
IV. Management Report

1 | Comments on business activity

The geopolitical and economic challenges observed in 2022 continued into 2023, although stabilization of inflation and energy prices. The measures taken by the European Central Bank, combined with a tighter monetary policy, have helped maintaining stability in the eurozone. These conditions had a positive impact on Degroof Petercam Group's results.

All the Group's businesses lines, namely Private Banking, Institutional Asset Management, Asset Services and Investment Banking generated solid results, bolstered by an increase in revenues driven mainly by higher interest margins. Degroof Petercam's integrated model ensured the Group's resilience, with net banking income of 579 million euros, an increase of 4% compared to 2022. Client assets were positively impacted by favorable market conditions, with the overall year-end level of 74.3 billion euros, up 5% on the previous year's closing figures.

1.1 Different business lines contributing to the group

Private Banking was a key contributor to Degroof Petercam's net banking income, with operating revenues growing compared with the previous year, contributing 51% of the group's total revenues. This performance was made possible thanks to an increase in the interest margin, as well as slightly higher commissions thanks to a positive market impact. As far as credit is concerned, the portfolio declined by almost 10% compared with the end of 2022, due to the impact of rising interest rates. Revenues from private equity business ended the year slightly down. Although commissions were slightly higher than in 2022, last year was impacted by an exceptional dividend received from one of our funds.

Institutional Asset Management ended the year with a 10% drop in revenues compared with last year, but contributed 21% to the Group's total revenues at year-end. The change in revenues was mainly due to a less favorable product mix, reflecting a higher proportion of bond products than of equity products.

Asset Services continues to be a strong contributor to the net profit income, and an important part of the group's integrated model. Asset Services operating revenues grew by 3% year-on-year, contributing 14% of total group revenues.

In 2023, **Investment Banking** ends the year slightly down on the exceptional level of 2022, and contributes 14% to the group's total revenues. Global Markets posted a 5% contraction in operating revenues, due to record derivatives and incentive plans in 2022 and a slight drop in buy-side volume in 2023, partially offset by an increase in sell-side equity business.

The Corporate Finance business line reported a 10% decline in operating revenues compared to last year, with 2022 marked by high volumes of M&A mandates.

1.2 IT migration

The year 2023 was marked by the launch of our new Core Banking system and Portfolio Management System in Belgium. As with any operation of this scale, the launch was followed by a stabilization phase to improve the user experience and operational efficiency of the new platform. This migration to a new IT system marks a milestone in our technological transformation, which will enable the group to provide its clients with more efficient, more comprehensive and more diversified services. To further optimize the services we offer our clients, we have also introduced a new Customer Relationship Management (CRM) tool. The new IT environment, combined with our new CRM tool, will facilitate the adoption of technological innovations and further support our sales strategy and growth ambitions.

1.3 Change of ownership

2023 was marked by the signature on August 3 of an agreement between CA Indosuez Wealth Management ('Indosuez') and Degroof Petercam to acquire a majority stake in Banque Degroof Petercam. The agreement will be carried out in partnership with CLdN, Degroof Petercam's reference shareholder, which will maintain a stake of approximately 20% of the capital.

The alliance between Degroof Petercam and the Indosuez Wealth Management would form an international leader in wealth management, capitalizing on global growth drivers and positioning itself as a leading player in the European market.

The closing of the transaction between Indosuez Wealth Management and Degroof Petercam is subject to the approval of the relevant regulatory and competition authorities. The transaction is expected mid 2024.

2 | Comments on the consolidated accounts

At the end of the financial year 2023, the consolidated net income stood at 56.3 million euros, compared with 76.4 million euros for the previous year. On the one hand, 2023 showed an increase in gross operating income thanks to a higher interest margin in a positive interest-rate environment, partially offset by a decrease in net fee and commission income and a rise in personnel costs (mainly the increase in headcount and inflation). On the other hand, the fall in net profit was due to non-recurring items, principally the exceptional costs incurred following the strategic exercise launched to review the group's shareholder structure, and to an increase in the tax charge.

Consolidated comprehensive income amounted to 66.7 million euros at 31 December 2023, in line with the previous year. This income is calculated by adding to net results total other comprehensive income. The change in other comprehensive income is mainly due to the

effect of revaluations of market conditions of pension plans and other comprehensive income (OCI) revaluations of the Hold to Collect and Hold to collect and sell (abbreviated to HTCS) bond portfolio.

Net interest margin, including all revaluations of interest-rate conditions on financial instruments, continued to rise, mainly as a result of the further increases in market interest rates driven by the European Central Bank.

Net fee and commission income is lower in 2023 than in the previous year. The decrease in management and administration fees is mainly due to a lower average market effect than last year. Investment Banking activities (global markets and corporate finance) also experienced more difficult market conditions, resulting in lower earnings than in the previous year.

Other net operating income was down compared with 2022 due to certain one-off expenses related to the strategic review of the bank Degroof Petercam's shareholding structure.

Personnel costs were impacted by the increase in the average number of FTEs and by the full-year effect of inflation on salaries, resulting in a 22 million increase over the previous year. Other general and administrative expenses rose, mainly due to IT costs linked to changes in the central banking system and digital transformation. In addition, we also have an increase in banking taxes in 2023, as 2022 included a one-off reimbursement from the past (6 million euros).

Amortization of intangible assets was down again on the previous year. This is mainly due to the end of amortization of Bank Degroof Petercam's digital program in 2022. Tax expenses were up compared to the previous year, partly as a result of non-deductible expenses (Belgian bank tax). In 2022, tax expenses were positively impacted by a one-off tax recovery linked to the liquidation of an entity in an amount exceeding 5 million. The upward trend in other comprehensive income is mainly due to two factors. The further rise in interest rates, combined with the good performance of plan assets, led to a further reduction in the group's pension liabilities. In addition, we observed an increase in the fair value of the bond portfolio held by the group for collection and sale.

2.1 Appropriation of statutory profit/(loss)

At 31 December 2022, the statutory net profit of Banque Degroof Petercam SA totaled 27,030,797 euros. Taking into account the profit carried forward from the previous financial year of 339,183,870 euros, the profit base to be allocated amounts to 366,214,667 euros.

The board of directors proposes to the general meeting to allocate the profit for the financial year as follows:

	(in EUR)
Profit for the year	27,030,797
+ Carried forward	339,183,870
= Profit to be appropriated	366,214,667
- Allocation to other reserves	0
- Dividends	0
- Profit bonuses	5,094,588
= Profit to be carried forward	361,120,079

Consolidated shareholders' equity, including minority interests, amounted to 993.7 million euros at the end of the financial year, an increase of 3.9 million euros compared to the previous year.

The increase in consolidated shareholders' equity is the result of the following effects during the year:

- distribution of the profit (56.3 million euros)
- the distribution (outside the group) relating to the previous financial year (-62.8 million euros)
- the revaluation of financial assets at fair value during the financial year (4.3 million euros)
- the IAS 19 revaluation of the conditions of post-employment benefits (6.1 million euros)

Regulatory capital amounted to 653.3 million euros and largely exceeded the requirements set by prudential standards. The Tier 1 (core capital) and Tier 2 (supplementary capital) solvency ratios stood at 24.0% at 31 December 2023. These ratios are well in excess of the regulatory SREP requirement (Supervisory Review and Evaluation Process - reviewed annually) and imposed by the ECB.

The return on equity ratio (ROE) increased to 5.8%. This represents the relative value of the consolidated net income for the year in relation to average consolidated shareholders' equity (after deduction of the dividend declared). The decline in the ratio compared to last year (8.2%) is explained on the one hand by the decrease in earnings for the year, and on the other hand, higher shareholders' equity (taking into account the absence of a distribution at the end of 2023).

3 | Changes in capital

At 31 December 2023, share capital amounted to 34,211,634 euros. It is represented by 10,842,209 shares with no nominal value. All shares are fully subscribed and fully paid up. The accounting par value per share is 3.1554 euros.

4 | Treasury shares held by the Group (Art. 7:220 of the Companies and Associations Code)

Banque Degroof Petercam SA does not hold treasury shares.

As at 31 December 2023, the sub-subsidiary of Banque Degroof Petercam SA, Orban Finance SA, held 371,647 Banque Degroof Petercam SA shares, representing 3.43% of the share capital.

The consolidated carrying amount of all treasury shares held by the sub-subsidiary amounted to 50,017,152 euros as at 31 December 2023.

During the past financial year, the total number of shares held in treasury has not changed.

5 | Circumstances likely to have a significant influence on the group's development

The group continued its multi-year IT transformation program, aimed at modernizing its IT infrastructure and providing the group's internal users and clients with modern and efficient IT tools.

The deployment of the new Core Banking System platform and the Portfolio Management System was activated on January 1, 2023 for all clients of Bank Degroof Petercam in Belgium. The year 2023 thus marks the start of full operation of this new platform, which should enable us to continue developing our digital offering for both Private Banking and Institutional clients. This large-scale project forms the foundation of our management information systems. It is also integrated with all our other IT systems. The bank now has a future-proof IT environment that will enable us to pursue our business strategy, facilitate the adoption of technological innovations and support our growth ambitions.

The new group Customer Relationship Management (CRM) solution for Private Banking clients in Belgium was successfully deployed in October 2023. It will enable us to further develop our digital offering - with, among other features, autonomous digital onboarding for new customers, planned from 2024.

All these transformation programs are systematically complemented by stringent cybersecurity and data protection measures, as well as support user support and training programs.

6 | Research and development activities

The group continued its research and development activities through the progressive implementation of its operational and support application transformation program.

Development costs related to the Finance Target Operating Model (FTOM) project were capitalized in 2018 and 2019. These two major projects became operational in the fourth quarter of 2019, which entails the end of the capitalization of new costs and results in the amortization of previously capitalized costs. Net fixed assets relating to FTOM totaled 1.9 million euros at the end of the year.

The development costs of the projects completed in 2023 have not been capitalized and are included in this year's net income.

7 | Remuneration policy

The remuneration policy entered into force on 24 September 2014 and is reviewed at regular intervals. It was agreed upon by the management committee in consultation with the board of directors, the nomination committee and the remuneration committee and the independent controlling functions.

This remuneration policy promotes sound and effective risk management. It does not encourage any risk-taking that exceeds the level of risk tolerated by the group, while promoting the group's long-term objectives and interests and avoiding conflicts of interest.

In accordance with current legislation, the remuneration policy is published on the group's website. Its general principles are as follows:

- the total volume of variable remuneration granted does not limit the group's ability to strengthen its equity capital
- variable remuneration is never guaranteed, except in the exceptional case of a newly recruited employee and for his/her first year of employment
- the management committee appointed the Identified Staff in accordance with the selection methodology and criteria set by the board of directors based on the significant impact of these individuals on the group's risk profile. A specific remuneration policy applies to them
- the remuneration policy also provides for a maximum ratio between the amount of fixed remuneration and the amount of variable remuneration as well as schemes to carry forward variable remuneration in cash or, possibly, in financial instruments, in accordance with the procedures provided for by the regulator
- the remuneration of non-executive members of the board of directors consists solely of a fixed remuneration determined based on market benchmarks. These members do not receive any form of variable remuneration

8 | Main risks to which the group is exposed

By the nature of its activities, in addition to strategic risk, Degroof Petercam is exposed to certain risks. The main risks are as follows:

- market risks, mainly related to investment activities in securities portfolios (equities, bonds) and to interest rate transformation activity (Asset and Liability Management)
- liquidity risk resulting from maturity differences between financing (generally short-term) and their reuse
- counterparty risk related to credit activity (which is severely limited by the use of collateral in the form of securities portfolios) and derivative intermediation transactions
- risks related to the asset management business (risk of legal action by clients whose mandates have not been complied with, commercial risk of loss of dissatisfied clients and related reputational risks)
- risks related to the fund management activity, mainly arising from non-compliance with investment policies and restrictions or poor performance
- the operational risk resulting from its activities, including banking (error in order execution, fraud, cybercrime, etc.), custodian bank (loss of assets) or wealth/fund

manager (administrative error, non-compliance with constraints)

- reputational risk is essentially a derivative risk since it is generally related to one of the other risks mentioned above and could materialize at the same time as these risks, which could adversely affect, among other things, the group's ability to retain existing clients, establish new business relationships, etc.

Degroof Petercam continuously improves its existing procedures and controls, in particular regarding the prevention of money laundering. Degroof Petercam updates the documentation of client files and therefore reviews a number of files of clients, particularly those who have been granted credit. Although this exercise has not led to the establishment of provisions at this stage, Degroof Petercam cannot rule out the possibility that the review of certain files may have an impact on the acceptability of the funds used to repay the loans contracted by these clients and lead to a default in payment.

With regard to the general risk of litigation, it should be noted that investigations, proceedings or other claims could have an impact on Degroof Petercam in the future. Due to numerous uncertainties, it is not possible to make a reliable estimate of the consequences or the potential financial impact, if any, of such events.

Degroof Petercam believes that, on the basis of the information available to it, it has made the appropriate declarations and set aside sufficient provisions to cover the risks of current or potential litigation.

9 | Policy on the use of derivative financial instruments

Within the group, derivatives are used for own account in the following activities:

As part of ALM (Asset and Liability Management), interest rate derivatives, mainly interest rate swaps, are used to hedge the group's long-term interest rate risk.

Derivatives of this type are used to hedge the interest rate risk of investments in bonds and loans to clients. The majority of these transactions are recognized in the accounts as fair value hedges.

From 2022 onwards, the bank has used the fair value hedge accounting provisions (IAS 39) for a portfolio of fixed-rate loans. This use of derivatives is supervised by the Assets and Liabilities Management Committee (ALMAC). Similarly, the group's treasury uses interest rate derivatives and cash swaps to manage the group's interest rate risk and cash position.

The management of the group's foreign exchange position also involves the use of derivatives (forward foreign exchange contracts and currency swaps) to hedge commitments to clients.

Degroof Petercam also has a derivatives intermediation activity for its clients, in particular in equity options, where the group carries out OTC derivatives transactions with its clients and hedges the market risk via derivatives transactions on the listed market and to a lesser extent in OTC. The market risk of this activity is managed by the Internal Risk Committee (IRC).

10 | Significant post-balance sheet events

In the particular context of the expected change in the bank's shareholder structure, the board of directors decided not to propose a dividend payout at the annual general meeting of May 28, 2024, and has authorized the publication of the financial statements.

11 | Non-financial report

The non-financial declaration is the subject of a separate report attached to the annual report.

12 | Gouvernance

At 31 December 2023, the governance bodies of Banque Degroof Petercam SA were comprised as follows:

	Board of directors	Management committee	Audit committee	Risk committee	Remuneration committee	Nomination committee	Deadline
Mr. Gilles Samyn \diamond	★		●		●	★	2024
Ms. Nathalie Basyn	●	●					2024
Mr. Hugo Lasat	●	★					2025
Mr. Filip Depaz	●	●					2026
Ms. Sabine Caudron	●	●					2025
Mr. Gilles Firmin	●	●					2026
Mr. Jean-Baptiste Douville de Franssu ¹	●			●		●	2025
Mr. Jean-Marie Laurent Josi ²	●		●				2024
Mr. Frank van Bellingen	●			●	●		2027
Mr. Jacques-Martin Philippon	●			●		●	2027
Mr. Yvan De Cock \diamond	●		★	●	★		2028
Mr. Thomas Demeure	●		●		●		2025
Ms. Sylvie Rémond \diamond	●		●	★	●		2026
Ms. Tamar Joulia-Paris ³	●						2026

- non-executive directors
- executive directors
- ★ chairman
- \diamond independent directors

(1) The IT committee was abolished on October 1, 2023

(2) Mr. Jean-Marie Laurent Josi left the nomination committee on October 1, 2023

(3) Ms. Tamar Joulia-Paris retired from the risk committee on October 1, 2023

12.1 The board of directors

The board of directors of Degroof Petercam includes the members of the management committee and the non-executive directors.

The board of directors is composed of at least eight members, who may or may not be shareholders and who are exclusively natural/legal persons. The general meeting of shareholders shall determine their number and the duration of their term of office, which may not exceed six years. Directors are eligible for re-election.

The composition of the board of directors is determined on the basis of the following rules:

- the composition of the board as a whole must enable it to function effectively, efficiently, and in the best interests of the company. It must show a diversity of expertise together with a range of complementary experience
- no individual member nor group of directors must be able to control the decision-making of the board
- the majority of directors must be non-executive
- at least two of the non-executive directors are independent, in order to meet the requirements of the Banking Act. As at 31 December 2023, however, the board includes three independent directors

The mission of the nomination committee is to make periodic recommendations to the board of directors concerning the size and composition of the board, particularly when terms of office are renewed. The members of the board all have the professional integrity and appropriate experience required by the legal provisions.

In its recommendations to the general meeting of shareholders for the appointment of directors, the nomination committee takes into account the balance of knowledge, expertise, diversity and experience on the board.

During the year, the following changes occurred in the composition of the board of directors and the management committee.

The general meeting of 23 May 2023 decided to renew:

- the mandate of Mr. **Gilles Firmin** as executive director for a period of three years ending at the end of the general meeting of 2026
- the mandate of Ms. **Kathleen Ramsey** as independent non-executive director for a period of two years expiring at the end of the general meeting of 2025
- the mandate of Mr. **Yvan De Cock** as independent non executive director for a period of five years expiring at the general meeting of 2028

The annual general meeting confirmed the co-optation and definitive appointment of **Filip Depaz** as managing director for a further three-year term expiring at the close of the annual general meeting of 2026, having been provisionally appointed by co-optation with immediate effect by the board of directors at its meeting on October 28, 2022.

At its meeting on September 14, 2023, the board of directors acknowledged the resignation of **François Wohrer** as managing director and member of BDPB's executive committee, with effect from August 11, 2023. Mr. **François Wohrer's** term of office as director ended on September 13, 2023.

On September 27, 2023, the board of directors also noted the resignation of **Kathleen Ramsey** as an independent non-executive director, effective October 1, 2023.

The board of directors considers as independent directors those of its members who meet the criteria mentioned in Article 3, 83° of the Banking Act (previously included in Article 7:87 § 1 of the Companies and Associations Code). As at 31 December 2023, the following directors should be considered independent: Ms. **Sylvie Rémond**, Mr. **Yvan De Cock** and Mr. **Gilles Samyn**.

12.1.1 Responsibilities and functions of the board of directors

The board of directors is responsible for defining strategy and general policy. It ensures the implementation of the strategy and general policy by the management committee and determines, on the basis of the management committee's proposals, the resources necessary for this purpose. It determines the responsibilities and composition of the management committee and controls its actions. It ensures that adequate resources are implemented to guarantee the company's sustainability.

The board of directors deliberates on all subjects and matters within its competence, such as the approval of the annual accounts and management reports as well as the convening of general meetings. It receives adequate information on the development of the business and key figures, both for the company itself and for its main subsidiaries. It also approves the annual budget.

The board of directors meets at least four times a year and whenever the interests of the company so require. It met 18 times during the year.

The board of directors can only validly deliberate if at least half of its members are present or represented. No director may represent more than two of their fellow directors. Resolutions are passed by a simple majority of votes. In the event of a tied vote, the proposal is rejected.

The total remuneration allocated to the members of the board of directors is shown in the notes to the parent company financial statements. The full version of the parent company's financial statements is available at the company's headquarters.

12.2 Advisory committees created by the board of director

Within the board of directors, Degroof Petercam has, in accordance with the legal provisions, set up four specialized committees (audit, risk, nomination and remuneration), composed exclusively of non-executive directors, at least one of whom (and the majority in the case of the audit committee) is an independent director within the meaning of Article 3, 83 of the Banking Act.

The IT committee which helped the board of directors to promote the IT vision and its development within the group and supervise the execution and implementation of the IT strategy approved was abolished on October 1, 2023. Its responsibilities have since been taken over by the audit committee.

12.2.1 Audit committee

Members as 31 December 2023	
Mr. Yvan De Cock	Chairman, independent director
Mr. Gilles Samyn	Independent director
Ms. Sylvie Rémond	Independent director
Mr. Thomas Demeure	Director

Mr. Jean-Marie Laurent Josi

Director

The company's auditor takes part at a *minimum* in meetings that deal with the examination of the half-yearly and annual financial statements.

The audit committee meets at least five times a year. During the past financial year, it met on seven occasions. It reported systematically on its activities to the board of directors.

Each member of the audit committee has professional experience in financial management, reporting, accounting and auditing, each member of the audit committee has professional experience as a director exercising executive functions, and the members of the audit committee have complementary professional experience in different sectors of activity and have collective competence in the area of the group's activities.

The audit committee assists the board of directors in its supervisory function and more specifically in matters relating to:

- financial information for shareholders and third parties
- the audit process
- functioning of the internal control system
- monitoring the relationship with the auditor

The meetings mainly focused on the review of the half-yearly financial statements, the annual financial statements and activity reports, the follow-up of the implementation of the group's internal audit recommendations and the approval of the planning of the internal audit missions, the follow-up of financial reporting projects, budget preparation and monitoring and the correspondence/reports of the regulators. This year the Committee had the opportunity to examine the application of 'Hedge Accounting' and its impact. The committee has taken note of the list of disputes.

12.2.2 Risk committee

Members as 31 December 2023

Ms. Sylvie Rémond	Chairwoman, Independent director
Mr. Yvan De Cock	Independent director
Mr. Jean-Baptiste Douville de Franssu	Director
Mr. Jacques-Martin Philippson	Director
Mr. Frank van Bellingen	Director

The risk committee meets at least five times a year. It met six times during the year. It reported systematically on its activities to the board of directors.

Each member of the risk committee has professional experience as a director in executive positions, and has the necessary additional knowledge, expertise, experience and abilities to understand the group's strategy and risk tolerance level.

The risk committee assists the board of directors with strategy, risk tolerance assessment and proposes risk action plans. The committee assisted the board in defining the Risk

Appetite Framework, Risk Appetite Statement and underlying policies.

The risk committee deals in particular with the group's main risk policies. It receives specific briefings from management and examines the procedures for controlling material risks, including market risks and structural interest rate risks as well as credit, operational and reputational risks. The risk committee reviews risk policies annually and monitors management's implementation of processes to ensure the group's compliance with policies approved by the board.

The risk committee paid particular attention to regulatory monitoring. The committee also monitored the implementation of the internal control framework within the organization.

The committee also monitored the proper application of the remuneration policy and whether the remuneration incentives put in place take appropriate account of risk control. It recommended that the board approve the ICAAP (Internal Capital Adequacy Assessment Process) and ILAAP (Internal Liquidity Adequacy Assessment Process) reports, the update of the recovery plan, the periodic risk management and operational risk reports, as well as the Compliance Officer and the AMLCO reports.

The meetings held also addressed issues such as anti-money laundering (AML), the development and updating of various risk management and compliance policies, ESG risks, credit risk, information security and the follow-up of the ALM (rates evolution).

The risk committee continued to specifically address legal and regulatory risks.

12.2.3 Remuneration committee

Members as 31 December 2023	
Mr. Gilles Samyn	Chairman, Independent director
Mr. Jacques-Martin Philippson	Director
Mr. Jean-Baptiste Douville de Franssu	Director

The members of the nomination committee have complementary professional experience in different sectors of activity and collectively have the necessary expertise to enable the committee to exercise a relevant and independent judgement on the composition and functioning of the group's management and administrative bodies.

The nomination committee is consulted in particular on matters relating to:

- the composition and size of the board of directors and management committee
- the definition of the profile of board of directors and management committee members and Identified Staff, and the selection process
- proposals for appointing and re-electing directors and members of the management committee

The nomination committee has set a target for gender representation on the board and has developed a policy to ensure balanced gender representation by setting a target of 1/3 women.

The nomination committee ensures that it applies the recruitment, appointment and renewal policy applicable to the functions of directors, acting directors and managers of the

independent control function.

In matters for which it is competent, the nomination committee makes proposals to the board of directors.

The nomination committee meets at least twice a year. It met seven times during the year. It reported systematically on its activities to the board of directors.

12.2.4 Remuneration committee

Members as 31 December 2023	
Mr. Yvan De Cock	Chairman, Independent director
Mr. Gilles Samyn	Independent director
Ms. Sylvie Rémond	Independent director
Mr. Thomas Demeure	Director
Mr. Frank van Bellingen	Director

Each member of the committee has professional experience as a director exercising executive functions and the members of the remuneration committee have the necessary expertise to exercise competent and independent judgement on remuneration policies and on the incentives created for managing the return on capital employed, taking into account sound risk management, capital adequacy and liquidity.

The remuneration committee is consulted in particular on matters relating to:

- the general remuneration policy
- the total amount of variable remuneration
- the remuneration of directors who are members of the management committee
- the remuneration of Identified Staff and the independent control functions
- profit-sharing plans for group employees

In the areas for which it is responsible, the remuneration committee makes proposals to the board of directors.

The remuneration committee meets at least twice a year. It met six times during the year. It reported systematically on its activities to the board of directors.

12.2.5 Biographies of the non executive directors

Yvan De Cock

- Chairman of the audit committee
- Chairman of the remuneration committee
- Member of the risk committee

Mr. **Yvan De Cock**, a graduate in law and financial management, has significant experience in accounting and auditing acquired through various executive positions he has held for over 30 years in the banking and financial sector, mainly within the BNP Paribas Fortis group. He also served as CEO of Fortis UK and Fortis.

In these roles, he chaired credit committees and was closely involved in the management of other risks such as operational, liquidity, market and compliance risks. He was also closely involved in the implementation of remuneration policies.

These different experiences have enabled him to acquire in-depth expertise in the areas covered by the committees of which he is a member.

Gilles Samyn

- Chairman of the board of directors
- Chairman of the nomination committee
- Member of the audit committee
- Member of the remuneration committee

Mr. **Gilles Samyn** has a business engineering degree from the Solvay Business School. He gained his professional experience as financial director and then managing director of the Frère-Bourgeois Group, a family-owned professional holding company (1983–2019), as well as a non-executive director in a wide range of sectors, having held directorships (and chairmanships) in some 100 companies, ranging from financial holding companies to large corporations such as Pernod Ricard, Petrofina, Bertelsmann, Eiffage or M6, as well as on the board of directors of Banca Leonardo.

He has had the opportunity to sit on and chair audit, strategy, control, nomination and remuneration committees on a number of occasions and has therefore acquired an excellent understanding of how such committees operate and the issues that fall within the remit of these committees.

In addition to the mandates linked to his professional activity, he has also been a member of the board of directors of several NGOs, companies and various groups. He taught at the Solvay Business School (accounting, management control and strategy) from 1969 to 2017.

Thomas Demeure

- Member of the audit committee
- Member of the remuneration committee

Mr. **Thomas Demeure** has a degree in applied economics and law (UCL) and an MBA (University of Chicago).

He pursued a career of almost 35 years in investment banking (M&A and capital markets) in New York and London. As Vice-Chairman Investment Banking at Barclays and previously chairman of Financial Institutions Europe, Middle East and Africa at Citi, he has accumulated extensive analytical and transactional experience in the European financial sector, which is particularly useful in strengthening the audit committee's collective competence in these matters.

Jean-Marie Laurent Josi

- Member of the audit committee

Mr. **Jean-Marie Laurent Josi** is a graduate of the Ecole de Commerce Solvay. He has gained extensive professional experience in strategic, financial and corporate governance matters during his career, mainly through his role as CEO of Cobepa since 2004. He has also held various directorships in companies in various sectors in which Cobepa is a shareholder, including Carmeuse (member of the audit committee and the remuneration and nomination committee), van Oord (member of the audit committee) and Socotec (chairman of the board of directors and member of the remuneration and nomination committee).

These various mandates have enabled him to acquire an excellent understanding and mastery of the functioning of such committees as well as of the issues that fall within the competence of these committees, including issues relating to the development of computer technologies.

Frank van Bellingen

- Member of the risk committee
- Member of the remuneration committee

Mr. **Frank van Bellingen** has a master's degree in economics (UCL) and a master's degree in international relations (London School of Economics).

He has acquired professional experience and expertise in risk management through his role as a director and Chief Financial Officer of CLDN-Cobelfret, where he has been responsible for risk management since 1988 until 2022. He has chaired the risk committee of Degroof Petercam from 2015 until May 2022.

Mr. van Bellingen is also a director of BDPL (Banque Degroof Petercam Luxembourg) and DPAM (Degroof Petercam Asset Management).

Jacques-Martin Philippson

- Member of the risk committee
- Member of the nomination committee

Mr. **Jacques-Martin Philippson** has gained professional experience in corporate management and more particularly risk management. He has been a director (executive and non-executive) of many companies since 1990 in the banking, financial and private equity sectors as well as in other sectors, such as artistic and audiovisual production, logistics, and real estate development in Belgium and abroad.

In addition, he has been a member of the risk committee of Degroof Petercam in Belgium and Luxembourg since 2014. He is currently a member of the risk committee and the nomination committee at Degroof Petercam and a member of the audit and risk committee at BDPL. He has in-depth expertise in the topics that fall within the competence of these committees.

Jean-Baptiste Douville de Franssu

- Member of the risk committee
- Member of the nomination committee

Mr. **Douville de Franssu** is a graduate of the École Supérieure de Commerce de Reims Group and the University of Middlesex (London) in Business Administration. He has a diploma in actuarial studies from Pierre and Marie Curie University (Paris).

Until 2012 he was managing director and a member of the global executive committee of INVESCO Ltd, one of the world's leading asset managers. He is currently a company director in the financial sector and notably chairman of the board of directors of L'Instituto per le Opere di Religione (IOR) and vice-chairman of the supervisory board and chairman of the audit and risk committee of La Française Group.

These different experiences have allowed him to acquire an in-depth knowledge of the financial sector and more specifically of the asset management business, of risk management and IT issues.

Mr. Douville de Franssu is also a director of DPAM. (Degroof Petercam Asset Management).

Sylvie Rémond

- Chairwoman of the risk committee
- Member of the audit committee
- Member of the remuneration committee

Ms. **Sylvie Rémond**, a graduate of ESC Rouen, has close to 40 years of experience in customer relations, financial structuring and risk management within the Société Générale Group. She was a member of the Management Committee from 2011 and Group Risk Director from 2018. At the same time, Sylvie has held positions on the boards of directors of French and foreign subsidiaries of the Société Générale Group, in the risk and audit committees, thus reinforcing her experience in the governance of listed and non-listed companies.

Ms. Rémond is currently a member of the remuneration committee and the audit committee at SOPRA STERIA (a French listed company) and a member of the remuneration committee at SOGECAP (a French regulated company). She is also chair of the risk committee and member of the audit committee of the French company BOURSORAMA.

As an independent director, she chairs the risk committee.

Tamar Joulia-Paris

With more than 40 years of experience in the financial sector, and more particularly in portfolio and risk management, Ms. Tamar Joulia-Paris spent nearly 25 years with ING Group, starting as Head of Credit Risk Management at Banque Bruxelles Lambert, and subsequently holding the positions of Global Head of Credit Portfolio Management, Global Head of Credit Markets and Global Head of Credit Portfolio Group. She is also a professor of financial risk management and ESG at the University of Saint Louis (Brussels) and holds several mandates as an independent director, notably at Greenomy and the Dexia Group, where she is also a member of the risk and audit committees. Ms. Tamar Joulia-Paris is also a director of DPAM.

12.3 Management committee and day-to-day management of the group

The board of directors has set up a management committee from among its members, whose members it appoints and dismisses after recommendation by the nomination committee and approval by the supervisory authority.

Within the framework of the general policy defined by the board of directors, the management committee ensures the effective management of the company and the group. He exercises all the powers conferred on him by law.

Members as 31 December 2023

Mr. Hugo Lasat	Chief Executive Officer
Ms. Sabine Caudron	Head of Private Banking
Ms. Nathalie Basyn	Chief Financial Officer
Mr. Gilles Firmin	Chief Risk Officer
Mr. Filip Depaz	Chief Operating Officer

The composition of the management committee is determined on the basis of the following principles:

- the complementarity of expertise (in financial matters, risk management, operational know-how, etc.) required to ensure the implementation of strategy as defined by the board of directors
- changing requirements
- the moral, ethical and conduct criteria applicable within the group

Each of the current members of the management committee has the title of managing director. In principle, the management committee meets once a week. It met 53 times during the year.

Hugo Lasat

Mr. **Hugo Lasat** has been CEO since October 2021. He joined Petercam in 2011 as a partner and head of Petercam Institutional Asset Management. In 2016, following the merger between Banque Degroof and Petercam, he took over the management of DPAM as CEO. He started his career in 1986 with Arthur Andersen & Co and has over 30 years of experience in the financial sector (Bank Bacob, AG Asset Management, Paribas Asset Management, Banque Paribas Belgium, Cordius Asset Management, Amonis, Candriam and Dexia Group). He holds a master's degree in economics and a postgraduate master's degree in finance from the KU Leuven (Campus Brussel). Hugo Lasat is a visiting professor at the KU Leuven (Campus Brussel) and a director of Baloise Holding, Basler Leben AG and Basler Versicherung AG.



Sabine Caudron

Ms. **Sabine Caudron** has held the position of managing director of Head of Private Banking since May 2022. She joined the Degroof Petercam Group as Head of Private Banking Brussels from 2018 to 2020. In 2021, she returned to the group as Head of Private Banking Flanders before taking over responsibility for all Private Banking activities six months later. Prior to that, she spent 18 years at BNP Paribas Fortis Belgium where she held the position of Director Private Banking Brussels. In 2012, she joined Puilaetco Dewaay Private Bankers as Head of Sales and member of the Executive Committee. Sabine Caudron holds a bachelor's degree in Quantitative Economics and Decision Sciences from the University of California, San Diego, and a master's degree in Taxation from the European Tax College in Antwerp.



Nathalie Basyn

Ms. **Nathalie Basyn** has held the position of managing director and Group CFO since 2015. She began her career at Procter & Gamble before joining Citibank in 1989, where she held various financial control positions, culminating in the position of Retail Bank CFO Europe, Middle East and Africa. Nathalie Basyn joined Fortis in 2005, where she held the positions of Head of Corporate Performance Management and Head of Management Control at BNP Paribas Fortis, respectively, before assuming the role of Deputy CFO of International Banking at BNP Paribas from 2013 to 2015. She holds a degree in applied economics from the Catholic University of Leuven and an MBA from the Booth School of Business at the University of Chicago.



Filip Depaz

Mr. **Filip Depaz** has held the position of managing director and Group Chief Operating Officer since October 2022. Before joining the Degroof Petercam group, he was responsible for the transformation program at Athora Group, a life insurance company active in the European markets. He was previously active as chief operating officer and member of the executive committee of Immobel. From 1999 to 2019, he developed his career at Delta Lloyd Life Belgium where he held positions of COO, CEO, member of the executive committee and of the board. After the take-over of Delta Lloyd Group by NN Insurance, he led the integration as COO and board member of NN Insurance Belgium. He was also active in transformation projects at Axa and Citibank. Filip Depaz holds a degree in Commercial Engineering from the KU Leuven and participated in the management program of the Vlerick Management School.



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Gilles Firmin

Mr. **Gilles Firmin** has been managing director and Chief Risk Officer since October 2015. He joined Banque Degroof in 1999 as Risk Manager in charge of market risks, liquidity and ALM. He became Chief Risk Officer in 2005 and joined the Management Committee of Banque Degroof in 2013 to become managing director in charge of risk management and compliance in 2015. He started his professional career in 1996 at the Central Mortgage Office (OCCH) and spent a year abroad in 1998 as financial manager for Médecins sans Frontières. Gilles Firmin has a degree in economics from the Université Libre de Bruxelles and additional training in international public law from the Vrije Universiteit Brussel.



12.4 Profit allocation policy

The dividend is determined with reference to consolidated net profit and retained earnings, as well as the strategy of the group. In the context of the expected change in the bank's shareholder structure, the board of directors has decided not to propose a dividend payout at the annual general meeting on May 28, 2024.

12.5 Governance memorandum

Degroof Petercam has drawn up a governance memorandum describing and documenting all of its internal organization. The governance memorandum contains information on the following elements:

- the shareholder structure of the bank
- the structure of the group of which the bank is the parent company
- the policy on the composition and functioning of the board of directors
- the management structure and organization chart
- the internal control and key functions
- the organizational structure
- the remuneration policy
- the code of conduct and behaviour
- the ICT security and continuity
- the policy on the disclosure of the principles applied

The board of directors of Degroof Petercam approves the governance memorandum and ensures that it is kept up to date. The governance memorandum and its significant modifications are communicated to the National Bank of Belgium.

13 | Conflicts of interest

In 2023, the board of directors addressed the remuneration of the members of the management committee in two meetings. In accordance with Article 7:96, § 1, para. 2 of the Companies and Associations Code, the relevant extracts from the minutes are set out below:

Extract from the board of directors meeting of 19.01.2023

3.2. Report of the remuneration committee of January 16, 2023

The executive directors leave the meeting due to the direct potential patrimonial conflict of interest.

Yvan De Cock comments on the activity report of the remuneration committee, which met on January 16 to discuss the retention of key people in terms of their 2023 variable remuneration paid in 2024.

The committee analyzed the possibility (and the financial impact for the bank) of a retention program for essential/key persons or persons whose departure would be likely to constitute a risk for the bank. (...)

The estimated additional cost to the bank (in relation to variable compensation in 2021) would be less than 1% of the GOR.

In response to Tamar Joulia-Paris, Yvan De Cock and Gilles Samyn confirm that this loyalty scheme is intended to preserve the stability of management and, as Jacques-Martin Philippson mentioned, to ensure that the bank can count on a motivated team to face the challenges ahead. (...)

The board of directors approves the remuneration committee's recommendations and mandates the remuneration committee to draw up the list of beneficiaries of the loyalty plan as described.

Extract from the board of directors meeting 01.03.2023

5.4. Report of the remuneration committee of 22 February 2023

In the absence of the executive directors, who had left the meeting to avoid attending the deliberations and vote on their own remuneration, the chairman of the remuneration committee commented on the proposed variable remuneration packages for the 2022 financial year, and on the salary package adjustments for members of the management committee/executive committee and heads of independent control functions, notably from the point of view of consistency between the scores discussed by the nomination committee and the bonus, as well as positioning in relation to the benchmark.

The financial impact of the proposed package changes for management committee members represents an increase of 3.9% in the total compensation package for management committee members, which is less than 0.5% of GOR. (...)

The committee recommends approval of (1) the proposed variable remuneration for 2022 granted to members of the management committee/executive committee and the heads of independent control functions, and (2) the proposed increase in the overall remuneration package for members of the management committee/executive committee and the heads of independent control functions. (...)

The board of directors approves the recommendations of the remuneration committee.

Extract from the board of directors meeting of June 27, 2023

The chairman began by pointing out that, as the question of the possible granting of a project bonus to members of the management committee is a direct asset benefit for the executive directors, they abstained, in accordance with the conflict of interest management policy, from taking part in the relevant discussions at the board meeting on June 22, and are therefore not present today to continue the deliberations. (...)

To compensate for the particularly intense workload associated with a specific project, the board of directors has decided to grant members of the management committee a project bonus. These bonuses will have an estimated total impact for the company of less than 1% of GOR.

14 | Discharge of the directors and auditor

In accordance with the law and the Articles of Association, the general meeting is requested to grant discharge to the directors and the auditor of Banque Degroof Petercam SA for the performance of their duties for the past financial year.

15 | List of mandates exercised by the directors in accordance with the Law of 25 April 2014 on the status and supervision of credit institutions and brokerage companies ('Banking Law')

The list of external mandates held by senior managers of Degroof Petercam and which are subject to publication, is available at www.degroofpetercam.com.

Brussels, 24 April 2024