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# I. Letter to shareholders



Hugo Lasat, CEO  
Gilles Samyn, Chairman of the board of directors

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#### 2021: a year of contrasts

There is no denying: COVID-19 continued to alter our lives and to put extra pressure on each and every individual and organization in 2021.

Since the start of the pandemic, we went to great lengths to prioritize health and safety of our staff and clients. Although we are well organized to accompany our clients digitally, we were grateful to have met with many clients in person as soon as it was possible and safe. There is no substitute for face-to-face interactions. These unusual times have brought us closer to our colleagues and our clients and have confirmed how much of a people driven organization we are, fueled by talents, expertise, and our purpose to create responsible prosperity for all.

2021 was a favorable year for financial markets, leading to solid financial returns for our clients, both private and institutional, and good performances for our company as demonstrated by the growth in private banking assets as well as continued expansion of DPAM.

This year has also been marked by the transformation of our activities in France where we evolved from bank to wealth manager.

Ongoing replacement of our core banking system and IT-framework has continued to mobilize means and resources. It's an essential building



block of our IT-strategy which consists to help build a new future-proof IT-landscape to support our business strategy, facilitate adoption of technological innovations, and support our growth ambitions.

### Strong business performances and positive operational leverage

For Degroof Petercam, 2021 was a good year. We ended the year with total client assets amounting to 86 billion euros (excluding double counting), a 15% increase compared to 2020, driven by positive market performance and new inflows.

During fiscal year 2021, our gross operating result showed a 53% increase to 126.6 million euros. Revenues at 545.7 million euros were up 16% thanks to positive market performance, profitability improvement in Private Banking and Asset Management as well as solid activity in Investment Banking, through Global Markets and Corporate Finance. Operating revenues have been growing faster than operating expenses creating positive operating leverage.

Unfortunately, non-recurring exceptional items have affected profitability, including costs related to the introduction of our core banking system, the restructuring of our activities in France as well as the sale of our Private Banking activities in Switzerland. Consequently, after taxes and exceptional items, consolidated net profit reached 47.6 million euros, a 19% increase compared to a year earlier.

### Solid solvency and liquidity positions

Degroof Petercam is a financially solid group with solvency and liquidity ratios well above prudential



Investing sustainably and creating responsible prosperity is at the core of Degroof Petercam's activities and is engraved in our purpose. In a complex world where we face crucial challenges, we want to continue creating responsible prosperity for all, by opening doors to opportunities and accompanying our clients with expertise.

Gilles Samyn, Chairman of the board of directors

## Our fundamentals and corporate values



requirements. On December 31, 2021, our consolidated solvency rate posted 19.7%<sup>(1)</sup>. Our balance sheet total stands at 10.0 billion euros, of which more than 5.3 billion are highly liquid assets.

Our excellent level of capitalization which results from a prudent management of our group financial resources and activities, provides us with the possibility to continue to invest to the benefit of the growth of our business lines and client value proposition.

### ESG and sustainability embedded in our purpose

As a responsible group, we have the ambition to make a mark and have an impact when it comes to contributing to a sustainable future for society. We are convinced that we can combine financial and sustainable goals, taking into account Environmental, Social and Governance (ESG) themes, to create value for all our stakeholders.

We are leveraging on a changing environment to pursue our ESG and sustainable trajectory to bring sustainable finance in our value proposition for our clients, in our operations but also to intensify sustainable dialogue engagement with our coworkers, service providers, regulators, and society at large.

In 2021 we took a new step forward by signing the United Nations Principles for Responsible Banking. We are keen to play an active role in these collective efforts to deliver on the United Nations' Global Agenda.

We are proud to have registered at the end of 2021 a new increase of 29% of assets in our sustainable funds compared to 2020.

To support our commitment to more intensive

integration of ESG and sustainability, we are implementing a new group-wide steering and governance sustainability committee and reinforcing our network of ESG-experts in all parts of the group.

### Integrated business model

Private Banking, Investment Banking (Corporate Finance and Global Markets), institutional Asset Management (DPAM) and Asset Services (DPAS): four core activities build over the years offering significant growth potential. What's more, these four métiers are integrated under one roof at Degroof Petercam. They complement and reinforce each other collaboratively, benefiting our unique value proposition. Few players in the sector can claim to offer such a fine combination of activity and expertise at the service of their clients. Not surprisingly, these métiers are gaining traction in the financial landscape and many of our competitors are also recognizing their growth potential.

Starting from this position, our collective mission consists in managing and developing this integrated model that sets us apart in a category of our own.

(1) The CET1 ratio as of 31/12/2021 takes into account the immediate incorporation of the dividend distribution in 2022. However, the result of the financial year 2021 will only be incorporated into the ratio on June 30, 2022, after its expected approval by the general assembly. If both components could have been taken into account simultaneously, as of December 31, 2021, the ratio would have been 21.4%.





As from my appointment in October, my priority was to personally meet with clients, coworkers and other stakeholders. Our current position in the financial services industry is very enviable, we are operating in the sweet spot of finance.

Hugo Lasat, CEO

### Outlook and strategic priorities: ready for a new cycle of growth

To remain a leading independent investment house in our relevant markets and geographies, we will leverage on our business activities in a collaborative model.

Our model is client-centric, investment-led, powered by talents and supported by technology.

After the modernization of our data centers, we are now preparing the transition to a new banking and portfolio management platform, a fundamental change that requires significant resources and investments. We continue to recruit new talents and experts, a sign of our attractiveness in what remains a competitive job market. Our diversified portfolio of revenues bodes well for the future. Our strong foundations are key assets which allow us to envision a new cycle of growth.

The historical events we are currently experiencing with the latest geopolitical turmoil that has seen Russia invading Ukraine does not only affect financial markets, it also shakes the entire world, Europe in particular and the democratic values we live by. As it affects risks and liquidity management in our industry, we are closely monitoring the situation and are following the effects the current crisis may have on all our activities, including our client portfolio and fund management, liquidity of portfolios, client interaction

and information, and overall IT and operating environment.

It's in such uncertain times that our expertise demonstrates its added value to our clients to whom we express our gratitude for their continued trust.

Our sincere thanks also go to our people for their commitment to living our purpose. Our continued success and our results reflect the dedication and hard work of our 1,500 talented colleagues.

Finally, we are also extending our thanks to our shareholders, fellow board members, partners, and communities for their unwavering support.

As Private Bank and Investment House, we look forward to continuing working with all our stakeholders in 2022 and beyond to execute our long-term strategy and to ensure future development.