



Award for Best Financial Information

2009

Speech HB

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For the 49th time, the Belgian Association of Financial Analysts has granted its annual *Award for Best Financial Information*. The award aims to reward the Belgian listed companies that stand out in terms of communication policy, transparency and investor relations.

Over the past few months, 37 financial analysts and 5 fund managers have analysed how the Belgian listed companies communicate with the financial markets and how they make financial information available to the investors' community. It has to be stressed that the Award still gets tremendous support from the vast majority of the Belgian analysts and 1 other financial specialists. Their help is a key feature of the Award and the Belgian Association of Financial Analysts would sincerely like to thank all that have participated in the process this year. We already do count on those analysts and board members for next years' session, the 50th anniversary of this Award. We did start in 1958, but for one or another reason left out the years 1975 and 1977.

Last year the following companies were honoured for their remarkable efforts and results. We nominated Delhaize Group for its Best Financial Information and overall winner of the 2008 Award, Recticel for Best Annual Report, INBEV for Best Press Releases, Umicore for Best Investor Relations and GIMV for Best Website.

Over the past few weeks, 50 companies were screened and ranked. We imposed that the companies were analysed by at least 3 analysts. This year we have an average of 3.3 analysts per company. We would like to thank the equity houses

that participated in the process: Bank Degroof, Bank Delen, BNP Paribas Fortis Bank, De Belegger, Delta Lloyd Bank, ING, KBC Securities, SG Private Banking, ING and Value Square. The work was completed by fund managers from BNP Paribas Fortis, Dexia AM, KBC AM, Petercam and Quest Management.

Good financial communication remains a necessity, despite the difficult times the markets have been going through. But we did not have the impression that the companies scaled back their efforts in terms of financial communication or investor relations. On the contrary, we are particularly pleased with the progress that a number of small- and midcaps keep making. For these smaller companies in particular, financial communication remains a necessity in order to attract the attention of national and international, small and larger investors.”

And this is a very positive evolution in the midst of an economical and financial crisis that started more than a year ago. Today, more than ever, correct financial information has, without any doubt, a crucial impact. Our governments try to overcome the crisis through extensive regulation and state control but this only raises significant questions regarding the current financial system and its information provision. A number of issues have been addressed but have not been solved yet. The role of the current supervisory institutions is being reassessed, the financial remuneration systems within banking as well as their impact is being reevaluated and the current governance structures and the way they should adapt to the current market circumstances is being reanalyzed. Different recommendations from the European Federation of Financial Analyst Societies (EFFAS), our parent association, were taken into account to enhance and optimize a quicker and more adequate information distribution.

But there is still a lot that needs to be done:

Banks are still operating on a global basis, while the regulatory bodies are organized on a mainly national basis. A better coordinated international supervisory structure must be established in order to control global players more effectively and activate warning systems more quickly.

Most European countries have very efficient stock corporation laws that clearly define many procedures complemented with a strong governance code as an additional tool. But still, stronger regulation is a must.

Issues such as bonuses being as high as the yearly dividend pay-out of companies, or the extremely high remuneration packages (including base salary, bonus, stock) that have occurred when they were no longer based upon any realistic underlying business trend must be better monitored and regulated.

Banking products should be created and traded in a highly transparent fashion.

Conclusion, summary

We believe that the issues being addressed here, are crucial for the construction of a better-functioning financial system in the future. We also believe that initiatives such as this Award, improve consistently the quality of the financial communication and they make the markets more efficient. The Belgian Association of Financial Analysts will continue to strive for better, more transparent and quicker financial communication.

I now gladly give the floor to Mr. Patrick Vermeulen, Head of European Equities, JP Morgan Asset Management, who will specifically zoom in on one of the topics I mentioned: “Management Remuneration after the Financial Crisis”.

Patrick, the floor is yours.

Thank you,