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# I. Message to shareholders





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

### **What is your assessment of 2022?**

**Gilles Samyn** 2022 was marked by macroeconomic and geopolitical challenges. The invasion of Ukraine by Russia continued to have a major impact on the financial markets and, by extension, the entire world. The conflict brought a shock to energy supplies, and cascaded across various facets within society, from food and electricity prices to consumer sentiment. Concerns over both inflation and a global economic slowdown have strongly influenced the year, with central banks moving toward a tighter global monetary policy by raising interest rates. The unstable macroeconomic and geopolitical environment affected the financial markets and our total client assets.

### **What was the effect on the Degroof Petercam Investment House?**

**Hugo Lasat** Our total client assets closed the year at 71 billion euros, a decrease compared to last year and in line with the drop in market levels which put pressure on commission-based fees. Having approximately 70% of our income generated by asset management activities shows how our interests are aligned with those of our clients. On the other hand, the rise in interest rates had a positive effect on the net margin income.



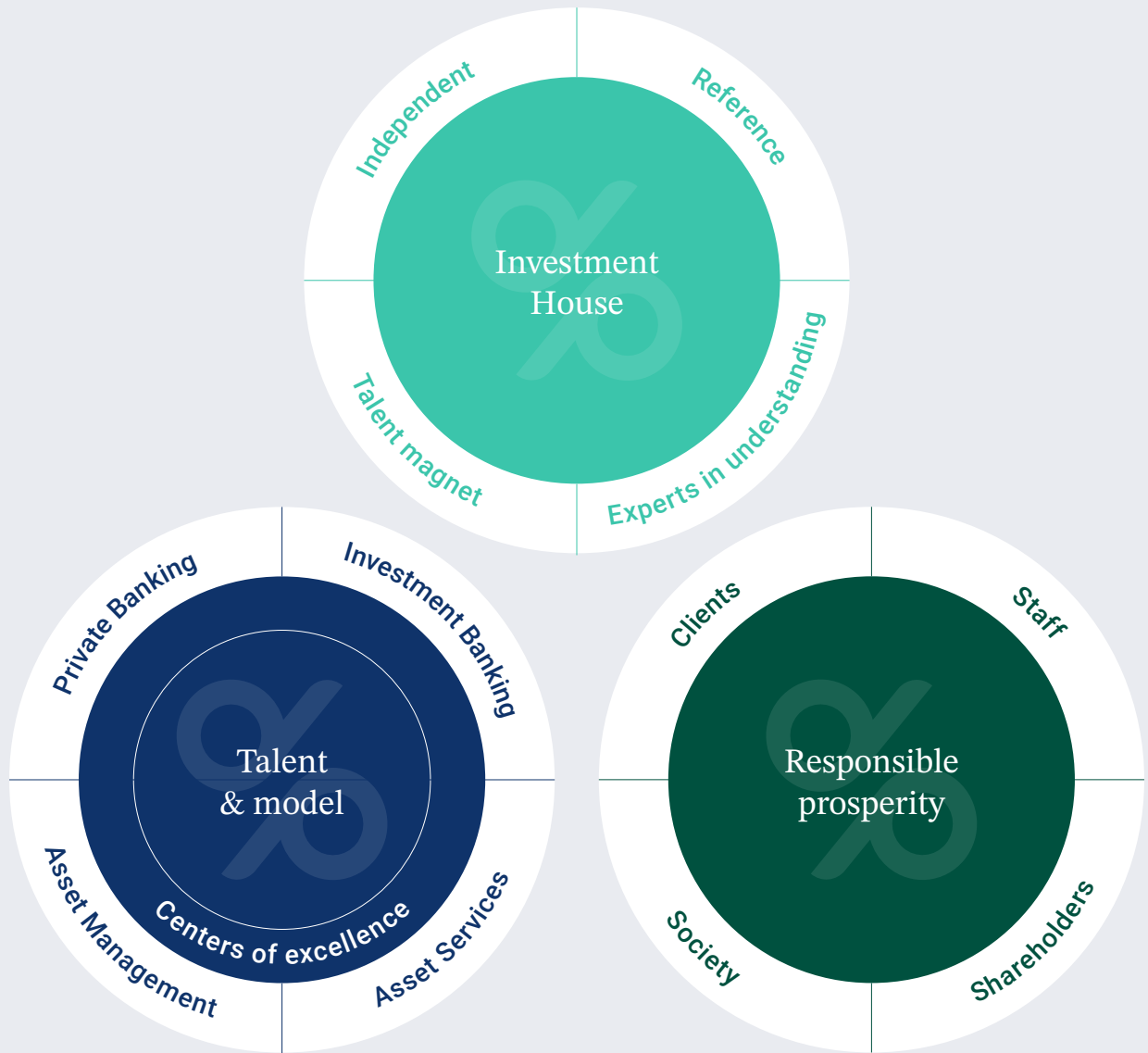
For over 150 years,  
we have been developing  
independent, research-based  
and integrated financial  
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world in constant motion.

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Gilles Samyn, Chairman of the board of directors

# Reference Investment House driven by people



We create responsible prosperity for all, by opening doors to opportunities and accompanying our clients with expertise.

↓  
- Based on our values -

Excelling

Teaming up

Humane

Intrapreneurial

Client-centric

**Despite these headwinds, all business lines – Private Banking, Institutional Asset Management, Asset Services and Investment Banking – generated solid results. Can you explain?**

**Hugo Lasat** 2022 can be considered a positive year due to our resilient business model and the changing interest rate conditions, which boosted our interest income after a long period of negative rates. Net income in 2022 amounted to 559 million euros, up 2% compared to 546 million euros in 2021. The gross operating result reached 106.7 million euros, a 16% decrease compared to the previous year, reflecting the development of our total client assets. Net profit recorded a 61% increase from 47.6 million euros in 2021 to 76.4 million euros in 2022. This result is explained by the evolution of interest rates and the absence of non-recurring costs that impacted our accounts in 2021.

**Gilles Samyn** When discussing a company's performance, aside from financial performance, we must also consider progress on non-financial elements. In 2022, we continued our sustainability journey with the implementation of a formal group-wide sustainability governance, the improvement in gender diversity on our board and the signing of the Net Zero Alliance by our institutional asset manager, DPAM. At the same time, we have seen the share of DPAM funds eligible for sustainability criteria increase to 91%. This proves once again the growing importance of ESG criteria. When it comes to making a mark on society, Degroof Petercam strives to walk the talk, to accompany people in the transition and to offer impactful sustainable solutions through its offering.

**Recent turmoil in the banking sector, including the Credit Suisse debacle, showed once again how important liquidity and solvency ratios are to ensure trust in financial institutions. How strong is Degroof Petercam's capital position?**

**Gilles Samyn** We have always been convinced that maintaining a fortress balance sheet with excellent capitalization levels offers a strong strategic advantage. It provides us with solid foundations and enables us to invest in the growth of our business lines and client value proposition. At the end of 2022, our balance sheet total stood at 9.3 billion euros, of which more than 5.1 billion euros are highly liquid assets. As a result of our conservative management, on December 31, 2022, our consolidated solvency rate stood at 20.3%, a 60-basis point increase compared to 2021, significantly above the minimum imposed threshold.

**It is Degroof Petercam's ambition to become the reference Investment House, driven by people. How much of this ambition were you able to fulfil in 2022?**

**Gilles Samyn** Looking at the bigger picture, corporate evolution is often marked by distinct strategic cycles succeeding one another and lasting three to five years. From 2015 to 2018, Degroof Petercam was in a merger dynamic, focusing on the harmonization of the client offering, bringing teams together. Once the integration was completed, the next step was to consolidate our company and to make it futureproof. We had five banking licenses and five different IT platforms. We reduced this to



Our total client assets closed in line with the markets, which put pressure on our commissions. It shows that our interests are aligned with those of our clients. However, 2022 was a good year thanks to our resilient business model and the evolution of interest rates that drove up our interest income.





two banking licenses and three asset management licenses and one centralized IT/data platform for our banking entities. In terms of the control and risk environment, we gained regulatory maturity, with major investments in Belgium and in Luxembourg, also reinforcing our governance.

**Hugo Lasat** We closed that consolidation cycle at the end of 2022. The transfer of our private banking activities in Switzerland to Gonet & Cie marked the last step in our geographical transformation, which consists in focusing on markets where we can make a difference: Belgium, Luxembourg and France. For Private Banking, other countries are targeted via our international hub in Luxembourg. In parallel, we continued DPAM's internationalization via its joint venture in Hong Kong, as well as through seven international offices that ensure the distribution of our funds in Europe. This year was also marked by the replacement of our core banking system solution. The new platform was deployed for all Degroof Petercam clients in Belgium at the beginning of 2023 to be followed by the start of its implementation in Luxembourg at the beginning of 2024. Moving forward, our new future-proof IT landscape will support our business strategy and facilitate the adoption of technological innovations and our growth ambitions. We have laid the groundwork for our scalability.

### **After this successful transformation, what are the next steps?**

**Hugo Lasat** After the integration and the consolidation phase, it is now time to change gear, to gain speed and start reaping the fruits of our investments. This acceleration fits within a three-year plan leading us to 2026, our 'Route 26', as we call it. The trajectory consists of three tracks: boost business and create efficiency, be an employer of choice and make a mark on society. Next to the scalability of our own business model, we will also capitalize on our existing strength and the following growth trends: the rise of alternative asset classes, IT and digital and the sustainable transition. Our Route 26 roadmap will serve as a framework for our initiatives in the coming years. It provides clarity on what we want to deliver. As an investment house, we aim not to be the biggest, but rather the best at what we do.

To guide our clients on their journey, to employ the best people, to have an impact on society: we first and foremost must listen and be experts in understanding. Understanding the needs of our clients and staff members, their interests and their aspirations. But also understanding how the world is evolving and what may be important tomorrow.

## Looking back on last year, what are you thankful for?

**Gilles Samyn** I'm proud that we've proven once again to be a relevant player in society. For over 150 years, we have been developing integrated, independent and research-based financial expertise to understand the risks and opportunities in a world in constant motion. I want to personally thank our clients for putting their trust in us to accompany them on their journey. Seeing how much we have accomplished collectively and individually, there can be no doubt: the foundation of our success is the talent of our people.

**Hugo Lasat** Their engagement and their commitment to living our purpose is second to none. It is their work and dedication that enables us to meet and even exceed our clients' expectations and to execute against our strategic priorities. We are very grateful to them. Last but not least, we would like to express our appreciation to our shareholders, board members and partners for their unwavering support,

which motivates us to strive to be the benchmark investment house. We are confident that we will continue to celebrate successes together in 2023, and in the years to come.

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

## Trust. Knowledge.



At the end of 2022, we proudly introduced our new brand essence **Trust. Knowledge.** These two words stand perfectly well on their own but are even stronger together. It's a perfect metaphor for the unique synergy that exists between our four businesses. Our businesses stand perfectly well on their own, and they strengthen each other in an integrated model. This also applies to each one of our colleagues: when we team up, we are stronger.

**Trust.** Our company is a house of trust. Our clients trust us to guide them to build something that lasts with strong convictions based on facts, research and experience. **Knowledge.**

**Trust. Knowledge.** We live by those two words. They are our timeless foundations and they are infinitely priceless.