisions.
Shares (Article 7.1. of the articles of association)	The shares are registered or dematerialised. They are all fully paid up and without indication of nominal value. The company may issue dematerialised shares by capital increase or by exchange of existing registered shares. Each shareholder can, at his own expense, request an exchange into registered or dematerialised shares. The company may create several categories of shares. The registered shares are listed in the shareholders' register held at the company's registered office. Ownership of these shares is proven exclusively by registration in the shareholders' register. Any transfer of these shares takes effect only after registration of the transfer of these shares in the shareholders' register, dated and signed by the transferor and the transferee or their proxies, or after having fulfilled the formalities required by law for the transfer of these claims. Nominative registration certificates will be issued to the shareholders. The shares are indivisible and the company recognises a single owner per security. If several people have rights with regard to the same share, the exercising of these rights will be suspended until a single person has been appointed as the owner of the security in respect of the company.
Other securities (Article 7.2. of the articles of association)	With the exception of profit-sharing shares and similar securities, and subject to specific legal provisions on this matter, in particular those resulting from the RREC regulations, the company can issue other securities in accordance with Article 460 of the Companies Code.
Declaration of transparency (Article 8 of the articles of association)	The company's shares must be admitted for trading on a Belgian regulated market in accordance with the RREC regulations. In accordance with the provisions of the act of 2 May 2007 on the public disclosure of major holdings in issuers whose shares are admitted for trading on a regulated market and containing various provisions and in accordance with the RREC regulations, any legal or natural person acquiring shares or other financial instruments conferring voting rights, whether or not they represent capital, is required to inform the company and the FSMA of the percentage and the number of existing voting rights it holds each time the voting rights attached to these securities reach either three per cent (3%), or five per cent (5%) or a multiple of five per cent of the total number of voting rights existing at this time or at the time when circumstance arise that render such disclosure mandatory. The declaration is also mandatory in the event of the transfer of securities when, as a result of this transfer, the number of voting rights falls below the thresholds referred to in sub-paragraph two.

Composition of the board of directors (Article 9 of the articles of association)	The company is governed by a Board consisting of at least three and no more than nine directors, who may or may not be shareholders and who are appointed by the general meeting of shareholders, in principle for a period of four years; the duration of the mandate may never exceed six years. Their mandate may be revoked at any time. The general meeting must appoint at least three independent directors to the Board of Directors. An independent director is understood to be a director who meets the criteria set out in Article 526 ter of the Companies Code. Should one or more director's positions become vacant, the remaining directors are entitled to fill the vacancy until the next general meeting, which will make the definitive appointment. This right becomes an obligation whenever the number of directors actually in office no longer reaches the statutory minimum. Without prejudice to the transitional provisions, the directors are exclusively natural persons; they must fulfil the conditions of good repute and expertise laid down in the RREC regulations and cannot fall under the application of the prohibitions laid down in the RREC regulations. The appointment of directors is subject to the prior approval of the Financial Services and Markets Authority (FSMA).
Actual management (Article 12 of the articles of association)	Without prejudice to the transitional rules, the actual management of the company is entrusted to at least two natural persons. The members of the management team must fulfil the conditions of good repute and expertise laid down in the RREC regulations and cannot fall under the application of the prohibitions laid down in the RREC regulations. The appointment of executive managers is subject to the prior approval of the Financial Services and Markets Authority (FSMA).
Representation of the company (Article 13 of the articles of association)	The company is validly represented in deeds and in law, including deeds requiring the intervention of a public official or a notary public, either by two directors acting jointly or, in the context of day-to-day management, by a person mandated for this purpose or, where an executive committee exists and within the limits of the powers conferred upon this executive committee, by two members of this committee acting jointly. The company is also validly represented by special representatives acting within the framework of their mission. The company may be represented abroad by any individual who has been expressly appointed by the Board of Directors for this purpose. Copies or extracts of the minutes of the general meetings of shareholders and of meetings of the Board of Directors, including extracts intended for publication in the annexes to the Moniteur belge (*Belgian official journal*), are validly signed either by one director or by a person charged with the day-to-day management or who has been expressly mandated by the Board of Directors.
General meeting (Article 23 of the articles of association)	A general meeting, known as the 'Annual Meeting' will be held every year on the first Tuesday of May at 3.00 pm. If this date coincides with a public holiday, the Annual Meeting will take place on the next working day at the same time. An extraordinary general meeting may be convened every time this is required in the interests of the company. These general meetings may be convened by the Board of Directors or by the statutory auditor(s), and must be convened when requested by shareholders representing one fifth of the company's capital. General meetings are held at the registered office of the company or in any other place indicated in the letter convening the meeting or in any other way.

Convening and attending the meeting (Article 24 of the articles of association)	General meetings and extraordinary general meetings are convened by means of an announcement published just once in the Moniteur belge (*Belgian official journal*) at least thirty days before the meeting. With the exception of annual general meetings, which are held at the place, date and time indicated in the articles of association and the agenda of which is limited to the customary subjects, the notice convening the meeting must also be published thirty days prior to the meeting in a national newspaper and on the company website. Where a second convening notice is required, and insofar as the date of the second meeting has been indicated in the first convening notice, the deadline for convening this second meeting is reduced to seventeen days before the general meeting. The convening notice contains the agenda of the meeting and the proposed resolutions. Registered shareholders will receive convening notices by recorded delivery or, if expressly so requested in writing, by ordinary post, thirty days before the meeting. One or more shareholders jointly representing at least 3% of the share capital of the company can, in accordance with Article 533ter of the Companies Code, request that an item be added to the agenda of the meeting and put forward proposals for decisions with regard to items included on or to be added to the agenda. A shareholder attending or represented at the meeting is deemed to have been validly convened. Moreover, a shareholder may, before or after the general meeting that he did not attend, waive the possibility of invoking the absence or irregularity of the convening notice. To be admitted to the meeting and cast their vote, shareholders must register their shares no later than midnight (Belgian time) on the fourteenth day prior to the general meeting (hereinafter the 'registration date'), either by their inclusion in the share register or by their inclusion in the accounts of an approved account holder or a clearing body, irrespective of the number of shares held by the shareholder on the day of the general meeting. The owners of dematerialised shares wishing to take part in the meeting must provide a certificate issued by their financial intermediary or approved account holder, stating the number of dematerialised shares registered in the shareholder's name in its accounts on the registration date and for which the shareholder has declared that he wishes to take part in the general meeting. This certificate must be filed at the registered office of the company or the establishments indicated in the convening notices at the latest on the sixth day prior to the date of the meeting. Owners of registered shares express their wish to participant in the meeting to the company within the same term, by ordinary post, fax or e-mail. The company ensures that a register is kept at its registered office listing all the shareholders who have come forward, giving their name, their address or registered office, the number of share in their possession on the registration date and with which they have stated that they wish to participate in the meeting, together with the relevant supporting documents.
Voting by proxy - voting by correspondence (Article 25 of the articles of association)	Any shareholder may arrange to be represented at a general meeting by an authorised representative, who may or may not be a shareholder. Proxies must be sent to the company in writing at the latest six days before the meeting; this notification can also be provided electronically, within the same term, by e-mail sent to the address given in the convening notice. Joint owners, holders of usufruct rights and bare owners, secured creditors and pledgees must be represented respectively by one and the same person. The company can provide for the possibility to vote in writing or electronically, by means of forms and following a procedure that it has established; in any case, any vote cast in this manner must reach the company no later than six days before the meeting.
Number of votes - abstention (Article 29 of the articles of association)	One share entitles its owner to one vote.
Dissolution - liquidation (Article 39 of the articles of association)	If the company is dissolved, for whatever reason or at whatever time, one or more liquidators appointed by the general meeting or, in the absence of such appointment, the directors in office at the time, acting together, will be charged with the liquidation. The liquidator(s) only take(s) up office after confirmation of their appointment by the commercial court. In the absence of other provisions in the deed of appointment, the persons charged with the liquidation of the company enjoy the widest possible powers to this end, in accordance with the Company Code. The shareholders' meeting determines the mode of liquidation and the remuneration of the liquidator(s). The liquidation is concluded in accordance with the provisions of the Companies Code.

STATEMENTS

Financial forecasts

This annual financial report contains financial forecasts that are based on estimates and projections of the company and on its reasonable expectations related to external events and factors. By their nature, these financial forecasts imply risks and uncertainties that could cause the results, financial position, performance and current achievements to differ from the results, financial position, performance and achievements expressed or implicitly communicated by these forecasts. In view of these uncertain factors, the forward-looking statements do not comprise any guarantee.

Persons responsible for the content of the registration document

The Board of Directors and the Executive Management of Home Invest Belgium SA are responsible for the information provided in this annual financial report. They have done everything in their power to verify the information contained in the report and, having taken every reasonable measure to this end, declare that the information in this report corresponds to reality and that no information likely to alter the scope of this annual financial report has been omitted.

To the best of their knowledge:

- the annual financial statements, drawn up in accordance with the applicable accounting standards, provide a faithful reflection of the assets, financial position and results of Home Invest Belgium and the companies included in the consolidation;
- the management report contains an accurate description of the development of business, the results and the situation of Home Invest Belgium and the companies included in the consolidation, as well as a description of the main risks and uncertainties facing them.

Statement concerning third-party information

The third-party information published in this annual financial report, such as the real estate expert's report and the auditor's report, have been included with their consent. The Board of Directors and the Executive Management of Home Invest Belgium declare that third-party information has been faithfully reproduced in this annual financial report and, insofar as the RREC is aware and able to assure on the basis of the data published by these third parties, no fact has been omitted that would render the information reproduced inaccurate or misleading.

Historical financial information

The annual financial reports from 2001 onwards (which include the consolidated financial statements, with an abridged version of the statutory financial statements, the management report, the statutory auditor's report and the real estate expert's report) as well as the half-yearly reports, can be consulted on the company website.

All the financial reports since the 2001 financial year are included by reference in this current annual financial report.

Government or other strategy or factor

As regards any government, economic, budgetary, monetary or political strategy or factor having a significant impact or that could have a significant impact, whether directly or indirectly, on the operations of Home Invest Belgium, see the chapter entitled 'Risk factors'.

Legal proceedings and arbitration proceedings in progress

No proceedings are currently in progress that could have significant effects on the financial position or profitability of the company.

Statement with regard to the directors or executive management[1]

The Board of Directors of Home Invest Belgium declares that to the best of its knowledge:

- in the past five years, none of the directors or executive management has been convicted of fraud, no official offence or public penalty has been pronounced and no penalty has been imposed by a legal or supervisory authority and that, in their capacity as directors, they have not been held in receivership or liquidation and that none of the directors or executive management has been prevented by a court from acting as a member of the board or management team or intervening in the management and administration of the affairs of Home Invest Belgium. Similarly, in the past five years, no director has been involved in bankruptcy;
- no contract of employment has been concluded with the directors, which provides for the payment of compensation at the end of the contract. However, service agreements concluded with the Executive Management contain provisions concerning notice and severance compensation (see chapter entitled 'Management Report - Corporate Governance');

[1] The composition of the Board of Directors and the Executive Management are detailed in the chapter entitled 'Management Report - Corporate Governance Statement'.

- to date, no options have been granted on Home Invest Belgium shares;
- there are no family ties between the directors, with the sole exception of M. Johan and Liévin Van Overstraeten (brothers).

Pro forma financial information

During the financial period under review, no transaction was effected which entails an impact of more than 25% on one of the company's activity indicators within the meaning of paragraphs 91 and 92 of the CESR's recommendation on the implementation of European Commission Directive No 809/2004 on prospectuses. The publication of pro forma financial information is therefore not required.

Significant changes since the end of the financial year

Apart from the events occurring since the close of the financial year, commented on in the above management report, no significant changes have taken place in the financial or commercial situation of Home Invest Belgium since the close of the 2017 financial year.

Additional information communicated pursuant to Annex I to Commission Regulation (EC) No 809/2004

There are no restrictions to be reported concerning the use of capital that have had a significant effect or that could have a significant effect, whether directly or indirectly, on the company's operations.

Apart from the contracts concluded with the members of the Executive Management (cf. Chapter entitled 'Management Report - Corporate Governance'), there are no other service contracts binding the members of the administrative, management or supervisory bodies to the company or to any one of its subsidiaries and providing for the granting of benefits at the end of such a contract.

There have not been any transactions with related parties within the meaning of Article 19 of Commission Regulation (EC) No 809/2004.

Major contracts concluded during the past two financial years of the RREC are identified in the Management Report of this annual financial report or in that of the year 2016, which can be consulted on the company's website.

THE REGULATED REAL ESTATE COMPANY AND ITS TAX REGIME

The information provided below is based on tax legislation and practices in force at the time of drafting of this annual report. It is therefore subject to modification in the future, including with retroactive effect, and is purely informative.

Each shareholder and each potential investor is invited to enquire of their own advisers about the tax implications in Belgium and aboard with respect to acquiring, owning and disposing of shares in Home Invest Belgium, as well as collecting dividends and proceeds from shares in the company.

Regulated Real Estate Company (RECC – SIR/GVV)

Adoption of RREC status

The extraordinary general meeting of 14 September 2014 approved the change of status of the sicafi company to an RREC.

Description of the rrec (sir/gvv) status

the RREC (SIR/GVV) is subject to the act of 12 May 2014 and the decree of 13 July 2014 on Regulated Real Estate Companies.

The Regulated Real Estate Company is defined in the act by its activity which consists of providing buildings - directly or through a company in which it has a holding - for users and possibly, within the limits specified for this purpose, to hold other types of 'real estate property' (shares in public sicafi, stakes in certain foreign undertakings for collective investment in real estate, shares issued by other REITs and real estate certificates). In this context, the RREC can perform all activities related to the building, conversion, renovation, development (for its own portfolio), acquisition, transfer, management and operation of buildings.

The Public Regulated Real Estate Company has the following main characteristics:

- company with fixed capital;
- listed on the stock exchange;
- debt ratio limited to 65% of the market value of the company's total assets;
- statutory and consolidated annual accounts are drawn up in accordance with IFRS standards;
- real estate property booked at fair value, without depreciation;
- diversified portfolio: maximum 20% of consolidated assets invested in a single property or complex, unless FSMA grants an exemption;
- strict rules governing conflicts of interest;
- quarterly valuation of assets by an independent expert.

Tax status - corporation tax

Companies that apply to the FSMA for approval as an RREC or which are taken over by an RREC are subject to an exit tax, similar to a liquidation tax, to be paid on their latent capital gains and untaxed reserves at the reduced rate of 12.5%, plus 2% supplementary crisis contribution, bringing the total to 12.75% for the tax years 2019 and 2020 and amounting to 15% as from the tax year 2021.

As an RREC, the Belgian profits of the company are subject to corporation tax, but on a reduced basis of non-admitted expenses, abnormal or gratuitous benefits received and unjustified remunerations and commissions. The company's profits of foreign origin may be taxed in the State in which they arise according to the law applicable in that State and are exempt in Belgium. The net profits generated by Home Invest Belgium resulting from its property investments in the Netherlands are therefore subject to corporation tax at the rate of 25% in the Netherlands and are exempt in Belgium.

Dividends - system applicable since 1 January 2017

Withholding tax	Since 1 January 2017, dividends distributed by the company have been subject to a withholding tax of 30%, subject to the derogations provided for by law (and the royal decree implementing the Income Tax Code) or by international agreements.
Belgian natural persons	For Belgian natural persons who act privately and are liable for personal income tax, the dividends distributed by Home Invest Belgium are subject to the withholding tax mentioned above. For Belgian natural persons who may allocate their shares to their professional activity, the dividends received will be included with their professional income at the usual personal income tax rate, with the withholding tax being chargeable.
Belgian legal entities	For taxpayers liable for tax on legal entities, the dividends distributed by Home Invest Belgium are subject to the withholding tax mentioned above.
Belgian companies and permanent establishments of foreign companies in Belgium	The dividends distributed are subject to the withholding tax mentioned above. Belgian companies and foreign companies that allocate their shares to a permanent establishment in Belgium are taxed on dividends distributed by Home Invest Belgium at the corporation tax rate, without applying the 'definitively taxed income' system, subject to the proportionate share of dividends relating to foreign real estate income and dividends received and capital gains on shares realised in accordance with Article 203, §1er, 2bis and §2, al. 2 of the Income Tax Code applicable to dividends distributed from 1 July 2016. The dividends, received by Belgian companies or by foreign companies that allocate their shares to a stable Belgian institution will therefore be taxable in accordance with the corporation tax system or the non-residents tax at the rate of 29.58% (the base rate plus the additional 2% crisis contribution). Under certain conditions, a reduced rate may be applicable. The withholding tax levied at the source will be chargeable and any surplus refundable through the tax declaration.
Non-resident natural persons and foreign companies without a permanent establishment in Belgium	For non-residents, the dividends distributed by Home Invest Belgium are subject to a withholding tax at source which may, at the request of the shareholder, be reduced by international tax treaties preventing double taxation or be exempt under the conditions provided for by Belgian law.

Capital gains and losses

Belgian natural persons	In Belgium, capital gains made by a natural person from the sale of shares as part of the normal management of their private assets are not taxable, while capital losses are not tax deductible. Belgian natural persons may, however, be subject to a tax of 33%, plus the additional municipal tax, the rate of which depends on the commune of residence, if the capital gains in question are deemed to be made outside the normal management of private assets. Capital gains made by a natural person on Home Invest Belgium shares will therefore usually be exempt as being part of the normal management of private assets. The minimum holding condition of six months does not apply to RREC shares such as Home Invest Belgium. Capital gains may also be subject to tax at 16.5%, plus the additional municipal tax in the commune of residence, if the shares are sold to a company that does not have its registered office, main place of business or head office in a Member State of the European Economic Area and the selling shareholder has, over the past five years, owned over 25% of the rights in the company whose shares are being sold. Belgian natural persons allocating their shares to the exercising of their professional activity are taxed on the capital gains they make on the sale of these shares at the ordinary progressive rates of personal income tax, or at 16.5% if the shares have been held for more than five years.
Belgian legal entities	For Belgian legal entities subject to the tax on legal entities, the capital gains made on the sale of Home Invest Belgium shares are not, in principle, taxable in Belgium. Capital losses suffered on the shares are not tax deductible.
Belgian companies and permanent establishments of foreign companies in Belgium	Capital gains made by a Belgian company on Home Invest Belgium shares or by foreign company on Home Invest Belgium shares allocated to its permanent establishment in Belgium are fully taxable in Belgium at the normal corporation tax rate. Capital losses (expressed or suffered) are not tax deductible.
Non-resident natural persons and foreign companies without a permanent establishment in Belgium	Capital gains made by non-residents, whether natural persons or companies, on Home Invest Belgium shares (with the exception of shares allocated by a foreign company to a permanent establishment in Belgium) are not, in principle, taxable in Belgium. As an exception, a non-resident natural person may be liable for tax on capital gains made on a family holding of at least 25% when the shares are sold to a company established outside the European Economic Area. Capital losses are not tax deductible in Belgium.

Tax on stock market transactions

Subscriptions to new shares (primary market) are not subject to the tax on stock market transactions.

However, the buying and selling and any other acquisition or disposal for valuable consideration in Belgium, via a 'professional intermediary', of existing shares (secondary market) is subject to a tax on stock market transactions currently amounting to 0.12% of the transaction price. The amount of the tax on stock market transactions is currently limited to € 1 300 per transaction and per party.

The following persons are exempt from the tax on stock market transactions in all circumstances:

- the professional intermediaries referred to in Article 2, 9° and 10° of the act of 2 August 2002 on the supervision of the financial sector and financial services, acting on their own behalf;
- the insurance companies referred to in Article 2 § 1, of the act of 9 July 1975 on the supervision of insurance companies, acting on their own behalf;
- the pension funds referred to in Article 2 § 3, 6° of the act of 9 July 1975 on the supervision of insurance companies, acting on their own behalf;
- the collective investment undertakings referred to by the act of 4 December 1990, acting on their own behalf; or
- non-residents (provided that they submit a certificate attesting to their non-residence in Belgium).

Tax on the physical delivery of bearer securities

As of 1 January 2008, in accordance with the act of 14 December 2005, Home Invest Belgium securities can no longer be delivered in physical form.

GLOSSARIES

General glossary

ACTUAL RENT
The actual rent is the gross rent applicable on 31 December 2017, annualised, excluding rental guarantees and the estimated rental value of unrented surfaces.

FAIR VALUE
The fair value of a building or a portfolio of buildings is equal to its investment value, after deduction of transfer costs, calculated as follows:

- 2, 10 or 12.5%, depending on the region where the building concerned is situated, for all buildings which, due to their nature or design, are likely to be sold unit by unit;
- 10 or 12.5%, depending on the region where the building concerned is situated, for all buildings which are not likely to be sold unit by unit and which have an investment value of less than € 2.5 million;
- 2.5% for all buildings which are not likely to be sold unit by unit and which have an investment value of more than € 2.5 million.

FREE FLOAT
The total number of registered and dematerialised shares for which no declaration of transparency has been made.

GROSS ESTIMATED RENTAL VALUE (ERV)
The gross estimated rental value (ERV) is the rental value which, in the view of the real estate expert, corresponds to a market rent.

GROSS PASSING RENT
The gross passing rent is the most recent gross rental income, either monthly or quarterly, or as at 31 December 2017, which is annualised and includes any rental guarantees and the estimated rental value of unoccupied premises. It takes into account any furniture present. It may therefore differ from the rent collected during the financial year, as included in the income statement, for example if there was a vacant period or if indexation has since been applied.

IRS
Interest Rate Swap: this is an exchange of interest rates between two parties, with a view to exchanging their exposure to the risk of rate fluctuations.

OCCUPANCY RATE
The occupancy rate is the percentage of the rents generated by the occupied properties, plus the rental guarantees on the unoccupied properties, compared with the total rents of the occupied properties and the estimated rental value (ERV) of the unoccupied properties. All the investment properties in the portfolio are taken into account for the calculation, with the exception of the development projects, assets held for resale and properties undergoing in-depth renovation and therefore unavailable for renting.

PAY-OUT RATIO
The pay-out ratio corresponds to the dividend granted, compared with the result available for distribution, calculated on a consolidated basis.

RETURN
The shareholder's return is equal to the dividend of the financial year plus the growth in the net asset value during the financial year.

RENTAL SURFACES
Rental surfaces are the surfaces taken into account by the real estate expert of the RREC. They include 50% of the surface of terraces and 10% of that of private gardens.

ROLL-OVER CREDIT
Medium- or long-term credit that can be drawn in the form of one or more advances, which may or may not be renewable in the short term. The duration of the advances is sub-divided into successive interest periods, each with their own rate. In this way, medium- or long-term investments can be financed at a variable short-term interest rate, which is more advantageous.

VELOCITY
Velocity is the ratio between the annual traded and the total number of shares included in the free float.

YEAR OF CONSTRUCTION
The year in which the property was built or last underwent major renovation.

GLOSSARY OF ALTERNATIVE PERFORMANCE MEASURES

'APM' is a financial indicator, historical or future, of the performance, financial situation or cash flows other than a financial indicator defined or specified in the applicable financial reporting framework.

Home Invest Belgium has used Alternative Performance Measures (APM) within the meaning of the Guidelines recently issued by the European Securities and Markets Authority (ESMA) for many years. These APMs have been defined by Home Invest Belgium in order to provide the reader with a better understanding of its results and performances. Performance indicators that are defined by the IFRS or by law are not considered to be APMs. Nor are indicators that are not based on items in the income statement or the balance sheet.

Net asset value (per share)
Definition:
The net asset value or intrinsic value, in total or per share, is the value of the net assets, in total or per share, taking into account the latest fair value of the property portfolio, as defined by the real estate expert of the RREC.

Adjusted net asset value per share
Definition:
The adjusted net asset value is the value of the net assets adjusted to exclude the fair value of the financial hedging instruments.

Purpose:
These APMs enable the calculation of the net asset value adjusted to the value of the IRS.

Reconciliation:

	31/12/2017	31/12/2016
Value of net assets	216 955 487	205 202 333
Number of shares at the end of the period	3 288 146	3 147 897
Net asset value per share	65.98	65.19

	31/12/2017	31/12/2016
Value of net assets	216 955 487	205 202 333
Fair value of financial instruments	8 053 358	9 280 017
Adjusted net asset value	225 008 845	214 099 188
Number of shatres at the end of the period	3 288 146	3 147 897
Net asset value per share	68.43	68.14

Operating margin
Definition:
This is the operating result before the portfolio result divided by the property result.

Purpose:
This APM is used to measure the profitability of the company as a percentage of the rental income.

Reconciliation:

	31/12/2017	31/12/2016
Operating result before portfolio result	13 792 187	11 462 554
Property result	20 435 406	16 842 140
Operating margin	67.49%	68.06%

Net result of core activities (per share)
Definition:
The net result of core activities is the net result adjusted for the following income statement items:

XVI. Result of sales of investment properties

XVIII. Variations in the fair value of investment properties

XXIII. Variations in the fair value of financial assets and liabilities. Net income from core activities per share is calculated based on the average number of shares during the period.

Purpose:
This APM measures the company's profitability without taking into account variations in the value of the property portfolio or hedging instruments or portfolio divestments.

Reconciliation:

	31/12/2017	31/12/2016
Net result	13 222 981	17 905 693
XVI. Result of sales of investment properties	-719 633	-279 654
XVIII Variations in the fair value of investment	-1 226 658	-11 295 322
XXIII. Variations in the fair value	-1 450 369	+2 025345
Net result of core activities	9 826 322	8 356 063
Average number of shares	3 288 146	3 147 897
Net result of core activities per share	3.08	2.65

Average cost of debt

Definition:
The average cost of financial debts is calculated by dividing the financial debt of the year by the weighted average debt of the year.

The numerator corresponds to the sum of the net interest costs included in item XXI of the income statement adjusted to take account of the interim interest included in the assets.

The denominator corresponds to the average financial debt calculated over 365 days.

Purpose:
The company is partly financed by debt. This APM is used to measure the cost of this source of financing and its impact on the results. It also allows an analysis of its evolution over time.

Reconciliation:

	31/12/2017	31/12/2016
Net interest charges (item XXI)	3 548 571	3 048 453
Interest during construction included in assets	676 468	927 317
Total cost of financial debt	4 376 850	3 975 770
Weighted average debt	208 947 671	157 063 874
Average cost	2.09%	2.53%

Coverage ratio

Definition:
This is the percentage of financial debt with a fixed interest rate compared to the total financial debt.

The numerator corresponds to the sum of fixed-rate borrowing plus floating-rate financial debts converted into fixed-rate debt via the IRS in effect at the end of the financial year. The denominator corresponds to the total amount of financial debt drawn on the closing date.

Purpose:
A significant portion of the company's financial debts are at floating rates. This APM measures the risk associated with interest fluctuations and its potential impact on the results.

Reconciliation:

	31/12/2017	31/12/2016
Fixed-rate financial debt	40 000 000	40 000 000
Floating rate debt converted into fixed-rate debt via IRS	143 000 000	143 000 000
Total fixed-rate debt	183 000 000	183 000 000
Total floating-rate debt	52 000 000	38 000 000
Coverage rate	235 000 000	192 500 000
Total debt	77.87%	95.06%

All the information concerning the APMs detailed in this registration document has been checked by the statutory auditor. The information included by reference in the annual financial report can be found in:

- Consolidated annual accounts 2015: Annual Financial Report 2015 page 108 to page 135
- Management Report 2015: Annual Financial Report 2015 page 24 to page 47
- Statutory Auditor's Report 2015: Annual Financial Report 2015 page 14
- Consolidated annual accounts 2016: Annual Financial Report 2016 page 114 to page 149
- Management Report 2016: Annual Financial Report 2016 page 32 to page 55
- Statutory Auditor's Report 2016: Annual Financial Report 2016 page 14

SHAREHOLDER'S CALENDAR

2018	
Annual financial report goes on line on the website	Friday, 30 March
Ordinary general meeting of the 2017 financial year	Tuesday, 2 May
Interim statement: results at 31 March 2018	Tuesday, 2 May
Payment of dividend for 2017 financial year	Friday, 18 May
Half-yearly financial report: results at 30 June 2018	Thursday, 6 September
Interim statement: results at 30 September 2018	Thursday, 25 October
2019	
Annual press release on the 2018 financial year	Thursday, 21 February
Annual financial report goes on line on the website	Friday, 29 March
Ordinary general meeting of the 2018 financial year	Tuesday, 6 May
Interim statement: results at 31 March 2019	Tuesday, 6 May
Payment of dividend for 2018 financial year	Friday, 17 May
Half-yearly financial report: results at 30 June 2019	Thursday, 5 September
Interim statement: results at 30 September 2019	Thursday, 24 October

Investor relations

As Home Invest Belgium has opted for French as its official language, the annual financial report in French is the sole official version.

The Dutch and English versions are translations produced under the responsibility of Home Invest Belgium.

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