Trust. Knowledge.

Consolidated financial statements
for the year ended 31 December 2023

2023 Annual report

private banking
asset management
investment banking
asset services

Degroof Petercam
Trust. Knowledge.

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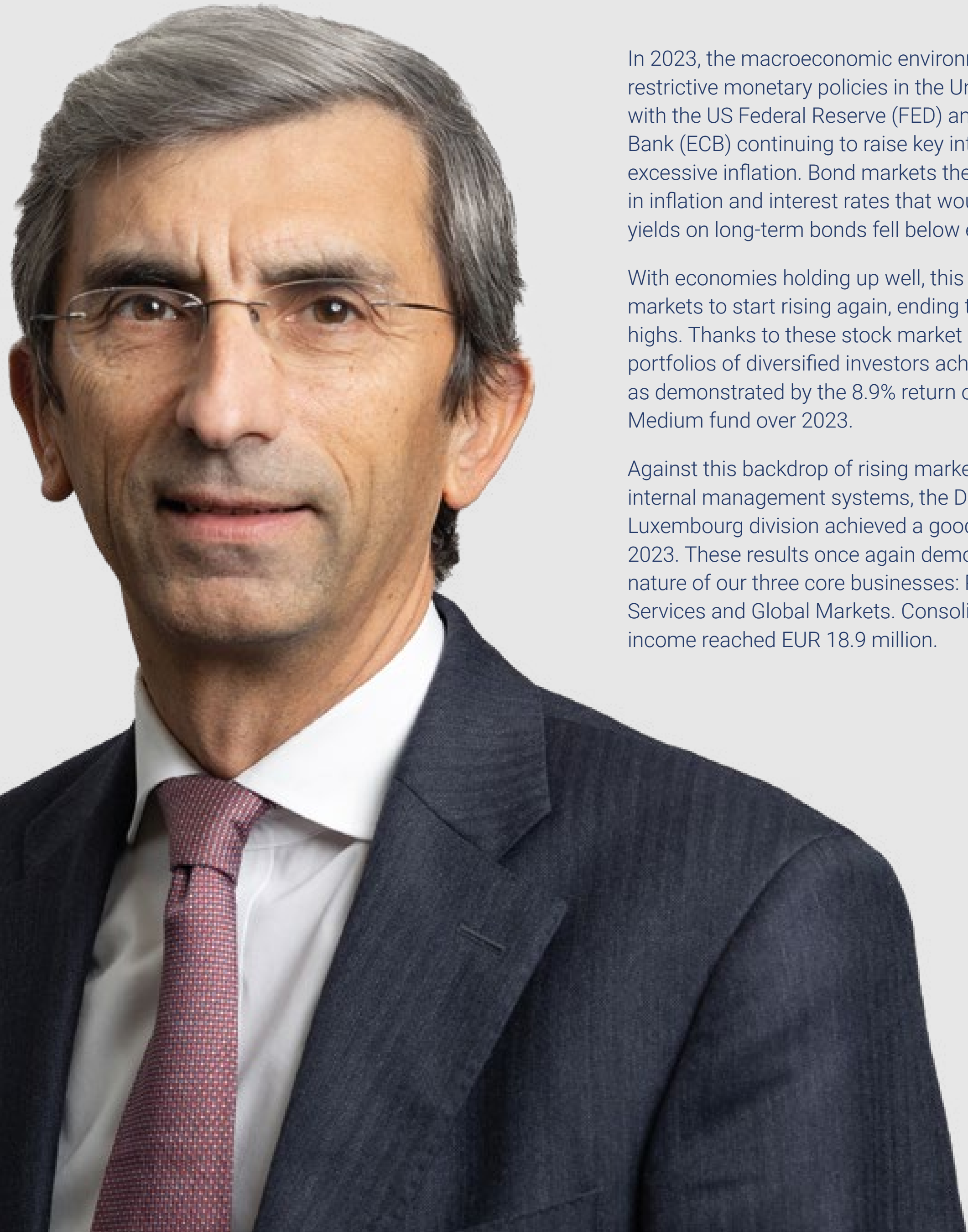
Message from the Board of Directors

“We would like to thank our private and institutional clients for the trust they place in us. For our clients, the coming year should see a broader, more international offering.”



In 2023, the macroeconomic environment was dominated by restrictive monetary policies in the United States and Europe, with the US Federal Reserve (FED) and the European Central Bank (ECB) continuing to raise key interest rates (+2%) to curb excessive inflation. Bond markets therefore anticipated the fall in inflation and interest rates that would follow. As a result, yields on long-term bonds fell below end-2022 levels.

With economies holding up well, this was all it took for equity markets to start rising again, ending the year at or near all-time highs. Thanks to these stock market rises of around 20%, the portfolios of diversified investors achieved positive returns, as demonstrated by the 8.9% return of the DP Global Strategy Medium fund over 2023.

Against this backdrop of rising markets and investment in its internal management systems, the Degroof Petercam Group's Luxembourg division achieved a good financial performance in 2023. These results once again demonstrate the complementary nature of our three core businesses: Private Banking, Asset Services and Global Markets. Consolidated recurring gross income reached EUR 18.9 million.

These results make it possible for Degroof Petercam Luxembourg to continue to operate on a very solid financial basis. The consolidated CET1 ratio after taking into account the audited result is 32.33%.

As at 31 December 2023, the Asset Services business recorded EUR 49.9 billion in assets under administration and/or custody, including EUR 7.6 billion for third-party funds. These assets grew slightly by 1.5% year-on-year.

In Private Banking, the strategy of international diversification and the European Hub continued, with positive flows into these new markets. Overall, however, assets declined slightly, reflecting positive market performance. Private client assets amounted to EUR 4.1 billion as at 31 December 2023, compared to EUR 4.3 billion a year earlier.

2023 was also marked by the Group's potential merger with CA Indosuez, which is expected to materialise in mid-2024.

The year also enabled us to strengthen current IT systems and review future IT projects.

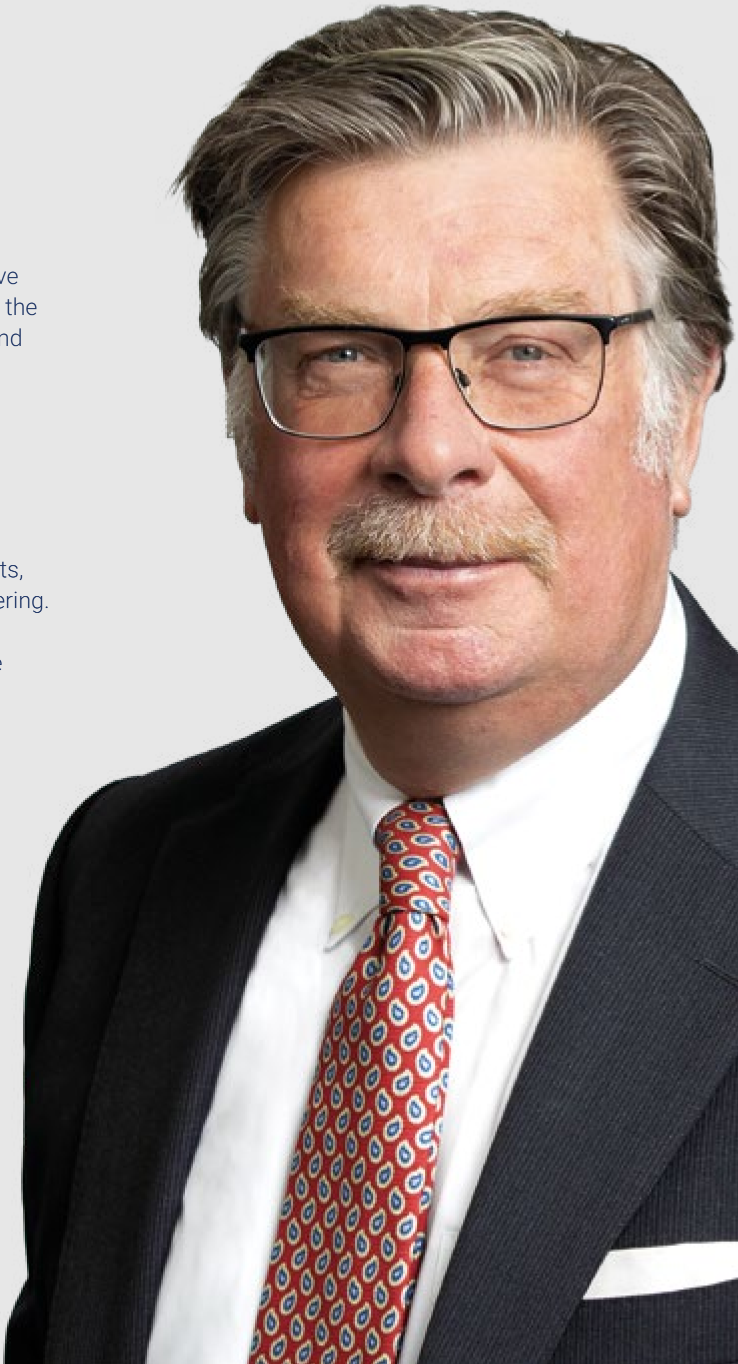
On behalf of the Bank's Board of Directors and Executive Committee, we would like to thank all our employees who have spared no effort to work on the IT projects put on hold due to the potential merger, and to ensure the compliance of systems and data required by the regulatory authorities.

We would also like to thank the members of our Board of Directors and the shareholders for their ongoing support in developing our business from Luxembourg.

Last but not least, we would like to thank our private and institutional clients for the trust they place in us. For our clients, the coming year should see a broader, more international offering. Thanks to this long-awaited merger, we are more than ever pursuing our ambition to give our clients the means to realise their ambitions, and to be their financial partner.

Gautier Bataille
Managing
Director

Frank Wagener
Chairman of the
Board of Directors



Consolidated management report

The consolidated financial statements for the year ended 31 December 2023 have been prepared in accordance with IFRS (International Financial Reporting Standards, as approved by the European Union).

1. Consolidated financial position of Banque Degroof Petercam Luxembourg S.A.

1.1. Consolidated income of Banque Degroof Petercam Luxembourg S.A.

Consolidated net income for 2023 was down by 47% on 2022, totalling EUR 11.2 million. Excluding exceptional charges, gross profit before non-recurring items came to EUR 18.9 million, down 49% on the previous year.

Revenues were down 0.9%, mainly due to the negative impact of the sharp market downturn on assets under management and administration, partially offset by higher interest margin revenues.

The 14.2% increase in overheads can be broken down into a moderate rise in personnel costs, mainly reflecting the growth in average headcount compared with the previous year, the impact of automatic salary indexing, and higher administrative expenses, mainly due to costs relating to the Kairos program and the transformation of financial monitoring tools.

The cost-to-income ratio remained at 87.7%. The balance sheet total stands at EUR 2.7 billion. Solvency levels remain very solid, taking into account the audited result, the consolidated CET1 ratio amounted to 32.33% as at 31 December 2023, well above the legal requirements.

The Bank and its subsidiaries had a total of 423 employees at 31 December 2023.

1.2. Main risks to which the Luxembourg division is exposed

Exposure to and management of business risks are described in Note 6 to the consolidated financial statements for the year ended 31 December 2023.

The main risks are as follows:

- Market risks, mainly related to investment activities in securities portfolios (equities, bonds) and to interest rate transformation activity (ALM);
- Liquidity risk resulting from maturity differences between financing (generally short-term) and 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);
- Operational risk stems from activities such as banking (order execution errors, fraud, cybercrime, etc.), custodian banking (asset losses) or asset management (non-compliance with constraints).

1.3. Circumstances likely to have a significant influence on the Group's development

In general, the Group's growth and profitability are also influenced by: changes in customer capital and equity markets, and the macroeconomic and regulatory environment. The year 2023 was also marked by the Group's potential merger project with CA Indosuez, which should be completed by mid-2024.

1.4. Policy on the use of financial instruments

Derivatives are used as follows for own account:

- As part of ALM (asset and liability management), interest rate derivatives (mainly futures and interest rate swaps) are used to hedge the Group's long-term interest rate risk;
- Interest rate derivatives such as interest rate swaps are used on a global basis from a macro-hedge perspective, but also to hedge a portfolio of sovereign bonds and covered bonds position by position, from a micro-hedge perspective. This use of derivatives is supervised by the Asset and Liability Management Committee (ALMAC);
- Similarly, the Group's treasury (interest rate risk <2 years) uses interest rate derivatives and cash swaps to manage the Group's interest rate risk and cash position;
- The management of the foreign exchange position also involves the use of derivatives (forward foreign exchange contracts and currency swaps) to hedge commitments to clients and the financing of subsidiaries in the currency corresponding to their activities;
- The Bank also acts as an intermediary for its clients.

1.5. Research and development activities

The Group continues its research and development activities through the progressive implementation of its operational and support application transformation program. The Bank and its subsidiaries have no new development cost activation projects in 2023.

1.6. Treasury shares

The Bank and its subsidiaries did not acquire any treasury shares during the year.

2. Changes in the profits of the entities of the Luxembourg division

2.1. Banque Degroof Petercam Luxembourg S.A.

Company profit was strongly impacted by IT investments as part of the IT migration program (Kairos), as well as by higher personnel costs (following automatic salary indexations). Unlike in previous years, no dividends were transferred from subsidiaries.

Banque Degroof Petercam Luxembourg S.A. ("BDPL") is the umbrella and consolidating entity of the Luxembourg division of the Degroof Petercam Group.

With total assets of EUR 2.7 billion and shareholders' equity of EUR 292.2 million, BDPL will close the 2023 financial year with a net loss of EUR 4.2 million (a profit of EUR 37.6 million in 2022) and lower net banking income than in 2022.

As at 31 December 2023, the Bank had 296 employees, slightly higher than on 31 December 2022 (287 employees).

The Board of Directors proposes to the general meeting to allocate the profit for the financial year as follows (EUR):

Net profit as at 31 December 2023	-4,213,893
Profit carried forward from 31 December 2023	189,813,773
Allocation to other reserves	16,000,000
Allocation to unavailable reserve	143,598
Allocation to the wealth tax reserve 2024	0
PROFIT TO BE DISTRIBUTED	**201,743,478**
TRANSFER TO RETAINED EARNINGS	**201,743,478**

2.2. Degroof Petercam Asset Services S.A. ("DPAS")

DPAS, a wholly-owned subsidiary of Banque Degroof Petercam Luxembourg S.A. (BDPL), is the result of the merger in 2016 of Degroof Gestion Institutionnelle - Luxembourg S.A. with Petercam Institutional Asset Management S.A. Approved as a UCITS management company in accordance with Chapter 15 of the law of 17 December 2010 and as an alternative investment fund manager (AIFM), DPAS provides its services to the Degroof Petercam Group's UCIs as well as to third party initiators, thanks to the integrated UCITS/AIFM services as well as a specific offering of Currency Hedging, Asset Management and Risk Management.

With total assets of EUR 102.8 million and shareholders' equity of EUR 38 million, DPAS closed the 2023 financial year with a net profit of EUR 12.7 million, down 22% on the 2022 net profit of EUR 16.2 million.

DPAS assets under management or administration totalled EUR 49.9 billion at 31 December 2023, representing slight growth of 1.5% compared with the end of 2022. Assets under management for third-party originators also fell, to EUR 7.6 billion, representing 15% of total assets under management.

The assets of Group UCIs for which DPAS acts as management company, AIFM or Administrative Agent reached EUR 42.3 billion at the end of 2023.

By the end of December 2023, DPAS will employ a total of 124 people in Luxembourg.

2.3. Degroof Petercam Insurance Broker S.A. ("DPIB")

DPIB is a wholly-owned subsidiary of BDPL. Its corporate object is insurance brokerage through duly approved natural persons, in accordance with the provisions of the law of 7 December 2015 on the insurance sector, as amended.

With total assets of EUR 1.1 million and shareholders' equity of EUR 0.9 million at 31 December 2023, DPIB ended the 2023 financial year with a profit of EUR 30,789 compared with a profit of EUR 45,113 for the 2022 financial year.

At the end of December 2023, the company employed 2 people.

2.4. Immobilière Cristal Luxembourg S.A. (“ICL”)

ICL is a wholly-owned subsidiary of BDPL. Its corporate object is the profitable exploitation of its own real estate assets.

With a balance sheet total of EUR 107.7 million (EUR 104.2 million in 2022) and equity of EUR 106.2 million as at 31 December 2023 (EUR 102.9 million in 2022), ICL ended the 2023 financial year with a net profit of EUR 3.2 million (EUR 2.7 million in 2022).

ICL’s revenues come mainly from rents received from tenants of the building located on rue Eugène Ruppert in Luxembourg.

In 2023, ICL did not employ any personnel.

2.5. Other holdings

With the exception of Promotion Partners S.A., a subsidiary of the Bank, whose real estate development project is currently being finalised in the Grand Duchy of Luxembourg, the other consolidated subsidiaries are companies with no operating activities and no employees at 31 December 2023. No particular comments are required in their regard.

3. Significant events after the balance sheet date

There were no significant events after the reporting date and up to the date of this report that could affect the financial statements of the Bank and its subsidiaries.

Gautier Bataille
Managing Director

Frank Wagener
Chairman of the Board of Directors

Audit report

For the attention of the Board of Directors of
Banque Degroof Petercam Luxembourg S.A.

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of Banque Degroof Petercam Luxembourg S.A. (the "Bank") and its subsidiaries (the "Group") at 31 December 2023, and 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.

What we audited

The consolidated financial statements comprise:

- consolidated statement of financial position as at 31 December 2023;
- net income and consolidated comprehensive income for the financial year ended on that date;
- consolidated statement of changes in equity for the financial year ended on that date;
- consolidated cash flow statement for the financial year ended on that date; and
- the notes to the consolidated financial statements, including a summary of the main accounting methods.

Basis of opinion

We conducted our audit in accordance with Regulation (EU) No. 537/2014, the Law of 23 July 2016 relating to the audit profession (the "Law of 23 July 2016") and the International Auditing Standards ("ISA") as adopted for Luxembourg by the Commission de Surveillance du Secteur (CSSF). Our responsibilities under Regulation (EU) No. 537/2014, the Law of 23 July 2016 and the ISAs as adopted for Luxembourg by the CSSF are more fully described in the section "Responsibilities of the statutory auditor for the audit of the consolidated financial statements" in this report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants including International Standards of Independence, issued by the International Ethics Standards Board for Accountants (the IESBA Code) as adopted for Luxembourg by the CSSF and the rules of ethics applicable to the audit of the consolidated financial statements and we have fulfilled our other responsibilities under these rules.

To the best of our knowledge and belief, we confirm that we have not provided any prohibited non-audit services as referred to in Article 5(1) of Regulation (EU) No 537/2014.

Services provided in addition to the statutory audit to both the Bank and its subsidiary(ies), where applicable, for the year then ended are disclosed in Note 9.10 of the consolidated financial statements.

Key audit points

The key audit points are those that, in our professional judgement, were the most significant in the audit of the consolidated financial statements for the period under review. These matters were addressed in the context of our audit of the consolidated financial statements taken as a whole and for the purpose of forming our opinion on them, and we do not express a separate opinion on these matters.

Key audit point

Existence and accuracy of income from asset management fees, brokerage fees, securities-related activities, and custodial fees (exceptional conditions) related to the private banking business

For the year ended 31 December 2023, the Group generated commission income of EUR 303 million as disclosed in Note 9.3 to the consolidated financial statements. This income is derived in particular from the services provided by the Bank and its subsidiary Degroof Petercam Asset Services S.A. to their clients, and is the result of a large number of individual transactions.

We focused our attention on the existence of commission income from asset management fees, brokerage fees, securities-related activities and custodian fees (exceptional conditions) taking into account the following elements:

- These items represent a significant portion of the Group's total revenues for the year ending 31 December 2023;
- Pricing is often client-specific and the number of exceptional conditions is significant;
- The amounts involved in each individual transaction are generally small. Thus an isolated error would be difficult to detect and insignificant, but an error affecting a large number of transactions could have a material financial impact.

How our audit answered this key point

We have examined the Group's internal control system, including the organisational arrangements relating to income from asset management fees, brokerage fees, securities-related activities and custodian fees (exceptional conditions), as well as the related IT systems.

The following procedures related to the Bank's internal control environment have been carried out:

- Interviews with the Management and department heads;
- Conducting of flow tests to identify and carry out an inventory of controls for the different commission flows;
- Inspection of audit reports (ISAE 3402) prepared and issued by an independent auditor on the activities of custodian banks and investment fund managers;
- Inspection of controls carried out by the Bank's support services on the existence of client assets under management to ensure the accuracy of the basis for calculation;
- Review of compliance with segregation of duties and controls relating to the validation of tariff conditions at the time of entry into the relationship;
- Re-execution on the basis of a sample of controls carried out in the context of parameters for and changes in tariff conditions;
- Re-execution of a sample of controls carried out by the Bank in the context of commission calculations.

The following substantive procedures were carried out:

- Inspection of supporting information and documentation (contract, transaction record, etc.), for a sample of commissions;
- Recalculation of certain commissions, based on samples, and verification that the amounts obtained from the calculation are correctly recorded in the accounts;
- Obtaining external confirmations for a sample of the client accounts to validate that the information presented in the account statements reflects the correct asset positions of the Bank's clients;
- Verification of the net asset values used as a basis for calculating the commissions of the investment funds of the clients of Degroof Petercam Asset Services S.A. with published external data;
- Consultation of the client complaints register.

Other information

Responsibility for other information rests with the Board of Directors. The other information comprises the information included in the consolidated management report but does not include the consolidated financial statements and our audit report on these consolidated financial statements.

Our opinion on the consolidated financial statements does not extend to other information and we do not express any form of assurance with regard to that information.

With respect to our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, to assess whether there is a material inconsistency between it and the consolidated financial statements or the knowledge we gained during the audit, or whether the other information otherwise appears to contain a material misstatement. If, based on our review, we conclude that there is a material misstatement in the other information, we are required to report it. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the corporate governance managers for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS as adopted by the European Union, as well as for such internal control as it considers necessary to enable the preparation of consolidated financial statements that are free from material misstatement, 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, for communicating, where applicable, going concern issues and for applying the going concern accounting policy, unless the Board of Directors intends to liquidate the Group or cease trading or if no other realistic alternative is available to it.

The corporate governance managers are responsible for overseeing the Group's financial reporting process.

Responsibilities of the Statutory Auditor for the audit of the consolidated financial statements

The objectives of our audit are to obtain reasonable assurance that the consolidated financial statements taken as a whole do not contain material misstatements whether arising from fraud or error, and to issue an audit report containing our opinion. Reasonable assurance is a high level of assurance, which does not, however, guarantee that an audit carried out in accordance with Regulation (EU) No. 537/2014, the Law of 23 July 2016 and the ISAs as adopted for Luxembourg by the CSSF will always detect any material misstatement that may exist. Misstatements may result from fraud or error and are considered material when it is reasonable to expect that, individually or collectively, they could influence the business decisions that users of the consolidated financial statements make based on them.

In an audit carried out in accordance with Regulation (EU) No. 537/2014, the Law of 23 July 2016 and the ISAs as adopted for Luxembourg by the CSSF, we exercise our professional judgement and demonstrate critical thinking throughout this audit.

Furthermore:

- we identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures to address those risks, and obtain sufficient appropriate audit evidence to form an opinion. The risk of non-detection of a material misstatement arising from fraud is higher than that of such misstatement arising from error, since fraud may involve collusion, forgery, wilful omissions, false declarations or the bypassing of internal controls;

- we obtain an understanding of the internal control elements relevant to the audit in order to design audit procedures that are appropriate in the circumstances and not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- we assess the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Board of Directors, as well as the related information provided by the Board of Directors;
- we draw a conclusion as to the appropriateness of the Board of Directors' use of the going concern accounting policy and, depending on the evidence obtained, as to whether or not there is a material uncertainty related to events or situations that could cast significant doubt on the Group's ability to continue as a going concern. If we conclude that there is material uncertainty, we are required to draw the attention of the readers of our report to the information provided in the consolidated financial statements about that uncertainty or, if that information is not adequate, to express an amended opinion. Our conclusions are based on the evidence obtained as at the date of our report. However, future events or situations could lead the Group to cease operations;
- we assess the overall presentation, form and content of the consolidated financial statements, including the information disclosed in the notes, and assess whether the consolidated financial statements represent the underlying transactions and events in a manner that presents the financial position fairly;
- we obtain sufficient appropriate audit evidence regarding the financial reporting of the Group's entities and activities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group's audit, and assume full responsibility for our audit opinion.

We communicate to those responsible for corporate governance, including the scope and expected timing of the audit work and our significant findings, including any material weaknesses in internal control that we may have identified during our audit.

Among the issues communicated to those responsible for corporate governance, we determine which were the most important in the audit of the consolidated financial statements for the period under review: these are the key audit points. We describe these issues in our report unless they are prevented from being published by law or regulation.

Report on other legal and regulatory requirements

The consolidated management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

We were appointed as Statutory Auditors by the Board of Directors on 13 April 2023, and the total uninterrupted duration of our assignment, including the preceding renewals and extensions, is 5 years.

Luxembourg, 26 April 2024

PricewaterhouseCoopers, Société coopérative
Represented by Cécile Liégeois

Consolidated statement of financial position

(in EUR)

	Notes	31.12.2023	31.12.2022
ASSETS			
Cash and sight accounts with central banks	8.1	401,666,937	404,091,958
Financial assets held for trading	8.2	130,765,671	148,481,278
Hedging of financial assets	8.3	92,498,427	155,940,457
Hedge of the fair value of a portfolio of assets against interest rate risk	8.4	-8,453,846	-13,815,909
Financial assets held for purposes other than trading that must be measured at fair value through profit or loss	8.5	8,758,134	9,332,900
Financial assets measured at fair value through other comprehensive income	8.6	322,058,203	515,173,778
Loans and receivables from credit institutions measured at amortised cost	8.7	110,919,687	89,637,659
Loans and receivables from customers measured at amortised cost	8.8	439,866,227	578,184,328
Debt instruments measured at amortised cost	8.9	1,070,344,663	1,327,255,278
Property, plant and equipment	8.10	33,138,468	33,868,550
Intangible assets	8.11	5,096,883	7,103,323
Holdings in companies accounted for by the equity method	8.12	2,198,713	2,306,201
Other assets	8.13	84,918,497	83,803,301
TOTAL ASSETS		**2,693,776,664**	**3,341,363,102**

The notes in the appendix are an integral part of the consolidated financial statements.

(in EUR)

	Notes	31.12.2023	31.12.2022
LIABILITIES			
Debts			
Financial liabilities held for trading	8.14	97,221,233	138,388,158
Financial liability hedges	8.15	4,800,653	79,578
Deposits with credit institutions	8.16	267,213,970	271,827,600
Deposits to customers	8.17	1,926,107,291	2,527,710,699
Provisions	8.18	1,112,469	1,721,189
Current and deferred tax liabilities	8.19	11,041,380	15,859,691
Other liabilities	8.20	104,542,140	114,886,259
TOTAL DEBTS		**2,412,039,136**	**3,070,473,174**
Equity			
Capital subscribed	8.21	37,000,000	37,000,000
Issue premium	8.21	40,356,000	40,356,000
Reserves and retained earnings	8.21	195,720,998	209,582,308
Cumulative other comprehensive income	8.21	-2,554,110	-2,187,071
Net income for the year, group share	8.21	11,214,640	21,140,691
Interim dividend payment	*8.21*	-	*-35,002,000*
TOTAL EQUITY		**281,737,528**	**270,889,928**
TOTAL LIABILITIES		**2,693,776,664**	**3,341,363,102**

The notes in the appendix are an integral part of the consolidated financial statements.

Consolidated statements of income and other comprehensive income

(in EUR)

	Notes	31.12.2023	31.12.2022
Interest income	9.1	228,698,527	120,181,176
Interest expenses	9.1	-203,269,825	-104,461,333
Dividend income	9.2	52,835	2,406,473
Commissions received	9.3	302,685,259	341,277,508
Commissions paid	9.3	-214,586,351	-245,795,503
Gains or losses on financial instruments held for trading, net	9.4	6,261,923	13,856,906
Net gains or losses on financial instruments that must be measured at fair value through profit or loss	9.5	-341,441	102,324
Net gains or losses on financial instruments not measured at fair value through profit or loss	9.6	861,864	-799,914
Net gains from hedge accounting	9.7	445,804	-441,630
Other net operating income	9.8	12,235,144	6,523,400
Net revenues		**133,043,739**	**132,849,407**
Staff expenses	9.9	-53,536,324	-47,424,709
General and administrative expenses	9.10	-57,838,693	-50,070,871
Depreciation of property, plant and equipment and intangible assets	9.11	-4,905,933	-5,838,683
Provisions	9.12	503,601	-223,707
Net impairment of assets	9.13	-2,494,751	-467,169
Share in the result of companies accounted for by the equity method		-107,488	-16,817
Profit or loss before tax		**14,664,151**	**28,807,451**
Income tax expense	9.14	-3,449,511	-7,666,760
Income for the year		**11,214,640**	**21,140,691**
NET INCOME FOR THE YEAR, GROUP SHARE		**11,214,640**	**21,140,691**

The notes in the appendix are an integral part of the consolidated financial statements.

(in EUR)

	Notes	31.12.2023	31.12.2022
Income for the year		**11,214,640**	**21,140,691**
Items likely to be reclassified subsequently to net income			
Fair value revaluation - Financial assets measured at fair value through other comprehensive income	9.15	-367,040	-2,700,638
Total other comprehensive income		-367,040	-2,700,638
TOTAL COMPREHENSIVE INCOME		**10,847,600**	**18,440,053**
COMPREHENSIVE INCOME, GROUP SHARE		**10,847,600**	**18,440,053**

The notes in the appendix are an integral part of the consolidated financial statements.

Consolidated statements of changes in equity

	Share capital	Issue premium	Reserves and retained earnings	Revaluation reserves	Currency translation adjustments
Balance as at 31.12.2021	**37,000,000**	**40,356,000**	**248,400,904**	**513,567**	**-**
Appropriation of prior year's profit or loss	-	-	21,180,603	-	-
Profit or loss for the year	-	-	-	-	-
Currency translation adjustments	-	-	-	-	-
Revaluation to fair value	-	-	-	-2,700,637	-
Interim dividend payment	-	-		-	-
Dividends paid	-	-	-59,999,200	-	-
Other changes	-	-	-	-	-
BALANCE AS AT 31.12.2022	**37,000,000**	**40,356,000**	**209,582,307**	**-2,187,070**	**-**
Appropriation of prior year's profit or loss	-	-	21,140,691	-	-
Profit or loss for the year	-	-	-	-	-
Currency translation adjustments	-	-	-	-	-
Revaluation to fair value	-	-	-	-367,040	-
Interim dividend payment	-	-	-	-	-
Dividends paid	-	-	-35,002,000,00	-	-
Other changes	-	-	-	-	-
BALANCE AS AT 31.12.2023	**37,000,000**	**40,356,000**	**195,720,998**	**-2,554,110**	**-**

The notes in the appendix are an integral part of the consolidated financial statements.

(in EUR)

Profit or loss for the year	Interim dividend payment	Equity: Group share	Total equity
21,180,603	**-**	**347,451,074**	**347,451,074**
-21,180,603	-	-	-
21,140,691	-	21,140,691	21,140,691
-	-	-	-
-	-	-2,700,637	-2,700,637
-	-35,002,000	-35,002,000	-35,002,000
-	-	-59,999,200	-59,999,200
-	-	-	-
21,140,691	**-35,002,000**	**270,889,928**	**270,889,928**
-21,140,691	-	-	-
11,214,640	-	11,214,640	11,214,640
-	-	-	-
-	-	-367,040	-367,040
-	-	-	-
-	35,002,000,00	-	-
-	-	-	-
11,214,640	**-**	**281,737,528**	**281,737,528**

Consolidated cash flow statements

(in EUR)

	Notes	31.12.2023	31.12.2022
Earnings before taxes		**14,664,151**	**28,807,451**
non-cash items included in income and other adjustments:		**7,004,572**	**6,546,376**
Depreciation on intangible assets or property, plant and equipment	9.11	4,905,933	5,838,683
Income from associates		107,488	16,817
Impairment	9.13	2,494,752	467,169
Net allocations to provisions and other liabilities	9.12	-503,601	223,707
Change in assets and liabilities from operating activities:		**53,584,636**	**-857,180,164**
Financial assets held for trading		-112,240,428	-182,703,379
Hedging of financial assets		30,477,227	-152,700,068
Hedge of the fair value of a portfolio of assets against interest rate risk		-5,362,063	13,815,909
Financial assets held for purposes other than trading that must be measured at fair value through profit or loss		574,766	208,691
Financial assets measured at fair value through other comprehensive income		185,760,922	-24,791,851
Loans and receivables		113,624,388	-77,526,273
Debt instruments measured at amortised cost		247,680,840	-157,130,461
Other assets		-1,115,193	13,275,046
Liabilities held for trading		95,529,588	177,206,125
Financial liability hedges		12,632,274	-7,174,916
Amounts owed to credit institutions		41,243,316	17,232,074
Amounts owed to customers		-543,777,582	-474,364,076
Provisions and other liabilities		-11,443,418	-2,526,985
Interest received		206,360,163	108,493,410
Dividends received		52,835	2,406,473
Interest paid		-211,304,370	-108,478,797
Taxes paid on income		-8,387,034	-9,009,727
Net cash flows from operating activities (A)		**61,974,953**	**-828,414,978**

The notes in the appendix are an integral part of the consolidated financial statements.

(in EUR)

	Notes	31.12.2023	31.12.2022
Disposal of subsidiaries and associates		-	-
Acquisition of intangible assets or property, plant and equipment	8.10/8.11	-1,142,410	-1,001,885
Sale of intangible assets or property, plant and equipment		-	-
Net cash flows related to investment activities (B)		**-1,142,410**	**-1,001,885**
Dividends paid		-	-95,001,200
Net cash flows from financing activities (C)		**-**	**-95,001,200**
Effect of exchange rate changes on cash and cash equivalents		-299,539	-461,664
Net increase/decrease in cash and cash equivalents (A + B + C)		60,832,543	-924,418,063
Cash and cash equivalents at the beginning of the year		305,113,188	1,229,992,915
Cash and cash equivalents at end of period		**365,646,192**	**305,113,188**

Composition of cash and cash equivalents		**365,646,192**	**305,113,188**
Cash and balances with central banks	8.1	401,542,121	404,034,593
Current accounts with credit institutions	8.7	99,353,278	73,346,737
Term loans to credit institutions	8.7	-	-
Overdrafts with credit institutions	8.16	-80,336,710	-109,438,235
Term deposits with credit institutions	8.16	-54,912,497	-62,829,907

The notes in the appendix are an integral part of the consolidated financial statements.

Notes to the consolidated financial statements at 31 December 2023

1. General considerations

Banque Degroof Petercam Luxembourg S.A. (formerly "Banque Degroof Luxembourg S.A." until 31 March 2016) (hereinafter "the Bank") was incorporated on 29 January 1987 as a société anonyme (public limited company) under Luxembourg law. It was listed on the Luxembourg Stock Exchange on 29 November 1999 and subsequently delisted on 15 December 2005.

On 1 April 2016, Banque Degroof Luxembourg S.A. and Petercam (Luxembourg) S.A. merged with retroactive effect to 1 January 2016; the new company is called Banque Degroof Petercam Luxembourg S.A. The merger legally results in the absorption of all the assets and liabilities of Petercam (Luxembourg) S.A. (absorbed company) by Banque Degroof Luxembourg S.A. (absorbing company). The Bank has opted for the book value method to treat this transaction, which under IFRS constitutes a business combination under common control. The difference between the consideration paid by Banque Degroof Luxembourg S.A. of EUR 136,522,000 and the carrying value of the net assets of Petercam represented the goodwill recorded in reserves of EUR 73,025,963. Following this merger, the Bank also recognised a new amount of EUR 17,280,050, corresponding to 3 new business assets, as part of the Purchase Price Allocation (PPA) estimation exercise.

As part of the merger, Petercam (Luxembourg) S.A. sold the shares of its subsidiary Petercam Banque Privée (Suisse) S.A. to Banque Degroof Petercam S.A. on 16 February 2016 and sold the shares of its subsidiary Petercam Institutional Asset Management (Luxembourg) S.A. to Degroof Petercam Asset Services S.A. on 18 February 2016.

The purpose of the Bank is to carry out all banking and savings activities, in particular to receive all deposits and make all credit transactions, as well as all transactions whatsoever, in securities, asset management, trust and financial services, and finally all commercial, financial, securities and real estate transactions enabling the achievement of the corporate purpose thus defined.

The Bank and its subsidiaries (hereinafter referred to as "the Luxembourg division") are also included in the consolidation of Banque Degroof Petercam S.A., established at 44 rue de l'Industrie, 1040 Brussels. On 1 October 2015, Banque Degroof S.A. and Petercam S.A. merged; the new entity bears the name Banque Degroof Petercam S.A.

The Luxembourg division and Banque Degroof Petercam S.A. constitute "the Group".

The Bank's financial statements are available on its website: www.degroofpetercam.lu. The financial statements of Banque Degroof Petercam S.A. are available at: www.degroofpetercam.com.

Since 9 December 2005, the Bank has had a branch in Belgium, located at 19 rue Guimard, 1040 Brussels.

Since 7 September 2018, the Bank has had a representative office in Canada, located at 244 St. Jacques Street in Montreal.

Since 1 October 2018, the investment fund administration services business line held by the Bank has been transferred to its subsidiary Degroof Petercam Asset Services S.A.

As part of a strategy to centralise the activities and restructure certain functions related to the administration of UCIs within the Degroof Petercam Group, the Bank, acting through its Belgian branch, ceded this activity to its subsidiary Degroof Petercam Asset Services S.A. with effect from 1 October 2018.

In line with this strategy within the Degroof Petercam Group, Banque Degroof Petercam S.A. has assigned to Banque Degroof Petercam Luxembourg S.A., acting through its Belgian branch, the activity of custodian bank for UCIs under Belgian law with effect from 10 October 2019.

The financial statements were approved by the Board of Directors on 22 April 2024.

2. Regulatory context

The consolidated financial statements of the Luxembourg Division have been prepared in accordance with International Financial Reporting Standards (IFRS) and the interpretations of these standards valid at 31 December 2023 and as approved in the European Union.

The accounting principles used to prepare these consolidated financial statements as at 31 December 2023 are consistent with those applied as at 31 December 2022, with the exception of those set out in Note 3 “Changes in accounting principles and methods”.

The accounting principles used by the Luxembourg division are based on

International Financial Reporting Standards (“IFRS”) as adopted by the European Union and applicable at that date, of which only the following standards have been adopted:

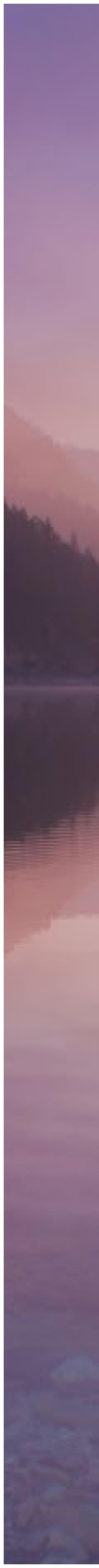
- IAS 1 Presentation of Financial Statements;
- IAS 8 Accounting policies, changes in accounting estimates and errors;
- IAS 10 Events after the reporting period;
- IAS 12 Income taxes;
- IAS 16 Property, plant and equipment;
- IAS 19 Employee benefits;
- IAS 20 Accounting for government grants and disclosures about government assistance;
- IAS 21 Effects of changes in foreign exchange rates;
- IAS 23 Borrowing costs;
- IAS 24 Related party disclosures;

- IAS 27 Separate Financial Statements;
- IAS 28 Investments in associates and joint ventures;
- IAS 32 Financial instruments: Presentation;
- IAS 36 Impairment of assets;
- IAS 37 Provisions, contingent liabilities and contingent assets;
- IAS 38 Intangible assets;
- IFRS 9 Financial instruments;
- IFRS 10 Consolidated Financial Statements;
- IFRS 11 Joint arrangements;
- IFRS 12 Disclosure of interests in other entities;
- IFRS 13 Fair Value Measurement;
- IFRS 15 Revenue from customer contracts;
- IFRS 16 Leases.

As the Luxembourg division has no equity securities or borrowings traded or being issued on a public securities market, IFRS 8 (“Operating segments”) and IAS 33 (“Earnings per share”) norms are not applied in accordance with their scope.

It is also for this reason that the Luxembourg division does not provide interim information to the market and therefore has only one reporting date, the one corresponding to its annual closing date.

The main accounting policies and valuation rules applied in the preparation of the financial statements are described below. These methods have been applied, unless otherwise stated, on a permanent basis for the financial years presented.



3. Changes in accounting principles and methods

The following IFRS standards and amendments have been applied for the first time in the current year:

- Amendments to IAS 1 and the IFRS Practice Statement 2: “Disclosure of Accounting Policies”;
- Amendments to IAS 12, “Deferred tax on assets and liabilities arising from the same transaction”;
- Amendments to IAS 12, “International Tax Reform - Model Pillar 2 Rules”;
- Amendments to IAS 8, “Accounting estimates”.

The amendments to IAS 1 are designed to help entities improve the relevance of disclosures about accounting policies in the notes to the financial statements, and the usefulness of this information for users of the financial statements. These amendments have been taken into account by the Bank in the presentation of its financial statements.

Since the date of first-time adoption of IFRS 16, the Bank has opted not to apply the exemption from initial recognition of deferred tax assets and liabilities provided for under IAS 12. As a result, on the date of first-time application, the deferred tax asset generated offset the deferred tax liability. Temporary differences arising from subsequent changes in right-of-use assets and rental liabilities subsequently give rise to the recognition of deferred tax. This amendment therefore has no impact on the Bank's financial statements.

The application of the other provisions has no material impact on the Bank's results, shareholders' equity or presentation of the financial statements.

Standards or amendments to standards published by the IASB (International Accounting Standards Board) on 31 December 2023 will come into force in subsequent accounting periods.

4. Judgements and estimates used in the preparation of the consolidated financial statements

Preparing consolidated financial statements in accordance with IFRSs entails making judgements and estimates. Although the Management of the Luxembourg Division believes that it has taken into account all the available information in arriving at these opinions and estimates, the reality may be different, and these differences may have an impact on the consolidated financial statements.

These estimates and judgements mainly concern the following subjects:

- The determination of the fair values of unlisted financial instruments;
- The classification of financial instruments according to the business models defined by the Group for the management of financial instruments and the analysis of the contractual terms of the financial asset to determine whether they comply with the "SPPI" criteria;
- The determination of a reference obligation ("proxy") to estimate the impact of changes in risk-free interest rate risk on the hedged instrument in a hedging relationship;
- Assessing the effectiveness of hedging in hedging relationships;
- The definition of the useful life and residual value of intangible assets and property, plant and equipment;
- The estimated recoverable amount of impaired assets;
- The assumptions used to calculate expected credit losses, the use of future macroeconomic forecasts and the assessment of criteria for significant credit risk deterioration;

- The assessment of the current obligation resulting from past events in the context of the recognition of provisions;
- Determining the goodwill value;
- Assessing whether it is reasonably certain to exercise an option to renew a lease or not to exercise an option to terminate a lease;
- Determination of the discount rate for rent not yet paid.

Against the backdrop of the Ukrainian crisis and international tensions (inflation, the Crédit Suisse - Union Bancaire Suisse merger, the Middle East crisis), management has paid particular attention to the potential impact of these crises on certain material items in these financial statements. Forward-looking or estimated items may enter into the calculation of certain financial statement items and be impacted by the crisis and its related events. More attention has been paid to the valuation and recoverability of the various credit portfolios or assets as well as to sales.

Based on its monitoring, controls and analysis, the Management has not identified any major impacts on the financial statements that require additional disclosure in the financial statements.

5. Summary of accounting principles and methods

5.1. Translation of financial statements and transactions in foreign currencies

The consolidated financial statements are drawn up in euros (EUR), the functional currency of the Luxembourg Division.

5.1.1. Conversion of transactions in foreign currencies

Transactions in foreign currencies are recorded at the exchange rate prevailing on the transaction date.

Monetary assets and liabilities are translated at the exchange rate prevailing at the balance sheet date, resulting in an exchange difference that is recognised in the income statement.

Non-monetary items measured at fair value are translated at the exchange rate at the balance sheet date. The exchange difference resulting from this conversion is recognised in equity or in the income statement depending on the accounting allocation of the item concerned.

Other non-monetary items are converted at the exchange rate prevailing at the closing date of the financial year, generating an exchange difference which is recognised in profit and loss.

5.2. Financial instruments

5.2.1. Recognition date of financial instruments

All derivatives and all purchases or sales of securities under a contract whose terms require delivery of the security within the time period generally defined by regulation or agreement in the relevant market are recognised on the transaction date. Receivables and deposits are recognised on the settlement date.

5.2.2. Compensation

A financial asset and a financial liability are offset if and only if the Luxembourg division has a legally enforceable right to offset the recognised amounts and if it intends to settle the net amount or to realise the asset and settle the liability simultaneously.

5.2.3. Derecognition of financial instruments

A financial asset is derecognised when:

- The contractual rights to the cash flows relating to the financial asset expire; where
- The Bank has transferred substantially all the risks and rewards of ownership of this financial asset. If the Bank does not transfer or retain substantially all the risks and rewards of ownership of the financial asset, it is derecognised if control of the financial asset is not retained. Otherwise, the Bank keeps the financial asset on the balance sheet to the extent of its continuing involvement in this asset.

A financial liability is derecognised if the liability is extinguished, i.e. when the obligation specified in the contract is cancelled or expires.

5.2.4. Financial instruments - Principles and methods (IFRS 9)

5.2.4.1. Valuation of financial assets

IFRS 9 sets out the provisions for the recognition and measurement of financial assets and liabilities, as well as certain contracts for the purchase or sale of non-financial assets.

At initial recognition, a financial asset held for trading as well as all derivatives are classified as “Financial assets and liabilities held for trading” while all other financial assets are included in one of the following measurement categories:

- Amortised cost (AC);
- Fair value through other comprehensive income for debt instruments (FVOCI);
- Fair value through other comprehensive income for equity instruments (FVOCI);
- Fair value through profit and loss (FVTPL).

The classification of an asset is based both on the business model of the Bank’s financial assets and on the contractual cash flow characteristics of the financial asset, i.e. whether the contractual terms of the financial asset generate cash flows at specified dates that are solely capital and interest payments (“SPPI test”).

Reclassifications only occur when the ALMAC Committee decides to modify the economic model of an asset portfolio, following external or internal changes. Changes must be significant to the Bank and demonstrable to external parties. The Bank then reclassifies all the assets concerned prospectively from the first day of the following reporting period (the reclassification date). Prior periods are not restated.

5.2.4.1.1. Financial assets and liabilities held for trading and hedging purposes

Held-for-trading financial assets or liabilities are financial assets or liabilities acquired or assumed primarily for the purpose of a short-term sale or redemption, or as part of a portfolio of financial instruments that are managed together and that have indications of a recent pattern of short-term profit taking.

These assets or liabilities are initially recognised at fair value (excluding transaction costs recognised directly in the income statement) and subsequently remeasured at fair value. Changes in fair value are recognised in profit and loss under "Net result on financial instruments held for trading". Interest received or paid on non-derivative instruments is recognised under "Interest income" or "Interest expense". Dividends are included under "Dividend income".

All derivative financial instruments with a positive (negative) replacement value are considered as "financial assets (liabilities) held for trading", with the exception of hedging derivatives which are classified as "Hedging financial instruments" (see section 5.3.4.1.6). Derivatives are recorded at their fair value at the inception of the transaction and subsequently measured at fair value. Changes in fair value are recognised in "Net gains on financial instruments held for trading" for trading derivatives and in "Net income from hedge accounting" for other derivatives. Interest received or paid on-derivative instruments is recorded under "Interest income" or "Interest expense".

The Bank has designated certain interest rate swaps as hedging items (see section 5.3.4.1.6). If the hedging relationship is terminated and the derivative is still outstanding, it is designated as held for trading or designated in a new hedging relationship. Such a designation must always be approved by the ALMAC Committee.

5.2.4.1.2. Financial assets measured at amortised cost

A financial asset is measured at amortised cost if both of the following conditions are met:

- The financial asset is held in a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise, on specific dates, to cash flows that are only payments of principal and interest on the remaining principal due.

Financial assets measured at amortised cost are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method, less any impairment losses.

Depreciation using the effective interest rate method is recorded in the income statement under “Interest income”. Impairment amounts are recognised in profit and loss under “Net impairment of assets”.

5.2.4.1.3. Debt instruments measured at fair value through other comprehensive income.

A debt instrument is measured at fair value through other comprehensive income if the following two conditions are met:

- The financial asset is held in a business model whose objective is achieved both by collecting contractual cash flows and by selling financial assets; and
- The contractual terms of the financial asset give rise, on specific dates, to cash flows that are only payments of principal and interest on the remaining principal due.

These financial assets are initially measured at fair value and subsequently remeasured at fair value. With the exception of impairment, all changes in fair value are recorded under a specific heading in shareholders' equity. When these assets are realised, the cumulative revaluation results, previously recognised in equity, are recognised in the income statement under the heading "Net gains on financial instruments not measured at fair value through profit or loss". Impairment amounts are recognised in the income statement under "Net impairment of assets".

Income from interest-bearing instruments recognised using the effective interest rate method is included under "Interest income".

5.2.4.1.4. Equity instruments measured through other comprehensive income.

On initial recognition, the Bank may irrevocably elect to present subsequent changes in the fair value of an investment in an equity instrument that is not held for trading in other comprehensive income.

Only dividend income is recognised in the income statement under "Dividend income", unless it clearly represents a refund of part of the cost of the investment (i.e. a capital reduction).

Other income is recognised in equity under "Accumulated other comprehensive income" and is never reclassified to the income statement.

This category of financial assets is not subject to impairment.

5.2.4.1.5. Financial assets valued at fair value through profit and loss.

All other financial assets, i.e. financial assets that do not meet the criteria for classification as “at amortised cost” or “at fair value through other comprehensive income”, are recognised at fair value on the balance sheet and all changes in fair value are recognised in income. These assets include derivative instruments.

Changes in the fair value of securities are recognised under “Net gains on financial instruments measured at fair value through profit or loss” and interest is recognised under “Interest income”. Dividends are included under “Dividend income”.

In addition, the Bank has the option, on initial recognition, to irrevocably designate a financial asset at fair value through profit or loss if such designation eliminates or significantly reduces an inconsistency in measurement or recognition (sometimes referred to as an accounting mismatch) that would arise if not used. This category has the same valuation rules as those applied to assets measured at fair value. The same headings as defined above are used for the recognition of interest and dividends. However, changes in fair value are recorded under “Net income from financial instruments designated at fair value through profit or loss”.

5.2.4.1.6. Hedge accounting

The Bank applies the hedge accounting provisions of IFRS 9. In the case of a fair value hedge against the interest rate risk of a portfolio of financial assets or financial liabilities (commonly referred to as a ‘fair value macro-hedge’), the Bank applies the hedge accounting provisions of IAS 39 (as ratified by the European Commission - ‘EU carve-out’) rather than those of IFRS 9.

Hedging transactions are designed to reduce or eliminate exposure to fluctuations in exchange rates, interest rates or prices through the use of derivative or non-derivative financial instruments.

In order to qualify for hedge accounting and to establish the relationship between hedging instruments and hedged items, the following conditions must be met:

- The relationship includes only permissible hedging instruments and permissible hedged items;
- Formal documentation about the hedging instrument and the underlying to be hedged must be prepared, describing the hedging relationship, the strategy and nature of the risk being hedged, and how the effectiveness of the relationship will be assessed;
- Demonstrate that there is an economic relationship between the hedged item and the hedging instrument and that the hedged item and the hedging instrument partially or fully offset each other;
- Credit risk does not have a dominant effect on the changes in value resulting from this economic link;
- The hedge ratio must reflect the actual number of hedging instruments used to hedge the actual number of hedged items.

The following conditions must be met for macro-hedging at fair value:

- The hedging relationship between the hedged item and the hedging instrument is well documented. This documentation includes, inter alia, a description of the hedged instrument and the hedged item, identification of the risks hedged, the hedging strategy, governance and the type of effectiveness test;
- The hedging relationship is tested for effectiveness both prospectively and retrospectively. The retrospective tests ensure a hedge effectiveness ratio of between 80% and 125%. The results of the hedge effectiveness tests are included in the hedging documentation.

If changes are made to the hedged item and/or hedging instrument and to the hedged risk as a result of the reform of benchmark interest rates, the Group will update the hedging documentation without terminating the hedging relationship.

The accounting treatment of hedging transactions depends on their classification into the following categories:

Fair value hedges

Changes in the fair value of the derivative or non-derivative hedging instrument designated and qualifying in a fair value hedging relationship are recognised in profit or loss under “Net income from hedge accounting” in the same way as changes in the fair value of the hedged assets or liabilities attributable to the hedged risk. Changes in the fair value of a portfolio of hedged assets or liabilities are recorded in a specific balance sheet line entitled “Hedge of the fair value of a portfolio of assets against interest rate risk”, with a corresponding entry in the income statement.

If the hedge no longer meets the conditions for hedge accounting, the cumulative adjustment recorded in the balance sheet on the hedged item, in the case of an interest-bearing financial instrument, is amortised to income over the residual life of the hedged item, in the form of an adjustment to the effective interest rate. Where a portfolio of instruments is hedged against interest rate risk, this adjustment is amortised on a straight-line basis. If the hedged item is derecognised, the amount of the change in fair value included in the balance sheet for the hedged item is recognised in income.

For a non-interest-bearing financial instrument, the cumulative adjustment to the hedged item is recognised in income only when the hedged item expires (or is derecognised).

Cash flow hedges

The effective portion of changes in the fair value of derivatives designated and qualifying as cash flow hedges is recognised in a specific section of equity capital under “Revaluation reserves”. The ineffective portion of the change in fair value is recognised directly in the income statement.

Gains and losses previously recognised in equity are transferred to the income statement and recognised as income or expense as and when the hedged instrument impacts the result.

If the hedging relationship is discontinued or if the hedge no longer meets the conditions for hedge accounting, the cumulative amounts recognised in equity are maintained in equity until the forecast transaction affects the result. When the planned transaction is no longer expected to take place, these amounts are immediately recognised in the income statement.

Hedges of net investments in foreign entities

Hedges of net investments in foreign entities are accounted for in the same way as cash flow hedges. Gains and losses recognised in equity are transferred to the income statement when the foreign activity is sold or liquidated.

5.2.4.2. Classification

5.2.4.2.1. Equity instruments

Equity instruments that do not fall into the equity category are classified in the category "Financial assets at fair value through profit or loss" unless the Bank has decided to irrevocably classify them as "Equity instruments measured through other comprehensive income" as described in section 5.3.4.1.4.

An equity instrument is defined as any contract that shows a residual interest in the assets of an entity after deducting all its liabilities. A financial instrument that does not meet the definition of an equity instrument is classified as a debt instrument.

5.2.4.2.2. Debt instruments

Debt instruments include debt securities, loans, deposits, receivables from (or to) credit institutions and customers. The decision tree that determines the classification and measurement of debt instruments at initial recognition and future recognition (continuous monitoring process and potential reclassification) is based on the economic asset holding model and the SPPI (Solely Payments of Principal and Interest) test (conclusive or not).

A. Economic model

The term "business or management model" refers to the way in which the Bank manages its financial assets in order to generate cash flows. The Bank determines the Business model at a level that reflects how groups of financial assets are managed together to achieve a given economic objective. As a result, the Bank does not determine instrument by instrument management models, but at a higher level of aggregation. The assessment of the business model is important for debt instruments to determine whether they can be measured at amortised cost or at fair value through other comprehensive income.

There are three types of business models:

- "Hold to collect" (hereinafter "HTC"): the objective is to hold assets to collect contractual cash flows, and sales are accessory to the objective of the model. However, the Bank is not required to hold all these assets until maturity. Debt instruments included in this model are measured at amortised cost;
- "Hold to collect & sell" (hereinafter "HTCS"): the collection of contractual cash flows and sales are an integral part of achieving the objective of the business model. This model is generally associated with more sales (in frequency and higher value) than in the HTC model. Debt instruments included in this model are measured at fair value through other comprehensive income;
- Other business models include financial assets held for trading and financial assets that are not classified in the HTC or HTCS categories either because the collection of contractual cash flows is ancillary to the financial asset or because the SPPI test is inconclusive.

B. "Principal and Interest" criterion ("Solely Payments of Principal and Interest" test or "SPPI" test)

The classification and measurement of debt instruments also depend on the analysis of the contractual cash flow characteristics of the instrument ("SPPI" test). The "SPPI" test is satisfied if the contractual terms of the debt instrument give rise, at specified dates, to cash flows that are only repayments of principal and interest payments on the outstanding principal.

For the purposes of this assessment, "principal" corresponds to the fair value of the financial instrument on initial recognition, and "interest" reflects the time value of money, the credit risk associated with the principal outstanding for a given period, and the other risks and expenses associated with a basic loan, as well as a margin.

To determine whether the "SPPI" test is met, the Group analyses the contractual terms of the instrument to assess whether it contains a term that could modify the timing or amount of the contractual cash flows so that the instrument does not meet this condition. To this end, the Group has set up a checklist to verify whether the cash flows of debt instruments represent principal and interest payments only. During this assessment, the Group considers in particular the following elements:

- Triggering event that would modify the timing or amount of contractual cash flows;
- Leverage effect;
- Early repayment or extension option;
- A term that limits the Bank's receivables to the cash flows generated by specified assets (for example, non-recourse financial assets);
- Characteristics that change the consideration for the time value of money (for example, periodic revision of the interest rate).

5.2.5. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, adjusted for any impairment losses.

The effective interest rate is the rate that discounts future cash payments or receipts over the expected life of the financial instrument or, as the case may be, over a shorter period to obtain the net carrying amount of the financial asset or liability.

The amortised cost determined using the effective interest rate method is calculated by taking into account premiums and discounts as well as commissions and transaction costs that are an integral part of the effective interest rate. Depreciation using the effective interest rate method is recorded in the income statement under "Interest income" and "Interest expense". Impairment amounts are recognised in profit and loss under "Net impairment of assets". Loans and receivables mainly include interbank and customer loans and receivables.

5.2.6. Other financial liabilities

Other financial liabilities include all other subordinated and unsubordinated financial liabilities (except derivatives) that are not classified as held for trading or designated at fair value through profit or loss.

Other financial liabilities are initially measured at fair value and subsequently at amortised cost using the effective interest rate method. Interest and accrued interest (including any difference between the net amount received and the repayment value) is recognised in profit and loss using the effective interest rate method, under "Interest expenses".

5.2.7. Fair value of financial instruments

Fair value is the price that would be received for the sale of an asset or paid for the transfer of a liability in a normal transaction between market participants on the main market or the most advantageous market on the valuation date.

Fair value is determined based on prices quoted in an active market (quotations established by an exchange, broker or any other source recognised by investors). When there is no market or market prices are not available, valuation techniques are used to estimate fair value at the measurement date based on current market conditions. These techniques use a maximum of observable market data, commonly used calculation methods and a variety of other factors such as time value, credit risk and liquidity risk. The fair value estimated by these techniques is therefore affected by the data used. Valuation techniques include, in particular, discounted cash flow methods, reference to the market value of other comparable instruments, option valuation models and other appropriate valuation models.

On initial recognition, the fair value of a financial instrument is the transaction price (i.e. the value of the consideration paid or received) unless another fair value can be evidenced by a price in an active market for the same instrument or by a valuation technique that is based solely on observable market data.

To determine the fair value of financial instruments, the Bank uses the following main valuation methods:

- Active market

Financial instruments are measured at fair value by reference to quoted prices in an active market when they are easily and regularly available, taking into account criteria such as transaction volumes or recent transactions. Listed securities and derivatives on organised markets (futures and options) are valued in this way.

Over-the-counter derivatives such as interest-rate swaps, options and foreign exchange contracts are valued using widely recognised models (discounted cash flow method, Black & Scholes model, etc.) based on observable market data.

The valuation of these derivatives includes a credit risk adjustment (CVA – Credit Value Adjustment; DVA – Debit Value Adjustment). The CVA consists of adjusting the fair value of derivatives to take into account the creditworthiness of the counterparty in the valuation. Similarly, the DVA reflects the effect of the Group's credit quality on the valuation of derivatives.

For valuations that use mid-market prices as the basis for determining fair value, a price adjustment is applied, for each risk position, to net open positions using the buying or selling price as the case may be.

- No active market

Most derivatives are traded on active markets.

When the price of a transaction in an inactive market does not correspond to the fair value of other observable transactions in that market for the same instrument or to the valuation with an internal model based on observable market data, this difference is recognised directly in the income statement.

However, if this difference (commonly known as "Day 1 profit and loss") is generated by a valuation model the parameters of which are not all based on observable market data, it is either recognised in profit and loss on a staggered basis over the life of the transaction, or deferred until the date on which the instrument is derecognised. In any case, any unrecognised difference is immediately recognised in profit and loss if the parameters that were not originally observable later become so, or if the fair value can be determined by reference to a price quoted on an active market involving the same instrument. For all transactions, the appropriate method for recognising this difference in the income statement is determined individually.

- No active market – Equity instruments (unlisted shares)

In the absence of recent transaction prices under normal market conditions, the fair value of unlisted shares is estimated using recognised valuation techniques such as the discounted future cash flow method, the method of applying multiples of comparable companies and the asset method.

The carrying amount of short-term financial instruments approximates their fair value.

5.3. Lease contracts

A lease is a contract, or part of a contract, that conveys the right to control the use of an asset for a specific period of time in return for payment of consideration.

- As Lessee

Lease contracts, with the exception of certain low-value contracts, are recognised in the balance sheet at the effective date of the contract. This requires the lessee to recognise an asset in the balance sheet in respect of the right to use the leased asset and a rental liability representing the commitments over the term of the contract.

The lease term of a contract is the non-cancellable term of the contract adjusted for renewal options the lessee is reasonably certain to exercise and termination options that the lessee is reasonably certain not to exercise.

The rental liability is initially measured at the present value of the amount of the rentals remunerating the right to use the leased asset over the term of the lease and not yet paid at the effective date of the contract. The present value of rents paid is calculated using the lessee's marginal borrowing rate. Subsequently, the rental liability is measured by increasing its carrying amount to reflect the interest due on the rental liability (using the effective interest rate method) and decreasing its carrying amount to reflect the rent paid.

Rental liabilities are presented under "Other liabilities".

The cost of the asset recognised as a right to use comprises the initial measurement amount of the rental liability plus initial direct costs, prepayments less inducements received and restoration costs. This asset is then depreciated, in general, on a straight-line basis over the term of the contract, and impaired if necessary.

The asset recorded for the right of use is included under the same heading as "Property, plant and equipment".

Rental liabilities and the right of use may be revalued in the event of a change in the lease contract, a re-estimation of the lease term or a revision of future rentals due to changes in indexes.

Rental payments associated with leases considered as short-term or low-value contracts are expensed under "General and administrative expenses" on a straight-line basis over the term of the lease.

As a simplification measure, IFRS 16 allows lessees not to separate rental components from non-rental components and to account for rental and related non-rental components as a single rental component. The Group has not opted for this simplification measure.

- As Lessor

Assets leased under an operating lease are maintained as fixed assets and depreciated according to the same depreciation rules applied to assets of a similar nature. Rental income is recognised in the income statement on a straight-line basis over the term of the lease.

5.4. Property, plant and equipment

Property, plant and equipment are recorded at their acquisition cost (including directly attributable costs) less accumulated depreciation and any impairment losses.

The Luxembourg division applies the method of accounting for fixed assets by component (mainly for buildings) and the depreciable amount is determined after deduction of its residual value.

Depreciation is calculated on a straight-line basis over the useful life of the assets concerned. The useful lives used are as follows:

NATURE OF THE ASSET OR COMPONENT

Nature of the asset or component	Useful life
Land	Infinite
Buildings, structures	40 years
Technical installations	10 years
General equipment	20 years
Finishing	5 to 10 years
IT equipment/ telecom	4 years
Miscellaneous equipment	5 years
Office furniture	10 years
Vehicles	4 years

Land and works of art have an indefinite useful life and are therefore not depreciated, but can be subject to impairment losses.

At each balance sheet date, if there is any indication that an item of property, plant and equipment may have been impaired, an impairment test (by comparing the carrying amount of the asset with its recoverable amount) is performed. An impairment loss is recognised when the carrying amount of the asset exceeds its estimated recoverable amount.

The useful life and residual value of property, plant and equipment are reviewed at each balance sheet date.

5.5. Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. This asset is initially recognised at cost if it is expected to generate future economic benefits and if the acquisition cost of the asset can be measured reliably.

Intangible assets include software acquired or developed in-house as well as goodwill acquired in a business combination.

Purchased software is amortised on a straight-line basis over a four-year period from the time it becomes usable. Software maintenance costs are expensed as incurred. However, expenditure that improves the quality of the software or helps extend its useful life is added to the initial acquisition cost. For internally generated software, development costs are amortised on a straight-line basis over the period during which the benefits of the asset are expected to be realised. Research costs are expensed directly as incurred.

Business goodwill is amortised on a straight-line basis over the period during which the benefits of the asset are expected to be received. This useful life does not exceed 20 years.

At each balance sheet date, if there is any indication that an intangible asset may be impaired, an impairment test (comparing the asset's carrying amount with its recoverable amount) is performed. An impairment loss is recognised when the carrying amount of the asset exceeds its estimated recoverable amount. For goodwill, the recoverable amount is estimated on the basis of the change in capital under management as well as its yield.

Intangible assets are recorded at cost less accumulated amortisation and impairment losses. The useful life and residual value of intangible assets are reviewed at each balance sheet date.

5.6 Consolidation principle

Scope of consolidation

The consolidated financial statements include the financial statements of the Bank and its subsidiaries. Subsidiaries refer to any company controlled by the Bank, i.e. entities over which the Bank has, directly or indirectly, the power to govern financial and operational policies in order to obtain benefits from these activities.

Subsidiaries are consolidated using the full consolidation method from the date on which effective control is transferred to the Bank and are removed from the scope of consolidation on the date on which control ceases. The financial statements of the Bank and its subsidiaries are prepared as at the same date and using similar accounting methods, with restatements if necessary. Intra-group balances, transactions, income and expenses are eliminated.

Non-controlling interests, presented within shareholders' equity, are presented separately in the consolidated income statement and in the consolidated balance sheet.

As an exception to these rules, companies of negligible interest are excluded from the scope of consolidation according to the following criteria implemented within the group:

- The combined balance sheet total for all fully consolidated non-consolidated companies must be less than 0.5% of the Group's consolidated balance sheet total;
- The total equity plus all fully consolidated non-consolidated companies must be less than 1% of the Group's total consolidated equity;
- The total income of a fully consolidated non-consolidated company must be less than 0.5% alone of the Group's consolidated income total;
- The combined income total for all fully consolidated non-consolidated companies must be less than 1% of the Group's consolidated income total;
- The total income of a fully consolidated non-consolidated company must be less than 0.5% alone of the Group's consolidated income total.

Partnerships

Partnerships means any undertaking over which the Bank exercises joint control directly or indirectly, i.e. no decision on the relevant activities can be taken without the unanimous agreement of the parties sharing control.

If the holdings exceed the materiality threshold, they are accounted for using the equity method for partnerships defined as joint ventures (companies in which joint control gives rights to the net assets of the joint venture) or the equity method for the proportionate interest in assets and liabilities, income and expenses for partnerships defined as joint ventures (enterprises in which joint control gives rights over assets and obligations over liabilities relating to them), as from the date on which joint control is held and will no longer be recognised in this way on the date on which joint control is relinquished. The materiality threshold is based on the analysis of various criteria including the share in consolidated shareholders' equity, the share in consolidated income and the share in the consolidated balance sheet total.

The financial statements of the partnership are prepared as at the same date and using similar accounting policies to those of the parent company of the Group, with restatements if necessary.

Associates

Associates refer to any company in which the Bank exercises significant influence, i.e. the power to participate in financial and operational policy decisions without, however, having joint control or supervision over these policies.

If these companies are above the materiality threshold, they are accounted for using the equity method from the date on which the significant influence is held and will no longer be accounted for in this way on the date of the sale of this significant influence. The materiality threshold is based on the analysis of various criteria including the share in consolidated shareholders' equity, the share in consolidated income and the share in the consolidated balance sheet total.

The financial statements of the associate are prepared as at the same date and using similar accounting policies to those of the parent company of the Group, with restatements if necessary.

5.7. Other assets

Other assets mainly include accrued income (excluding interest), deferred charges and other receivables. Also included in this item are amounts receivable from employees.

5.8. Impairment of assets

The impairment model for credit risk is based on expected credit losses ("ECL").

The Bank recognises impairment losses based on the expected credit loss model on:

- Loans and receivables from credit institutions measured at amortised cost;
- Customer loans measured at amortised cost;
- Debt instruments measured at amortised cost;
- Debt instruments measured at fair value through other comprehensive income;
- Loan commitments given and financial guarantees issued.

Expected losses are a probabilistically weighted estimate of credit losses of a financial instrument. The calculation of these losses is based, among other things, on the following parameters: the probability of default (PD), the loss given default (LGD), the amount of exposure (residual accounting) in the event of default (exposure at default or EAD) and the discount rate. The amount of expected credit losses is calculated on the basis of a weighted average of probabilised scenarios.

Financial assets are classified on the basis of the extent of credit deterioration since their initial recognition into three categories:

- stage 1 (initial recognition: performing): impairment is measured at the amount of expected losses over the useful life resulting from risks of default within 12 months of the balance sheet date;
- stage 2 (significant increase in credit risk: underperforming): impairment is measured at the amount of expected losses over the life of the financial instrument;
- stage 3 (financial assets in default for which there is objective evidence of default at the balance sheet date: non-performing): impairment is measured as the difference between the asset's carrying amount and its expected recoverable amount.

To assess the deterioration of credit risk, the risk of default at the reporting date is compared with the initial recognition of the financial asset. In order to classify its credit exposures, the Bank has decided to implement an internal rating model based on credit events for its credit portfolios.

For debt instruments, external agency ratings are mainly used and the Bank makes use of the low credit risk exception.

In the balance sheet, value adjustments for losses related to financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt instruments at fair value through other comprehensive income, the impairment loss adjustment does not reduce the carrying amount of financial assets and is recognised in other comprehensive income.

For loan commitments given and financial guarantees issued, expected credit losses are recorded as liabilities in the balance sheet under "Provisions".

Losses are recognised in the income statement under "Net impairment of assets". There were no changes in the model in 2023.

5.8.1. Defining default

The Bank uses the same definition of default as that used for internal credit risk management purposes. This definition of default is also in line with the regulatory standards currently in force in the sector.

A financial asset is considered in default if at least one of the following two conditions is met:

- The Bank considers that payment by the debtor is unlikely without recourse to actions such as the realisation of collateral;
- the debtor has material arrears of more than 90 days.

5.8.2. Impaired financial assets (stage 3)

The level of collateral pledged is not relevant to the categorisation of financial assets in stage 3: as soon as a loan meets at least one of the two conditions mentioned above, this financial asset is considered in default and is classified in stage 3, even if the valuation of the guarantees received exceeds the amount due to the Bank.

When the expected recoveries are less than the Bank's exposure, an ECL is recorded.

5.8.3. Restructuring due to financial difficulties

In the event of the borrower's financial difficulties, and in order to maximise the possibilities of recovery, the Bank may, in certain specific cases and under certain conditions, accept the restructuring of a loan, which generally takes the form of an extension of the residual term of the loan or an extension or spread of certain contractual deadlines.

These loans are systematically classified in stage 2, unless the investment is considered in default, in which case it will be classified in stage 3.

5.8.4. Significant deterioration in credit risk

In accordance with the ECL model, impairment of a financial asset is measured at the amount of expected losses over the life of the financial instrument as soon as the credit risk for that financial asset has significantly deteriorated.

This assessment of the material deterioration in credit risk is a relative assessment in relation to the level of risk that was estimated at initial recognition of the financial instrument.

For the bond portfolio and interbank deposits, the significant deterioration in credit risk is assessed mainly on the basis of an external rating (or, failing that, on the basis of a corresponding internal rating):

- The Bank uses the exception for low credit risk allowed by IFRS 9, which means that instruments with an investment grade rating at the reporting date are always classified in stage 1 and are therefore assigned an ECL amounting to the amount of expected losses over the life of the instrument resulting from the risk of default within 12 months of the reporting date;
- For financial assets for which the low credit risk exception cannot be applied (i.e. assets with a rating below investment grade), the Group performs an assessment of the relative evolution of credit risk by comparing the probability of default (PD) over the life of the instrument to initial recognition with the PD at the reporting date (for an equivalent life). This assessment is carried out individually at the level of each exposure and at each reporting date.

The Group has developed an internal rating model for the loan portfolio. The evolution to this internal rating determines the level of credit risk deterioration. It is recalculated at each reporting date individually, at the level of the credit facility and changes according to credit events such as:

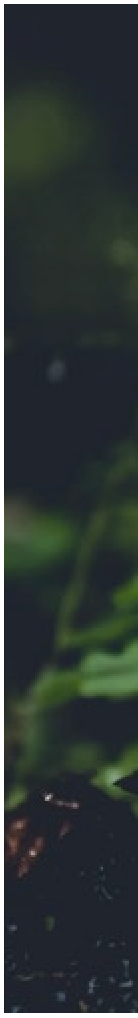
- A restructuring due to financial difficulties ("forborne"): a financial asset being restructured due to the borrower's financial difficulties is always classified in stage 2, unless the loan is considered in default, in which case it is classified in stage 3;
- Watch-list entry: the loans included in this list are classified in at least stage 2;
- A margin call made by the Bank (Lombard loans) when it considers that the surety provided as collateral by the counterparty is no longer sufficient;
- Material arrears of more than 30 days: the Bank has aligned itself with international standards, since a transfer to stage 2 takes place when a financial asset has material arrears of more than 30 days.

Since the Bank never acquires portfolios of past due assets, all financial instruments are always classified in stage 1 at the time of initial recognition. For reports at later dates, as long as none of the criteria mentioned above are met, the asset remains in stage 1.

As soon as an instrument meets at least one of the criteria to be considered as an asset that has suffered a significant deterioration in credit risk since its initial recognition, it is classified in stage 2 and an ECL corresponding to the amount of expected losses over the entire life of the instrument is recognised.

A financial asset is considered in default (i.e. in stage 3) when it meets the definition of default mentioned above.

Transfers between categories are symmetrical, which means that a financial instrument that has migrated at a given time to stage 2 or 3 can return to stage 2 or 1 at a later reporting date if none of the migration criteria are met, provided that any probation periods, in accordance with industry regulatory standards, are met.



5.8.5. Governance and measurement of expected credit losses (ECL model)

The ECL is the result of the product of the probability of default (PD), the estimated exposure at the time of default (EAD) and the loss in the event of default (LGD). The calculation of the ECL is carried out in such a way that it reflects:

- An unbiased amount, weighted with a probability of occurrence;
- The time value of money;
- Information on past events, current conditions and future macroeconomic forecasts.

The maximum period taken into account for the calculation of the ECL is the maximum contractual period (including extensions).

The lifetime ECL represents the sum of ECLs over the entire life of a financial asset, discounted at the effective interest rate. It is used for all financial instruments classified in stage 2 or higher.

The 12-month ECL represents the portion of the ECL over the lifetime resulting from a defect within 12 months of the reporting date. It is used for instruments in stage 1.

The Bank does not have Basel PD and LGD models, as it has opted for the standard approach for prudential purposes. As part of IFRS 9, the Group has developed its own PD and LGD models in order to perform ECL calculations.

Three different macroeconomic scenarios are taken into account for the calculation of the ECL. A weighting is applied to each of these 3 scenarios. The baseline macroeconomic scenario is considered to represent the most likely future forecasts. This scenario is also used for other internal and external needs.

The calculation of the ECL requires important judgements on various aspects such as, for example, the borrower's financial situation and ability to repay, the value of collateral and recovery possibilities or future macroeconomic forecasts: the most neutral approach possible is applied in this respect. In making these important judgements, the Bank has taken into account the specific characteristics of the health crisis and its related events.

5.8.6. Impairment loss

An impairment loss is a reduction in the gross carrying amount of a financial asset when there is no longer a reasonable expectation of recovery for all or part of the asset or when it has been fully or partially surrendered. This situation results in removal from the balance sheet. The Bank decides to remove an asset from the balance sheet early on an individual basis and taking into account various factors, such as:

- The financial asset is fully impaired;
- The period of time since the date of the last impairment;
- Whether or not the collateral that can be realised within a normal period of time will be realised;
- The probability of recovering contractual flows and the estimated time frame for any such recovery;
- The number of days since the last contractual flow received;
- The status of the loan and/or the debtor.

5.9. Provisions

A provision is recognised when:

- The Luxembourg division has a present legal or constructive obligation resulting from a past event;
- It is probable that an outflow of resources will be necessary to settle the obligation;
- The amount of the obligation can be estimated reliably.

When the effect of the time value of money is material, the provision is recorded at its discounted value.

5.10. Taxes

- Current taxes

Current tax assets and liabilities correspond to amounts payable or recoverable, determined on the basis of the tax rules and rates in force at the balance sheet date, as well as tax adjustments relating to previous years.

- Deferred taxes

Deferred taxes are recognised as soon as there is a temporary difference between the tax value of assets and liabilities and their carrying amount. Deferred taxes are measured using the liability method, which consists of calculating, at each balance sheet date, deferred taxes based on the tax rate in effect or which will be in effect (if known) at the time the temporary differences are reversed.

Deferred tax liabilities are recognised for all taxable temporary differences, with the exception of those:

- Related to the initial recognition of an asset or liability in a transaction that is not a business combination and that affects neither accounting nor taxable profit; or
- Associated with investments in subsidiaries, affiliates and joint ventures to the extent that the date on which the temporary difference will be reversed can be controlled and it is likely that the temporary difference will not be reversed in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses carried forward and unused tax credits to the extent that it is probable that future taxable profit, against which these differences can be utilised, will be available, unless the deductible temporary difference is:

- Related to the initial booking of an asset or liability in a transaction that is not a business combination and that affects neither accounting nor taxable profit; or
- Related to investments in subsidiaries, affiliates and joint ventures to the extent that this difference will not be reversed in the foreseeable future.

Current and deferred taxes are recognised in the income statement as tax income or expenses, unless they relate to items recognised in equity (revaluation to fair value of available-for-sale assets), in which case they are recognised in equity and then recognised in the income statement at the same time as the realised gains or losses.

5.11. Employee benefits

In compliance with national regulations and industry practices, the pension scheme in force in the Luxembourg division is that of a Group insurance scheme, a defined contribution scheme.

For both the defined contribution plan and the residual defined benefit cases, the Luxembourg division pays the insurer the amounts calculated in accordance with the regulations at the beginning of each financial year. These bonuses are recognised as expenses for the year.

The results relating to the profit-sharing plans set up within the Luxembourg division are recognised in the income statement with a corresponding entry in shareholders' equity.

Long-term benefits include benefits such as bonuses, provided they are not expected to be paid in full within twelve months of the end of the financial year in which the employees render the related services. A provision is made for the portion expected to be paid in more than one year.

5.12. Other liabilities

Other liabilities include dividends payable, accrued liabilities (excluding interest), deferred income and other liabilities.

5.13. Interest income and expenses

Interest income and expenses with a positive interest rate are recognised in the income statement for all interest-bearing instruments using the effective interest rate method. The effective interest rate is the rate that discounts the future cash flows over the life of the financial instrument, or such shorter period as may be appropriate, so as to obtain an NPV equal to the net carrying amount of the instrument. The calculation of this rate includes all commissions received or paid in respect thereof, transaction costs and premiums or discounts. Transaction costs are additional costs directly related to the acquisition, issue or sale of a financial instrument.

Once an interest-bearing financial asset has been written down following an impairment, interest income continues to be recognised at the rate used to discount the future cash flows to NPV in order to determine the recoverable amount.

Interest income and expenses on derivatives held for trading are presented under these headings.

Accrued interest is recorded in the balance sheet in the same account as the corresponding financial asset or liability.

5.14. Dividends

Dividends are recognised once the shareholders' right to receive payment has been established.

5.15. Fees and commissions

The Luxembourg division recognises in the income statement fees and commissions resulting from various services provided to its clients. The recognition of these fees and commissions depends on the nature of these services.

Commissions remunerating a service over a given period are spread, as the service is rendered or linearly, over the duration of the operation generating the commission. This is the case for management, administration, financial services, custody and other service fees.

Fees related to the performance of a significant act, such as intermediation, placement, performance and brokerage fees, are deferred and recognised in the income statement when the act is performed.

5.16. Result from the revaluation or disposal of financial instruments

Results from trading transactions include all gains and losses resulting from changes in the fair value of financial assets and liabilities held for trading.

(Un)realised gains and losses (excluding accrued interest and dividends) on financial instruments designated at fair value through profit or loss are included in the revaluation results relating to these instruments.

Gains and losses on the sale or disposal of financial instruments not measured at fair value through profit and loss or held for trading are recognised under "Gain or losses on financial instruments not designated at fair value through profit or loss, net".

5.17 Cash and cash equivalents

The concept of cash and cash equivalents includes:

- Cash;
- Balances with central banks excluding the amount of minimum reserves;
- Institutions' debit and credit balances at sight, except for vostro and balances guaranteeing repurchase agreements or derivatives transactions;
- Loans and deposits from credit institutions with an initial maturity of less than three months.

The instruments are readily convertible into cash and are subject to an insignificant risk of change in value.

The Bank presents cash flows from operating activities using the indirect method, whereby net income is adjusted for the effects of non-cash transactions, any timing or adjustment of past or future operating cash inflows or outflows from operations and items of income or expenses related to cash flows from investments or financing.

Tax flows, interest received and interest paid are presented in full with operating activities. Dividends received are classified as cash flow from operating activities.

Dividends paid are recorded as cash flows from financing activities.

6. Risk Management

6.1. Risk management organisation

Risk management strategy is determined by the Board of Directors and is in line with the strategy defined for the Group as a whole by the Board of Directors of the parent company, Banque Degroof Petercam S.A. The Executive Committee of Banque Degroof Petercam S.A. is responsible for its application to all Group companies. In this context, it regularly assesses the level of risks taken and carries out an annual review of all position limits. The Executive Committee of Banque Degroof Petercam Luxembourg S.A. is responsible to the parent company and the Board of Directors for implementing this strategy by implementing a risk management policy at local and subsidiary level.

In order to implement its risk management policy, the Executive Committee of Banque Degroof Petercam S.A. has delegated some of its responsibilities to committees on which Banque Degroof Petercam Luxembourg S.A. is represented. The committees that concern Banque Degroof Petercam Luxembourg S.A. are:

- The ALMAC Committee (Asset and Liability Management Committee) is responsible for the Group’s balance sheet and off-balance sheet management in order to achieve a stable and sufficient financial margin within acceptable risk limits. It also manages consolidated liquidity risk;
- The Limits Committee manages the Group's counterparty risks, with particular emphasis on banking, institutional and custodian counterparties. It regularly reviews existing limits in this area, and grants new limits on request after thorough examination.

The Risk Management department of Banque Degroof Petercam Luxembourg S.A. is responsible for day-to-day risk management. This ensures the integrity and effectiveness of the processes related to the risk management mission. The concept of risk management refers to the identification, assessment, monitoring and control/mitigation of risks.

At the Bank's request, the CSSF (Commission de Surveillance du Secteur Financier, the Luxembourg financial supervisor) has approved the total exemption of the risks on the Banque Degroof Petercam S.A. Group from the calculation of major risk limits, in accordance with part XVI, point 24 of Circular 06/273 as amended. Under the prudential requirements set out in Regulation (EU) 575/2013, this exemption remains valid.

6.2. Liquidity risk

Liquidity risk refers to the risk that the Group will not be able to meet its financial commitments as they become due at a reasonable cost.

This risk is managed at consolidated level by the ALMAC Committee on a monthly basis, while the Bank's day-to-day management has been delegated to the Treasury Department of the trading room, under the supervision of the Risk Management Department.

The Luxembourg division applies a prudent strategy to cash management. The Luxembourg division invests its liquid assets with the Banque Centrale du Luxembourg and in a portfolio of highly liquid bonds, which can be liquidated at any time via sale or repurchase agreements. With regard to non-sovereign bonds, the Luxembourg division applies rigorous selection criteria in terms of rating and liquidity of the security and imposes diversification of issuers in order to reduce concentration risk as much as possible. In this way it can ensure the liquidity of these portfolios, either via sales or via bi- or tripartite programmes.

The Luxembourg division requires the maintenance of monetary reserves with the Banque Centrale du Luxembourg and/or interbank deposits with selected counterparties and with a limit on the amount to give it the daily liquidity necessary to cope with any withdrawals. The minimum amount of this liquidity buffer has been set at EUR 150 million for the 2023 financial year.

In accordance with CSSF Circular 09/403, which prescribes the implementation of stress tests, Risk Management carries out daily liquidity stress tests concerning several scenarios. The first scenario contains assumptions specific to the Luxembourg division on all balance sheet and off-balance sheet items that have an impact on liquidity. The second scenario consists of a sudden and abrupt withdrawal of customer deposits, spread over 3 months, supplemented by other on- and off-balance sheet assumptions. In these crisis scenarios, the assumptions are that the Luxembourg division will be able to generate liquidity from the high quality bond portfolio, through repo or sale.

The Liquidity Coverage Ratio (LCR) introduced under the Basel III agreements by the CRR/CRD IV package stood at 242% as at 31 December 2023 (31 December 2022: 210%) and demonstrates the Luxembourg division's good liquidity level.

Another obligation imposed by the CRR/CRD IV package on the Luxembourg division is the monitoring of its encumbered and unencumbered assets. Each amount is the median value of the quarterly data for the previous 12 months.

It is important to note that the Bank does not have a covered bond programme. Its main sources of encumbered assets are related to its activities on the repo and securities lending market, the amount of the mandatory reserve deposited with the Banque Centrale du Luxembourg and the collateral exchanged to hedge derivative exposures.

The tables below break down the assets according to whether or not they are encumbered (median value of the data for the 4 quarters in EUR):

31.12.2023	Carrying amount of encumbered assets	Fair value of encumbered assets	Carrying amount of unencumbered assets	Fair value of unencumbered assets
Assets of the Bank	**118,575,129**	**115,138,150**	**2,730,252,124**	**N/A**
Equity instruments	-	-	10,015,674	10,015,674
Debt instruments	59,323,414	55,886,435	1,380,354,511	1,370,340,073
Other assets	1,457,847	1,457,847	402,860,405	N/A

31.12.2022	Carrying amount of encumbered assets	Fair value of encumbered assets	Carrying amount of unencumbered assets	Fair value of unencumbered assets
Assets of the Bank	**139,626,171**	**140,184,985**	**3,379,728,959**	**N/A**
Equity instruments	-	-	10,871,577	10,871,577
Debt instruments	71,887,696	72,446,510	1,790,298,883	1,760,963,859
Other assets	1,021,048	1,021,048	408,286,714	N/A

The encumbered assets are mainly composed of the amount of "required reserves" with the Banque Centrale du Luxembourg, guarantees given in the context of OTC derivative transactions in the form of cash or debt instruments and loaned debt instruments.

At 31 December 2023 and 2022, the Bank had no guarantees received.

The carrying amount of liabilities that may result in additional charges on the assets and the carrying amount of the associated encumbered assets and guarantees are shown in the table below (median value in EUR):

	31.12.2023	31.12.2023	31.12.2022	31.12.2022
	Corresponding liabilities, contingent liabilities or loaned securities	Encumbered assets, guarantees received	Corresponding liabilities, contingent liabilities or loaned securities	Encumbered assets, guarantees received
Carrying amount of selected financial liabilities	137,949,077	118,575,129	182,242,472	139,626,171

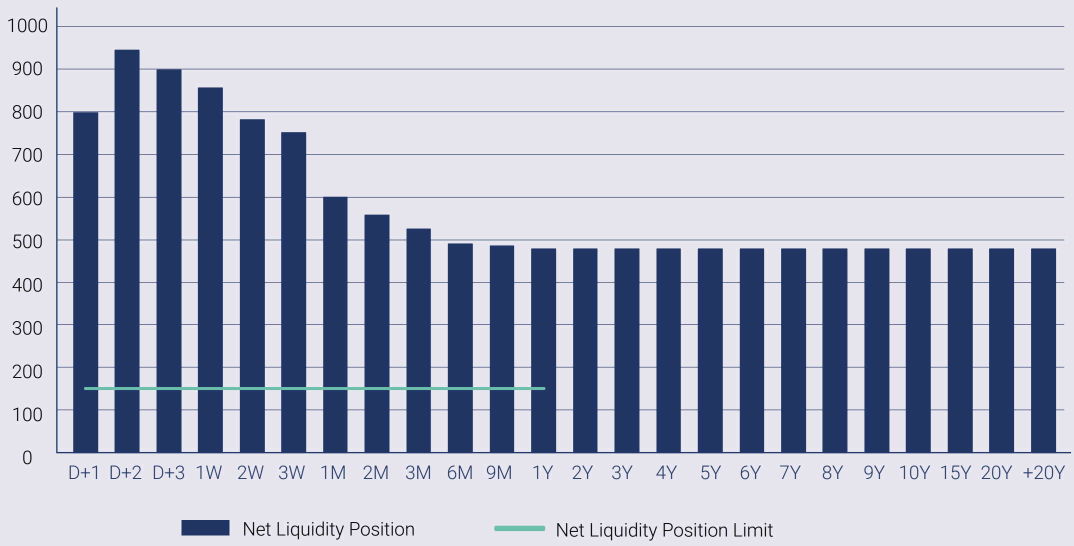
The bulk of the amounts above relate to derivative transactions.

Liquidity risk is monitored on a daily basis by conducting liquidity stress tests. For this purpose, the Bank uses the liquidity elements of the balance sheet and off-balance sheet at date and applies stress assumptions to them. These assumptions have been selected to best reflect the most significant effects for the Bank in terms of liquidity. The assumptions used are as follows:

1) Outflow on D+1 of 15% of financial current accounts (excluding cash deposited by Group entities);
2) Outflow on D+2 of 35% of financial current accounts (excluding cash deposited by Group entities);
3) Withdrawal of 20% of retail and corporate current accounts on D+2;
4) No renewal of deposits from banks and financials;
5) Renewal of 50% of non-financial deposits;
6) Activation of the triparty repo on D+1 with the European Central Bank (ECB);
7) Immediate stop to proprietary bond lending;
8) Liquidation of 50% of the bond portfolio on D+2 with a 15% discount;
9) Repo of the remaining 50% of the bond portfolio on D+2 without discount at maturity 1 month, then sell them with a 15% discount;
10) Maintaining credit activity based on existing repayments: EUR 5 million per week for the first month, then neutral in terms of flows;
11) Drawdown by clients of 50% of unused authorised credit lines (10% on D+1, 10% at 1 week, 10% at 1 month, 10% at 2 months and 10% at 3 months);
12) Loss of EUR 10 million on the first repayments on credit lines;
13) Outflow of EUR 15 million on D+1 in cash linked to CSA contracts, then EUR 10 million on D+2 and EUR 5 million on D+3.

At 31 December 2023, the results of this scenario on BDPL's cash flows are as follows (in million EUR):

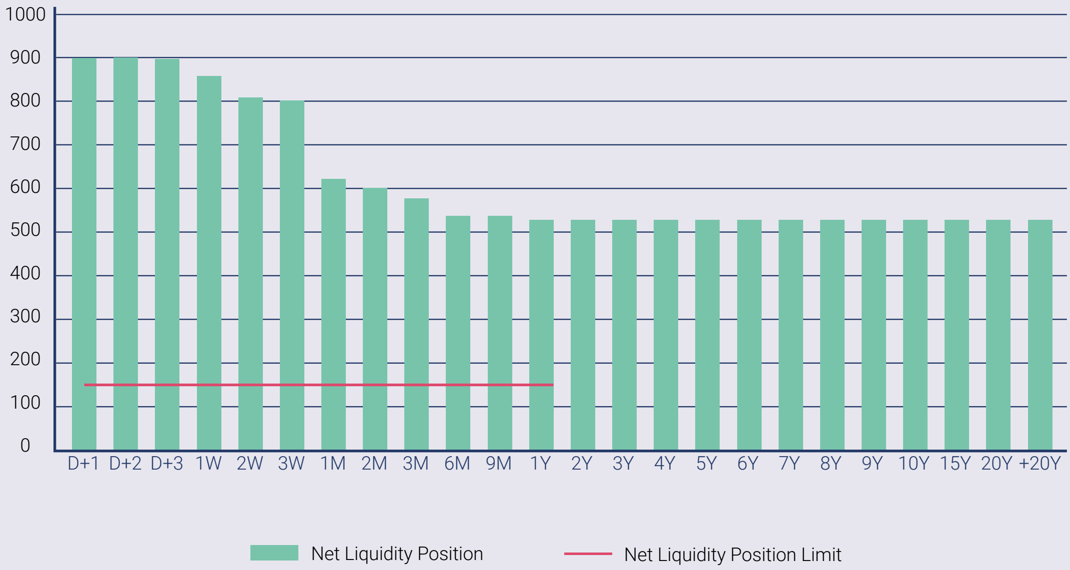
NET LIQUIDITY POSITION (IN MILLION EUR) AT 31.12.2023



The results of the stress test show that despite very strong and sudden client exit assumptions (50% of the sight deposits of financials clients are withdrawn in 2 days), BDPL's liquidity flows remain largely positive across all maturities, due in particular to the portfolio of bonds of very good credit and liquidity quality, making it possible to generate positive liquidity flows immediately via repurchase agreement or sale.

At 31 December 2022, the results of this scenario on BDPL's cash flows are as follows (in million EUR):

NET LIQUIDITY POSITION (IN MILLION EUR) AT 31.12.2022



6.3 Market risk

6.3.1. Policy

Market risks are the risks of adverse changes in market factors (interest rates, share prices, exchange rates, etc.) affecting the value of the Luxembourg division's proprietary positions.

Treasury, foreign exchange and bond trading activities are monitored daily using indicators such as Value-at-Risk (VaR), interest rate sensitivity, scenario analyses and, more simply, nominal volumes.

These activities are comparable to limits set by the Executive Committee within the framework dictated by the parent company and are characterised by small amounts of assets in relation to shareholders' equity.

Under Basel III, the calculation method was chosen based on the impact of a 200 basis point interest rate movement for interest rate risk and historical VaR (indicator measuring maximum loss with a 99% confidence interval and a one-day horizon) for currency risk.

These indicators are used to calculate economic capital for interest rate and foreign exchange market risks.

6.3.2. Interest rate risk

Interest rate risk results from differences between the maturities or revaluation dates of on- and off-balance sheet assets and liabilities. This is the financial risk resulting from the impact of a change in interest rates on the interest margin and on the fair value of fixed income instruments.

This risk is managed monthly by the ALMAC Committee on the basis of the maximum acceptable loss in the event of a 1% increase in interest rates, allocated by the Executive Committee of Banque Degroof Petercam S.A. to the Group's transformation activity and divided between the parent company in Brussels and the Bank in Luxembourg. This includes all balance sheet items and therefore all cash positions.

The limit defined by the Group for the Bank following a 1% interest rate movement is set at EUR 9 million maximum acceptable loss. This limit has not changed since 31 December 2022. It was decided to follow the net VBP, i.e. taking into account the VBP of the liabilities, in order to be in line with the acceptable loss. The VBP and the acceptable loss amount are monitored by Risk Management on a daily basis, and no breaches were observed in 2023.

The following tables show the key figures relating to the exposure to interest rate risk (in EUR, VBP and acceptable loss):

2023	31.12.2023	Average	Minimum	Maximum
Interest rate risk	65,499	81,500	59,258	100,157
2022	**31.12.2022**	**Average**	**Minimum**	**Maximum**
Interest rate risk	90,504	101,319	72,831	120,988

2023	31.12.2023	Average	Minimum	Maximum
Acceptable loss	4,380,491	6,155,281	3,657,476	7,805,836
2022	**31.12.2022**	**Average**	**Minimum**	**Maximum**
Acceptable loss	6,663,867	7,147,087	4,168,849	8,934,284

In addition, in accordance with Basel III, a stress test compares the loss that would be recorded in the event of a parallel increase in interest rates of 2% to shareholders' equity. The result of this test is 3.6% of useful equity at 31 December 2023 (2022: 6.9%).

The Bank applies hedge accounting:

The hedging instruments are Interest Rate Swaps (IRS). At inception, the Bank documents all hedging relationships. Hedging documentation includes the identification of the obligation or credit, the nature of the risk being hedged, the hedging instrument used and the method used to assess the effectiveness of the hedge. The Bank also assesses on an ongoing basis whether hedging instruments effectively offset changes in the fair value of hedged items.

6.3.3. Exchange risk

This mainly concerns the hedging and optimisation of the exchange rate risk generated by all the Bank's departments. Foreign exchange trading is prohibited.

The indicators used to monitor daily currency risk are:

- The limits set in terms of nominal value;
- Historical VaR.

The table below shows the key figures relating to exposure to foreign exchange risk (total foreign exchange position in EUR):

2023		31.12.2023	Average	Minimum	Maximum
Exchange risk	Nominal	761,770	1,080,115	516,935	2,606,098
2022		31.12.2022	Average	Minimum	Maximum
Exchange risk	Nominal	853,635	1,525,382	707,778	5,496,197

The limits for currency risk have been set at nominal value.

Overnight limits in absolute values:

	Overnight limit
Current currencies (limit by currency)	2,000,000
Exotic currencies (limit by currency)	250,000
TOTAL ALL CURRENCIES COMBINED	**3,000,000**

The foreign exchange position limit was not exceeded in the 2023 financial year.

6.4. Credit risk

6.4.1. Definition

Credit risk is the risk of loss resulting from a counterparty (institutional, legal or private person, etc.) failing to meet its contractual obligations within prescribed time limits. This risk is monitored on a regular and continuous basis according to the needs of the business.

As regards counterparty limits, exposure is calculated in line with changes in market value, plus an add-on reflecting the risk of future changes in this value. This exposure is then compared with the limits granted by the Limits Committee.

As required by IFRS 9, the Bank classifies each financial asset (which falls within the scope of the standard) on the basis of the extent of the increase in credit risk ("Significant Increase in Credit Risk", "SICR") since initial recognition and, based on this classification, calculates impairment losses for each financial asset based on a model of expected credit losses ("Expected Credit Loss", "ECL"). When the expected recoveries are less than the Bank's exposure, an ECL is recorded.

Credit risk is classified into three levels, also known as "stages" (see Note 5.8). The table below details the carrying amount per stage as at 31 December 2023 and 2022 (in EUR):

31.12.2023	Stage 1	Stage 2	Stage 3
Loans and receivables from credit institutions	100.00%	-	-
Loans and receivables from customers	91.74%	6.11%	2.15%
Debt instruments measured at fair value through other comprehensive income	100.00%	-	-
Debt instruments measured at amortised cost	100.00%	-	-
Contingent liabilities and commitments	96.59%	3.41%	0.00%

31.12.2022	Stage 1	Stage 2	Stage 3
Loans and receivables from credit institutions	100.00%	-	-
Loans and receivables from customers	93.09%	5.32%	1.59%
Debt instruments measured at fair value through other comprehensive income	100.00%	-	-
Debt instruments measured at amortised cost	100.00%	-	-
Contingent liabilities and commitments	98.90%	0.59%	0.51%

Since the Bank never acquires portfolios of past due assets, all financial instruments are systematically classified in stage 1 at the time of initial recognition. As soon as an instrument meets at least one of the criteria to be considered as having suffered a significant deterioration in credit risk since its initial recognition (see below), this financial instrument is classified as stage 2. A financial asset goes into stage 3 when it is considered in default.

6.4.2. Models

The models used to assess the significant increase in credit risk under IFRS 9 are based on the following principles:

Bond portfolio and interbank deposits

- Using the low credit risk exception permitted by the accounting standard, instruments with an investment grade rating at the reporting date are systematically classified as stage 1. For other financial assets, the Bank assesses the relative evolution of credit risk by comparing the probability of default (PD) over the life of the instrument with the initial recognition with the PD at the reporting date (for an equivalent life). This assessment is carried out individually at the level of each exposure and at each reporting date;
- For non-investment grade instruments, there is a transition to stage 2 as soon as at least one of the following conditions is met: the PD is three times higher than the initial PD (or twice as high if the initial PD is above a certain level), the credit spread increases by more than 100%, a forborne measure (i.e. restructuring of an instrument following financial difficulties of the counterparty), a payment arrears of at least 30 days;
- A financial asset is transferred to stage 3 as soon as it meets one of the following conditions:
- The Bank considers that the debtor is unlikely to pay;
  - The debtor has material arrears of more than 90 days.
  - In this case, the financial asset is considered in default. This definition of default is also in line with the regulatory standards currently in force in the sector;
- Similarly, a return to a more favourable stage is provided for as soon as no conditions justifying a more unfavourable stage are fulfilled, provided, however, that the probationary periods are respected.

Loans to customers

The Bank has developed an internal rating model for customer loans. The changes to this internal rating determines the level of credit risk deterioration:

- At initial recognition, all credit exposures are classified as stage 1;
- A transition to stage 2 is carried out as soon as at least one of the following credit events is reported: a forborne measure and/or entry on the watch-list (decrease in the value of the borrower's assets, non-compliance with financial ratios for companies, non-respect of contractual conditions, etc.) and/or a margin call (typically used in the context of "Lombard" loans for which the securities portfolio is pledged) when the Bank considers that the credit guarantee is no longer sufficient, and/or a payment arrears of at least 30 days is reported;
- A transition to stage 3 takes place as soon as at least one of the following credit events is reported: the debtor is unlikely to pay and/or there is a payment arrears of at least 90 days;
- The Bank does not take into account the level of collateral provided in the categorisation of financial assets in stage 3: as soon as a loan meets at least one of the two conditions mentioned above, this financial asset is considered in default and is classified in stage 3, even if the valuation of the guarantees received exceeds the amount due to the Bank;
- Similarly, a return to a more favourable stage is provided for, as soon as the conditions can justify it and provided that the probation periods are respected.

Calculation of the ECL

The ECL calculation model is based on the following elements:

- The Bank does not have Basel PD and LGD models; it has opted for the standard approach for prudential purposes. For the purposes of the IFRS 9 accounting standard, PD and LGD models have been developed within the Bank in order to perform ECL calculations;

- An estimate of expected credit losses based on a calculation approach: probability of default (PD) multiplied by loss in the event of default (LGD), this is therefore a collective approach for instruments in stages 1 and 2 with, however, for loans granted to customers, the consideration of the guarantee (if applicable) on an individual basis (for each loan). In stage 3, the estimation of ECLs is systematically carried out on an individual basis, using the discounted cash flow method;
- This PD x LGD approach is applied to each financial instrument and for each residual year. The maximum period taken into account for the calculation of the ECL is the maximum contractual period (including extensions). The lifetime ECL represents the sum of ECLs over the entire life of a financial asset, discounted at the effective interest rate. It is used for all financial instruments classified in stage 2 or higher. The 12-month ECL represents the portion of the ECL over the lifetime resulting from a defect within 12 months of the reporting date. It is used for instruments in stage 1;
- Risk parameters (in particular PD and LGD) are recalculated at the end of each year, on the basis of historical data, current and forward-looking elements;
- The result is established by probabilistic weighting, i.e. the Bank takes into account 3 different macroeconomic scenarios for the calculation of the ECL. A weighting is applied to each of these 3 scenarios. The baseline macroeconomic scenario represents the Bank's most likely future forecast. This scenario is also used for other internal and external needs.

6.4.3. Credit risk management

The amount of the Luxembourg division's exposure (EAD) to credit risk is represented by the carrying amount, net of value adjustments, of the assets, guarantees issued and unused confirmed credits granted to its clients.

The amount of the Luxembourg division's exposure to credit risk on derivative financial instruments is represented by their overall replacement cost. To reduce the credit risk on these transactions, the Luxembourg division has signed CSA (Credit Support Annex) agreements with a majority of its counterparties.

The tables below detail the Luxembourg division's exposure to credit risk, calculated in accordance with Basel III regulations at 31 December 2023 and 2022 (in EUR):

31.12.2023	Net value at risk	Final value at risk[1]	Risk-adjusted assets[2]
TOTAL	**2,117,673,042**	**1,867,712,925**	**447,763,058**
Loans and receivables from credit institutions	110,919,687	110,919,683	30,807,773
Loans and receivables from customers	439,866,217	206,133,735	164,789,495
Debt instruments	1,391,672,926	1,391,672,926	99,660,844
Public issuers	*431,673,141*	*431,673,141*	*4,345,776*
Other issuers	*959,999,785*	*959,999,785*	*95,315,068*
Equity instruments	9,759,183	9,759,183	58,096,482
Contingent liabilities and commitments	73,975,142	21,155,555	30,807,773
Derivatives held for trading	91,479,887	128,071,842	63,600,691

31.12.2022	Net value at risk	Final value at risk[1]	Risk-adjusted assets[2]
TOTAL	**3,047,813,830**	**2,547,460,933**	**671,290,344**
Loans and receivables from credit institutions	282,899,857	282,899,857	49,181,978
Loans and receivables from customers	564,368,429	287,594,037	233,997,862
Debt instruments	1,841,745,089	1,841,745,089	197,148,131
Public issuers	*411,907,653*	*411,907,653*	*4,054,351*
Other issuers	*1,429,837,436*	*1,429,837,436*	*193,093,780*
Equity instruments	10,016,972	10,016,972	61,371,608
Contingent liabilities and commitments	152,659,985	43,894,306	49,181,978
Derivatives held for trading	196,123,498	81,310,672	80,408,787

(1) The final value at risk takes into account credit risk mitigation techniques (mainly guarantees) as well as the off-balance sheet conversion factor.

(2) The amount of risk-adjusted assets corresponds to the final value at risk multiplied by the weighting associated with the counterparty to each exposure.

A distinction can be made among three categories of credit:

a) the granting of limits for bank counterparties

The granting of interbank limits is centralised at Group level and is based on the granting and review of limits by the Limits Committee, which brings together, on a monthly basis, officials from the parent company in Brussels and the Bank in Luxembourg.

b) the granting of customer loans for non-bank counterparties

The Bank's willingness to take on credit risk is limited. The Bank will only consider lending to private individuals up to the equivalent amount of appropriate collateral. Corporate credit is reserved for first-class debtors.

c) the bond portfolio of the Luxembourg division

The Bank's overall bond portfolio is divided into two portfolios corresponding to two main categories. The first category includes public sector bonds, which include sovereign issuers, government agencies, government guaranteed bonds and bonds issued by supranational issuers. The second category comprises private-sector bonds and covered bonds issued by the banking sector. A notional limit of EUR 800 million has been granted for the covered bond budget, as well as a limit of EUR 200 million for the corporate portfolio, even though the portfolio will not include any corporate receivables at 31 December 2023.

As at 31 December 2023, the "public sector" portfolio stood at EUR 778.9 million (2022: EUR 1,010.2 million). All issuers are investment grade except for commercial papers and except six regional issues (issued or guaranteed by Belgian and French regions) which do not have a rating; these are private placements from issuers that do not issue benchmarks and are generally ECB eligible.

At 31 December 2023, the market value of the "private sector" portfolio made up entirely of secured bonds was EUR 603.6 million (2022: EUR 812 million). The average rating for covered bonds is AAA.

DPAS does not hold any proprietary bond positions.

6.4.4. Guarantees received as part of the customer loan portfolio

Guarantees received in connection with loans to customers break down as follows (in EUR):

	31.12.2023	31.12.2023	31.12.2022	31.12.2022
Nature of the guarantee	Valuation value	Percentage	Valuation value	Percentage
Bonds	63,672,312	4.09%	56,007,989	3.04%
Cash	69,827,245	4.48%	115,033,193	6.25%
Mortgages	168,317,247	10.81%	224,744,751	12.20%
Other	415,843,048	26.71%	533,732,514	28.98%
Equities	392,656,990	25.22%	364,042,626	19.77%
Funds	446,609,411	28.69%	548,171,117	29.76%
TOTAL	**1,556,926,253**	**100%**	**1,841,732,190**	**100%**

As at 31 December 2023 and 2022, the majority of the guarantees consist of investment fund units and shares deposited with the Bank, which represent 53.91% and 49.53% of the total guarantees, respectively.
Other collateral consists mainly of cash and securities deposited outside the Bank.

The Bank has put in place a methodology to assess the degree of liquidity of the various positions taken in the pledge base. As shown in the table below, 73.76% (2022: 70.5%) of the total guarantees in the form of cash and securities are valued as highly liquid with an impact in terms of weighting in the Bank's own funds of 0% (no haircuts applied).

	31.12.2022	31.12.2021
Level of liquidity	Percentage	Percentage
Level 1: Highly liquid guarantees	73.76%	70.50%
Level 2: Medium-liquid guarantees	11.48%	15.58%
Level 3: Illiquid guarantees	14.76%	13.92%
TOTAL	**100%**	**100%**

In the event of default, the Bank executes the guarantees in accordance with the contractual terms.

6.4.5. Overdue credits

Overdue and unimpaired loans (for which no impairment has been recognised) consist solely of loans and receivables granted to customers that are in arrears. The amounts shown in the table below (in EUR) correspond to the amounts outstanding; the duration is the number of days since first unpaid due date:

	31.12.2023	31.12.2023	31.12.2022	31.12.2022
	Loans	Guarantees[3]	Loans	Guarantees[3]
Less than three months	49,360,629	47,849,127	114,041,261	88,505,814
Three months to one year	2,008,952	-	58,060	-
From one to five years	240,596	-	257,955	-
More than five years	-	-	954,039	936,310
TOTAL NON-PERFORMING LOANS	**51,610,177**	**47,849,127**	**115,311,315**	**89,442,124**

6.4.6. Derecognition (write-off)

The Bank only derecognises (writes off) on a case-by-case basis.

The Credit Committee decides on these derecognitions on a purely individual basis (for each loan), and taking into account various factors:

- Whether or not the collateral can be realised within a normal period of time;
- The probability of recovering cash flows and the estimated time frame for any such recovery;
- The number of days since the last cash flow received;
- The status of the loan and/or the debtor;
- The duration (generally 5 years) from the date of the last impairment of the receivable concerned.

During the last financial year, the Bank wrote off two receivables with a gross value of EUR 1,858,640 (2022: EUR 0).

(3) The amount of guarantees received is limited to the amount of loans covered. Guarantees include cash, securities and mortgages.

6.4.7. Restructuring due to financial difficulties (forbearance)

In the event of the counterparty's financial difficulties, and in order to maximise the possibilities of recovery, the Bank may, in certain specific cases and under certain conditions, accept the restructuring of a financial instrument, which generally takes the form of an extension of the residual term of the loan or an extension or spread of certain contractual deadlines, without loss to the Bank.

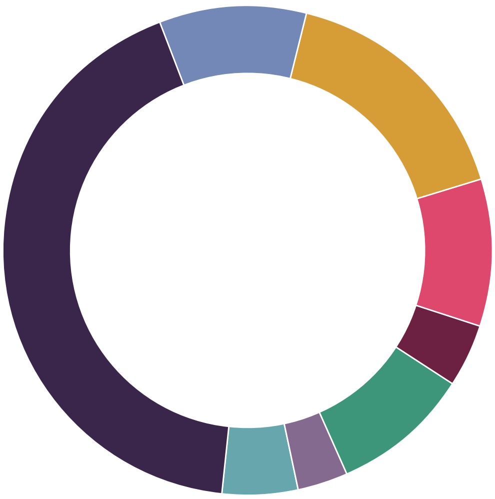
As at 31 December 2023, the amount of loans renegotiated due to financial difficulties resulting in a restructuring or renegotiation of the terms and conditions of the contract was EUR 8,596,565 (2022: EUR 13,104,153).

As at 31 December 2023, impairments amounting to EUR 5,016,725 (2022: EUR 4,491,291) were recognised on these loans.

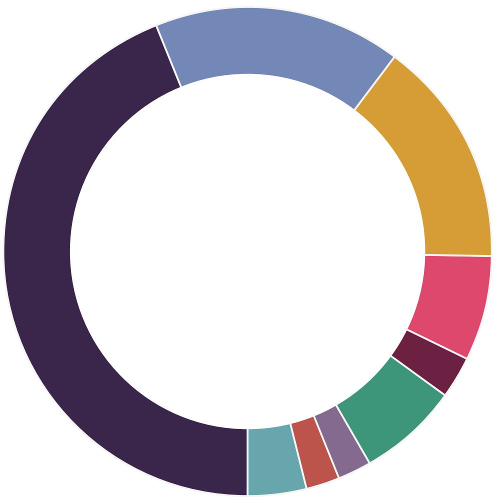
6.4.8. Geographic exposure

Geographically, the Luxembourg division has no exposure to "emerging" countries, and concentrates its business mainly on the European Union and certain OECD (Organisation for Economic Cooperation and Development) countries. The list of authorised countries is reviewed regularly.

The tables below show the geographical breakdown of credit lines granted at 31 December 2023 and 2022. The "Other countries" category includes individual percentages below 2%.

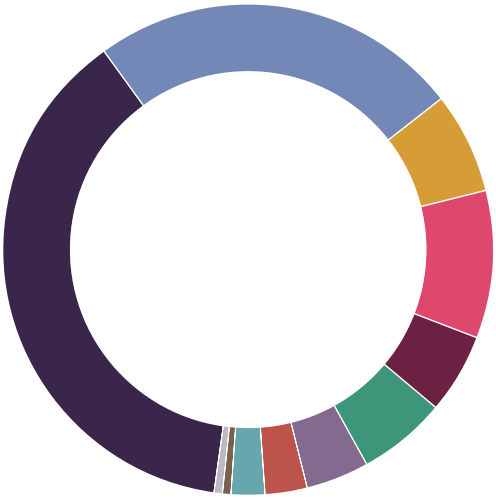


31.12.2023	
Luxembourg	42.71%
Belgium	9.72%
France	16.30%
Switzerland	9.74%
Malta	4.17%
Netherlands	9.31%
Jersey	3.10%
Canada	-
Other countries	4.96%
TOTAL	**100.00%**

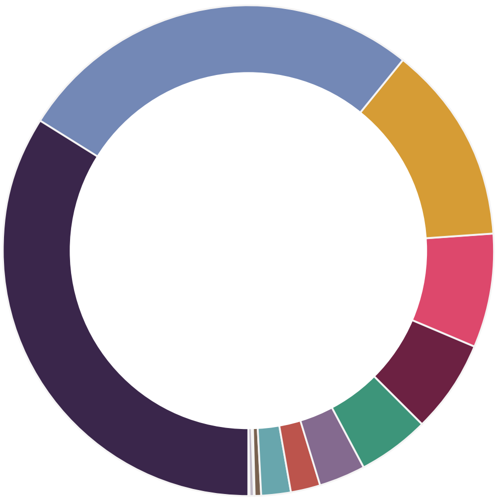


31.12.2022	
Luxembourg	44.05%
Belgium	16.23%
France	15.13%
Switzerland	7.01%
Malta	2.78%
Netherlands	6.70%
Jersey	2.11%
Canada	2.25%
Other countries	3.74%
TOTAL	**100.00%**

The tables below show the geographical breakdown of bonds in the “public sector” portfolio at 31 December 2023 and 2022.

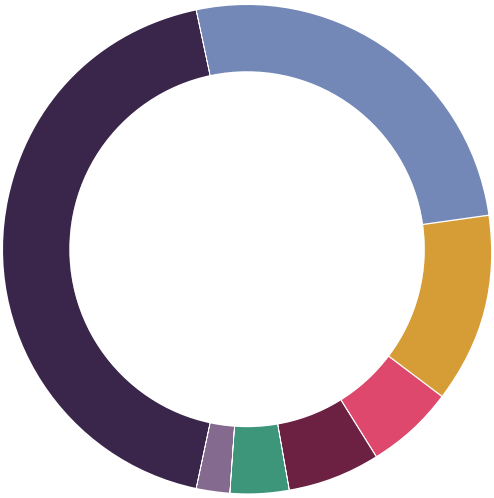


31.12.2023	
Belgium	38.02%
France	24.47%
Supranational institutions	6.58%
Canada	9.67%
Germany	5.38%
Netherlands	5.82%
Austria	4.01%
USA	2.97%
Norway	2.16%
Luxembourg	0.39%
Finland	0.53%
TOTAL	**100.00%**

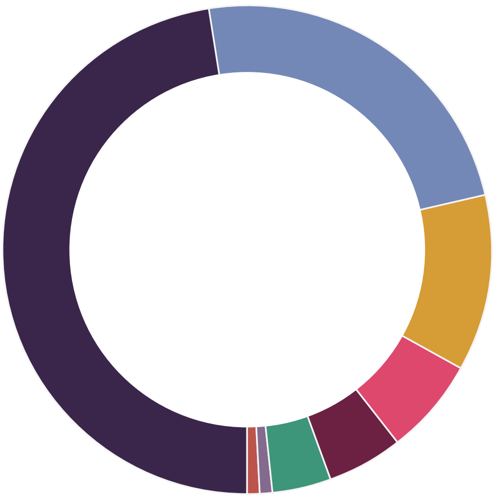


31.12.2022	
Belgium	34.08%
France	26.80%
Supranational institutions	13.21%
Canada	7.31%
Germany	6.31%
Netherlands	4.67%
Austria	2.97%
USA	2.14%
Norway	1.68%
Luxembourg	0.43%
Finland	0.40%
TOTAL	**100.00%**

The tables below show the geographical breakdown of bonds in the “private sector” portfolio.



31.12.2023	
France	43.38%
Belgium	26.12%
Canada	12.65%
Norway	5.89%
Netherlands	6.05%
Sweden	3.94%
Finland	1.97%
Luxembourg	-
Germany	-
TOTAL	**100.00%**



31.12.2022	
France	46.86%
Belgium	23.57%
Canada	11.49%
Norway	6.29%
Netherlands	5.02%
Sweden	3.93%
Finland	1.41%
Luxembourg	0.75%
Germany	0.68%
TOTAL	**100.00%**

6.5. Asset management risk

Private Bankers are the first level of control in terms of identifying the risks associated with their business and implementing appropriate controls. The PB Control department completes this first line of defence and ensures that Private Bankers respect the rules in place. Asset management risks are of a legal/regulatory nature (e.g. MiFID II, PSD2 obligations), contractual (e.g. specific constraints required by the client) or reputational (e.g. portfolio performance against various benchmarks). The controls carried out on the front line include, among other things, client profiling (level of authorised risk-taking, diversification of investments), the call-back procedure in the event of fund outflows, various dual-control checks or the review of various documents or reports sent to clients (Key Information Document, 10% loss reports, etc.).

Risk Management also performs second-line monitoring of the asset management activity, based in particular on the definition of Key Risk Indicators. Additional testing is carried out by Risk Management to verify the effectiveness of front-line controls and the coverage of the main risks to which the Bank is exposed.

The Executive Committee receives the results of the first line controls on a semester basis. Risk Management will also periodically report to the Executive Committee and the Audit and Risk Committee with its main conclusions and recommendations regarding the control of risks related to the asset management activity.

6.6. Return on assets

The return on the Group's assets (in EUR) calculated by comparing the result for the year with the balance sheet total is as follows:

	31.12.2023	31.12.2022
Total assets	2,693,776,595	3,341,363,102
Income for the year	11,214,640	21,140,691
Return on assets ratio	**0.42%**	**0.63%**

6.7. Capital management

The main objective of the Luxembourg division's capital management is to ensure that the Bank and the management company meet regulatory requirements and maintains a level of capitalisation consistent with the level of activity and the risks incurred.

Shareholders' equity CRR/CRD IV regulatory capital includes audited earnings and dividends to be distributed. Shareholders' equity at 31 December 2023 and 2022 (in EUR) is broken down as follows:

	31.12.2023	31.12.2022
Tier 1 capital	274,809,694	262,698,207
TOTAL CAPITAL	**274,809,694**	**262,698,207**
Capital adequacy requirements	65,221,306	86,004,121
Ratio	**33.71%**	**24.44%**

Once a year, the Luxembourg division produces a report on the ICAAP (Internal Capital Adequacy Process) in accordance with the regulations in effect. This report is approved by the Bank's Board of Directors and its Executive Committee. It certifies the adequacy of equity capital in relation to the risks incurred, even in crisis scenarios.

7. Scope of consolidation

Name	Registered office	Proportion of share capital held as at 31 December 2023	Proportion of share capital held as at 31 December 2022
Parent company			
Banque Degroof Petercam Luxembourg S.A.	Luxembourg		
Fully-consolidated subsidiaries			
Degroof Petercam Insurance Broker S.A., DPIB	Luxembourg	100.00%	100.00%
Degroof Petercam Asset Services S.A., DPAS	Luxembourg	100.00%	100.00%
Promotion Partners S.A.	Luxembourg	100.00%	100.00%
Immobilière Cristal Luxembourg S.A., ICL	Luxembourg	100.00%	100.00%
3P(L) S.à r.l.	Luxembourg	-	100.00%
Associates accounted for by the equity method			
Stairway To Heaven S.A.	Luxembourg	48.00%	48.00%
Le Cloître S.A.	Luxembourg	33.60%	33.60%

Since 31 December 2015, the Bank has included the following associates in its consolidation scope: Stairway To Heaven S.A. and Le Cloître S.A., which is held directly by Stairway To Heaven S.A. and indirectly by the Bank.

On 19 September 2018, the Extraordinary General Meeting of DPAS and the Bank approved the contribution of an investment fund administration services business line held by the Bank to DPAS with effect from 1 October 2018.

The articles of association of Degroof Petercam Insurance broker S.A. were amended on 24 June 2019. The share capital was set at EUR 125,000 represented by five thousand and forty (5,040) shares.

As part of a strategy to centralise the activities and restructure certain functions related to the administration of UCIs within the Degroof Petercam Group, the Bank, acting through its Belgian branch, transferred the activity of UCI Accounting Administration to DPAS with effect from 1 October 2018.

On 27 December 2023, 3P(L) S.à r.l. was dissolved.

All conditions as listed in the consolidation principles are met.

8. Appendices to the balance sheet

8.1 Cash and sight accounts with central banks

The breakdown of "Cash and sight accounts with central banks" is as follows (in EUR):

	31.12.2023	31.12.2022
Cash	476,535	423,069
Balances with central banks other than minimum reserves	401,065,585	403,611,524
Accrued interest	126,600	59,656
Expected credit losses	-1,783	-2,291
TOTAL	**401,666,937**	**404,091,958**

At 31 December 2023 and 2022, the Bank had met its "minimum reserve" obligations with the Banque centrale du Luxembourg: the respective average amounts were EUR 21,161,256 and EUR 28,789,683.

The following amounts included in cash and cash equivalents are as follows (in EUR):

	Notes[4]	31.12.2023	31.12.2022
Cash	8.1	476,535	423,069
Balances with central banks other than minimum reserves	8.1	401,065,585	403,611,524
Current accounts with credit institutions	8.7	99,353,278	73,346,737
Overdrafts with credit institutions	8.16	-80,336,710	-109,438,235
Term deposits with credit institutions	8.16	-54,912,497	-62,829,907
TOTAL		**365,646,191**	**305,113,188**

(4) The amounts in the table are based on the balances detailed in the notes indicated.

The total amount of cash and cash equivalents includes:

- Cash;
- Balances with central banks excluding the amount of minimum reserves;
- Institutions' debit and credit balances at sight, except for vostro and balances guaranteeing repurchase agreements or derivatives transactions;
- Loans and deposits from credit institutions with an initial maturity of less than three months.

8.2. Financial assets held for trading

Financial assets held for trading consist of the following types (in EUR):

	31.12.2023	31.12.2022
Derivatives held for trading	115,501,442	143,056,992
Equities	63,996	108
Accrued interest	15,202,218	5,433,578
CVA/DVA	-1,985	-9,400
TOTAL ASSETS HELD FOR TRADING	**130,765,671**	**148,481,278**

The tables below show the breakdown of derivatives held for trading (in EUR):

	31.12.2023	31.12.2023	31.12.2022	31.12.2022
	Carrying amount	Notional value	Carrying amount	Notional value
Foreign exchange derivatives	**54,120,605**	**3,267,119,131**	**64,774,036**	**2,750,902,798**
Over-the-counter				
Forward contracts	13,313,622	1,160,841,028	10,722,809	785,310,065
Exchange contracts	40,806,983	2,069,005,718	54,051,227	1,915,772,353
Organised market				
Futures	-	37,272,385	-	49,820,380
Interest rate derivatives	**59,618,178**	**1,746,446,475**	**71,811,090**	**1,192,046,539**
Over-the-counter				
Exchange contracts	59,225,079	1,367,602,507	71,799,901	1,069,864,973
Organised market				
Futures	-	358,481,977	-	118,654,002
Vested options	393,099	20,361,991	11,189	3,527,564
Equity derivatives	**1,762,659**	**488,528,526**	**6,471,866**	**1,066,766,930**
Organised market				
Futures	-	375,747,263	-	803,232,605
Vested options	1,762,659	112,781,263	6,471,866	263,534,325
TOTAL DERIVATIVES	**115,501,442**	**5,502,094,132**	**143,056,992**	**5,009,716,267**

The breakdown of fair values (excluding accrued interest), based on whether they are derived from a published market price or a valuation technique, is provided in Note 8.22.

At 31 December 2023, changes in “Interest rate derivatives” are essentially due to rising interest rates.

8.3. Hedging of financial assets

To hedge the interest rate risk on certain debt instruments, the Bank applies the hedge accounting provisions of IFRS 9. Detailed information on hedged items, hedging instruments and hedge ineffectiveness is provided in Note 8.25.

Financial asset hedges consist of the following types (in EUR):

Hedge to fair value	31.12.2023	31.12.2023	31.12.2022	31.12.2022
	Carrying amount	Notional value	Carrying amount	Notional value
Interest rate swaps	72,066,335	1,088,511,939	140,916,307	1,465,500,964
Accrued interest	11,256,421	-	1,917,982	-
TOTAL HEDGED FINANCIAL ASSETS	**83,322,756**	**1,088,511,939**	**142,834,289**	**1,465,500,964**

Cash flow hedge	31.12.2023	31.12.2023	31.12.2022	31.12.2022
	Carrying amount	Notional value	Carrying amount	Notional value
Interest rate swaps	8,437,197	100,968,275	13,109,589	98,074,930
Accrued interest	738,474	-	-3,421	-
TOTAL HEDGED FINANCIAL ASSETS	**9,175,671**	**100,968,275**	**13,106,168**	**98,074,930**

Hedging of financial assets	**92,498,427**	**1,189,480,214**	**155,940,457**	**1,563,575,894**

8.4. Hedge of the fair value of a portfolio of assets against interest rate risk

Hedged items are defined as a combination of interest rate swaps and are entered into deliberately to reduce the interest rate risk on underlying loans. As derivatives are classified as “at fair value through profit or loss”, changes in fair value are recognised directly in income. The hedged items consist of a portfolio of fixed-rate loans granted to customers by the Bank, and are classified in the “amortised cost” category. Changes in the fair value of this portfolio of hedged financial assets, measured on the basis of modelled synthetic instruments (benchmark bonds/ loans), are recognised in income. The principles for accounting for macro-hedging transactions ensure that the effects of the revaluation of hedging derivatives are neutralised in the income statement as soon as the hedge is effective. Any difference resulting from these transactions is therefore limited to the ineffectiveness of the hedge.

The following table provides information on the hedged items, hedging instruments and hedging ineffectiveness (in EUR):

31.12.2023	Notional value	Carrying amount		Changes in fair value	Ineffectiveness of the hedge
		Assets	Liabilities		
Derivative instrument hedges					
IRS - Hedging of loans	107,968,275	9,175,671	-390,977	-5,040,159	321,903
TOTAL	**107,968,275**	**9,175,671**	**-390,977**	**-5,040,159**	**321,903**

31.12.2023	Notional value	Carrying amount		Changes in fair value
		Assets	Liabilities	
Assets designated as hedged items				
Financial assets measured at amortised cost - Loans	93,213,400	-8,453,846	-	5,362,062
TOTAL	**93,213,400**	**-8,453,846**	**-**	**5,362,062**

8.5. Financial assets held for purposes other than trading that must be measured at fair value through profit or loss

The breakdown of FVTPL financial assets is as follows (in EUR):

	31.12.2023	31.12.2022
Equity instruments	**5,801,046**	**6,101,881**
Equities	5,801,046	6,101,881
Debt instruments	**2,957,088**	**3,231,019**
UCI units	2,957,088	3,231,019
TOTAL FINANCIAL ASSETS HELD FOR PURPOSES OTHER THAN TRADING THAT MUST BE MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	**8,758,134**	**9,332,900**

UCI units are classified as debt instruments because they do not meet the definition of equity instruments in IFRS 9.

In 2023, the Bank pursued its strategy of developing its commercial offer in private equity products. In this context, the Bank has undertaken to acquire on its own account positions in private equity funds promoted or structured by the Group, in support of its clients. The amount of shares and units of UCIs included in the above table corresponds to subscriptions, while the residual balance of commitments is detailed in Note 10.4.

8.6. Financial assets measured at fair value through other comprehensive income

The breakdown of FVOCI financial assets is as follows (in EUR):

	31.12.2023	31.12.2022
Equity instruments	**729,938**	**683,963**
Equities	729,938	683,963
Debt instruments	**317,594,231**	**511,394,378**
Government bonds	111,593,561	42,335,218
Bonds from other issuers	206,000,670	469,059,160
Accrued interest	**3,734,034**	**3,095,437**
TOTAL FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	**322,058,203**	**515,173,778**

FVOCI assets are recorded at fair value. The breakdown of fair values (excluding accrued interest), based on whether they are derived from a published market price or a valuation technique, is provided in Note 8.22.

Impairment tests carried out in accordance with IFRS 9 as at 31 December 2023 did not reveal any impairment to be recorded on this portfolio. Only expected credit losses classified as stage 1 (performing) have been recognised in 2023 and 2022; the total amount of ECL recognised in accumulated other comprehensive income is EUR 37,672 and EUR 66,162 respectively.

Changes in fair value related to the interest rate risk on bonds designated as "hedged items" are recognised in accumulated other comprehensive income in the total amount of EUR 13,471,448 as at 31 December 2023 (2022: EUR 52,442,747). Detailed information on hedged items, hedging instruments and hedge ineffectiveness is provided in Note 8.25.

No securities lending transaction existed as at 31 December 2023 and 2022.

The table below shows the movements relating to the revaluation reserve of the FVOCI financial assets portfolio (in EUR):

IFRS 9	Debt instruments	Equity instruments	Total
Balance as at 31.12.2021	**434,723**	**78,844**	**513,567**
Increase (decrease) in unrealised gross revaluation gains - FVOCI portfolio	-255,087	-	-255,087
Decrease (increase) in gross unrealised revaluation losses - FVOCI portfolio	-51,747,969	-	-51,747,969
Changes in fair value related to interest rate risk	48,378,372	-	48,378,372
Expected credit losses	26,711	-	26,711
Deferred taxes charged to shareholders' equity	903,995	-	903,995
Deferred taxes charged to the income statement	-6,660	-	-6,660
Result realised on FVOCI portfolio charged to shareholders' equity	-	-	-
Balance as at 31.12.2022	**-2,265,915**	**78,844**	**-2,187,071**
Increase (decrease) in unrealised gross revaluation gains - FVOCI portfolio	3,643,801	45,974	3,689,775
Decrease (increase) in gross unrealised revaluation losses - FVOCI portfolio	34,821,018	-	34,821,018
Changes in fair value related to interest rate risk	-38,971,299	-	-38,971,299
Expected credit losses	-28,489	-	-28,489
Deferred taxes charged to shareholders' equity	126,316	-11,466	114,850
Deferred taxes charged to the income statement	7,105	-	7,105
Result realised on FVOCI portfolio charged to shareholders' equity	-	-	-
Balance as at 31.12.2023	**-2,667,463**	**113,352**	**-2,554,111**

8.7. Loans and receivables from credit institutions measured at amortised cost

Interbank loans and advances break down as follows (in EUR):

	31.12.2023	31.12.2022
Current accounts	110,919,712	89,637,681
Carrying amount before impairment	**110,919,712**	**89,637,681**
Expected credit losses	-25	-22
TOTAL LOANS AND RECEIVABLES FROM CREDIT INSTITUTIONS MEASURED AT AMORTISED COST	**110,919,687**	**89,637,659**

Impairment tests carried out as at 31 December 2023 did not reveal any impairment to be recorded on interbank loans and receivables. Only expected credit losses classified as stage 1 (performing) have been recognised in 2023.

8.8. Loans and receivables from customers measured at amortised cost

Loans and receivables from customers are as follows (in EUR):

	31.12.2023	31.12.2022
Current account advances	88,526,597	117,197,746
Mortgage loans	18,649,780	36,055,794
Term loans (including Lombard loans)	336,967,979	429,892,927
Accrued interest	3,544,793	2,170,227
Carrying amount before impairment	**447,689,149**	**585,316,694**
Expected credit losses	-7,822,922	-7,132,366
TOTAL LOANS AND RECEIVABLES FROM CUSTOMERS	**439,866,227**	**578,184,328**

The mortgage loans listed above consist of loans for real estate purposes that are mainly secured by a real estate property.

During the last financial year, the Bank recorded a partial write-off of two impaired receivables for which it considered that recovery of all or part of the asset was not reasonably possible, for a gross value of EUR 1,858,640 (2022: EUR 0).

The classification of expected credit losses and impairments according to the different levels and the related 2023 movements are as follows (in EUR):

	Stage 1	Stage 2	Stage 3	Total
Balance as at 31.12.2022	**-144,375**	**-139**	**-6,987,852**	**-7,132,366**
Increase due to new acquisitions or new loans	-18,862	-	-	-18,862
Decrease due to refunds or sales	55,214	-	-	55,214
Modifications following changes in credit risk	25,553	-45,308	-2,566,227	-2,585,982
Decrease due to write-off	-	-	1,858,640	1,858,640
Exchange rate difference and other movements	434	-	-	434
Balance as at 31.12.2023	**-82,036**	**-45,447**	**-7,695,439**	**-7,822,922**

The changes in the expected credit loss and impairment stages between the opening and year-end classifications are as follows (in EUR) for 2023 and 2022:

	31.12.2023	31.12.2022
From stage 2 to stage 1	-	-
From stage 1 to stage 2	-45,446	-
From stage 1 to stage 3	-2,025,528	-
TOTAL	**-2,070,974**	**-**

8.9. Debt instruments measured at amortised cost

Financial assets measured at amortised cost are broken down as follows (in EUR):

	31.12.2023	31.12.2022
Treasury bills and government bonds	276,360,969	373,467,590
Bonds from other issuers	797,823,189	954,620,528
Premiums / discounts	-8,408,926	-4,964,186
Accrued interest	4,666,020	4,253,316
Carrying amount before impairment	**1,070,441,252**	**1,327,377,248**
Expected credit losses	-96,589	-121,971
TOTAL FINANCIAL ASSETS MEASURED AT AMORTISED COST	**1,070,344,663**	**1,327,255,277**

Changes in fair value related to interest rate risk on bonds designated as “hedged items” and detailed information on hedged items, hedging instruments and hedge ineffectiveness are disclosed in Note 8.25.

No securities lending transaction existed as at 31 December 2023 and 2022.

Impairment tests performed as at 31 December 2023 and 2022 did not reveal any impairment to be recorded on the portfolio valued at amortised cost. Only expected credit losses classified in stage 1 (performing) were recorded in 2023 and 2022.

8.10. Property, plant and equipment

Property, plant and equipment can be broken down as follows (in EUR):

	Land and buildings[5]	IT equipment	Office equipment	Other equipment	Total
Net carrying amount at 31.12.2022	**30,924,490**	**655,084**	**514,339**	**1,774,637**	**33,868,550**
Other capitalised assets	**30,924,490**	**655,084**	**514,339**	**97,437**	**32,191,350**
Acquisition value	39,927,350	4,496,278	1,874,739	320,371	46,618,738
Accumulated depreciation and impairment	-9,002,860	-3,841,194	-1,360,400	-222,934	-14,427,388
Lease contracts 31.12.2022	**-**	**-**	**-**	**1,677,200**	**1,677,200**
Rights of use	-	-	-	3,935,396	3,935,396
Depreciation of rights of use	-	-	-	-2,258,196	-2,258,196
Net carrying amount at 31.12.2023	**30,061,674**	**746,970**	**554,332**	**1,775,492**	**33,138,468**
Other capitalised assets	**30,061,674**	**746,970**	**554,332**	**92,237**	**31,455,213**
Acquisition value	40,288,220	4,641,572	1,966,888	243,430	47,140,110
Accumulated depreciation and impairment	-10,226,546	-3,894,602	-1,412,556	-151,193	-15,684,897
Lease contracts 31.12.2023	**-**	**-**	**-**	**1,683,255**	**1,683,255**
Rights of use	-	-	-	4,369,601	4,369,601
Depreciation of rights of use	-	-	-	-2,686,346	-2,686,346

(5) The acquisition value of the land is EUR 10,248,000 for Immobilière Cristal Luxembourg S.A.

The change in the net carrying amount is explained as follows (in EUR):

	Land and buildings	IT equipment	Office equipment	Other equipment	Total
Closing balance as at 31.12.2021	**32,180,703**	**863,143**	**468,031**	**138,094**	**33,649,971**
Acquisitions	539,585	332,049	164,842	-	1,036,476
Disposals / Scrappage	-	-225,114	-25,007	-226,223	-476,344
Amortisation/depreciation	-1,795,798	-540,108	-118,534	0	-2,454,440
Impairment	-	-	-	-6,457	-6,457
Reversal of depreciation/ amortisation following disposals	-	225,114	25,007	192,023	442,144
Closing balance as at 31.12.2022	**30,924,490**	**655,084**	**514,339**	**97,437**	**32,191,350**
Acquisitions	360,871	520,308	159,917	-	1,041,096
Disposals / Scrappage	-	-375,014	-67,768	-76,941	-519,723
Amortisation/depreciation	-1,223,687	-428,422	-119,428	-	-1,771,537
Impairment	-	-	-	-	-
Reversal of depreciation/ amortisation following disposals	-	375,013	67,272	76,941	519,226
Reversal of depreciation/ amortisation following disposals	-	-	-	-5,200	-5,200
Closing balance as at 31.12.2023	**30,061,674**	**746,970**	**554,332**	**92,237**	**31,455,213**

The residual values of fully depreciated fixed assets are estimated at zero.

During the last financial year, no impairment was recorded on the Bank's works of art (2022: EUR 6,457).

Land has an indefinite useful life and is therefore not depreciated.

The change in the net carrying amount of “Lease contracts” is explained as follows (in EUR):

Lease contracts	IT equipment	Cars	Total
Closing balance as at 31.12.2021		**1,703,396**	**1,703,396**
New contracts		885,983	885,983
Matured contracts		-713,470	-713,470
Amortisation/depreciation		-934,167	-934,167
Reversal of depreciation/amortisation following matured/transferred contracts		713,367	713,367
Other		22,091	22,091
Closing balance as at 31.12.2022		**1,677,200**	**1,677,200**
New contracts		949,517	949,517
Matured contracts		-592,331	-592,331
Amortisation/depreciation		-1,014,479	-1,014,479
Reversal of depreciation/amortisation following matured/transferred contracts		586,329	586,329
Other		77,019	77,019
Closing balance as at 31.12.2023	**-**	**1,683,255**	**1,683,255**

8.11. Intangible assets

Intangible assets can be broken down as follows (in EUR):

	Goodwill	Software	Total
Net carrying amount at 31.12.2022	**6,283,835**	**819,488**	**7,103,323**
Acquisition value	21,054,615	10,543,662	31,598,277
Accumulated amortisation	-11,743,780	-9,724,174	-21,467,954
Impairment	-3,027,000	-	-3,027,000
Net carrying amount at 31.12.2023	**4,660,114**	**436,769**	**5,096,883**
Acquisition value	21,054,615	10,657,139	31,711,754
Accumulated amortisation	-13,367,501	-10,220,370	-23,587,871
Impairment	-3,027,000	-	-3,027,000

The change in the net carrying amount is explained as follows (in EUR):

	Goodwill	Software	Total
Closing balance as at 31.12.2021	**7,907,556**	**1,645,843**	**9,553,399**
Acquisitions	-	-	-
Disposals	-	-366,397	-366,397
Amortisation/depreciation	-1,623,721	-826,355	-2,450,076
Reversal of depreciation/impairment following disposals	-	366,397	366,397
Impairment	-	-	-
Reversal of impairments following disposals	-	-	-
Closing balance as at 31.12.2022	**6,283,835**	**819,488**	**7,103,323**
Acquisitions	-	113,477	113,477
Disposals	-	-	-
Amortisation/depreciation	-1,623,721	-496,196	-2,119,917
Reversal of depreciation/impairment following disposals	-	-	-
Impairment	-	-	-
Reversal of impairments following disposals	-	-	-
Closing balance as at 31.12.2023	**4,660,114**	**436,769**	**5,096,883**

In accordance with the accounting methods and principles described in Note 5.5, the Bank tests intangible assets for impairment at least at each balance sheet date or more frequently if there is any indication that an intangible asset may have declined in value.

No depreciation was recorded in the last financial year.

The value in use has been used to estimate the value of business assets relating to the merger with Petercam (Luxembourg) S.A. concerning customer relations in the context of private banking and institutional management activities.

The valuation performed for impairment tests is based on the same model as that used for the initial determination of the value of this goodwill.

This model consists of a discounting of cash flows, based on projections of revenues generated by the management of client capital, over a finite period ending in 2026. The gradual attrition of the traditional discretionary private banking client base is assumed to be 15% per year, while the annual growth of the remaining managed capital is estimated at 2%. Cash flows are discounted at the capital cost after taxes of 7.6%.

No additional impairment has been recorded on the goodwill tested at 31 December 2023 and 2022, other than that previously recorded on the Petercam (Luxembourg) S.A. goodwill for EUR 3,027,000.

The Group did not perform any impairment tests of PIAM Luxembourg as no incident showed that business was declining.

8.12. Holdings in companies accounted for by the equity method

At 31 December 2023, an amount of EUR 2,198,713 was included in the asset item “Holdings in companies accounted for by the equity method”; at 31 December 2022 the amount was EUR 2,306,201.

	31.12.2023	31.12.2022
Stairway To Heaven S.A.	-27,236	-21,886
Le Cloître S.A.	2,225,949	2,328,087
TOTAL HOLDINGS IN COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD	**2,198,713**	**2,306,201**

At 31 December 2023, the share in the result of companies accounted for by the equity method was EUR -107,488 and at 31 December 2022 EUR -16,817.

8.13. Other assets

The “Other assets” item comprises (in EUR):

	31.12.2023	31.12.2022
Accrued income	62,866,859	69,547,118
Deferred charges	4,319,155	3,688,921
Tax receivables	2,037,255	180,599
VAT	5,782,426	4,951,103
Other assets	9,912,802	5,435,560
TOTAL OTHER ASSETS	**84,918,497**	**83,803,301**

Accrued income mainly comprises commissions receivable from investment funds, which were lower at 31 December 2023 than at 31 December 2022, but in line with the decline in assets under management (see Note 10.1).

The heading “Tax receivables” includes advances on taxes other than those on income and taxes to be recovered defined according to national provisions.

Group entities use certain of the Bank's support services to manage part of their administrative and IT support activities; the costs recorded by the Bank at 31 December 2023 are included under “Other assets” in the amount of EUR 5,968,171.

The Bank has opted to set up an Irrevocable Payment Commitment of 22.5% of the amount due to the Luxembourg Resolution Fund for the financial year. As at 31 December 2023, the receivable amounts to EUR 1,457,847 (2022: EUR 1,021,048) and is recorded under “Other assets”.

8.14. Financial liabilities held for trading

Details by type of financial liabilities held for trading are as follows (in EUR):

	31.12.2023	31.12.2022
Derivatives held for trading	88,338,084	135,246,468
Accrued interest	8,877,915	3,127,631
CVA/DVA	5,234	14,059
TOTAL FINANCIAL LIABILITIES HELD FOR TRADING	**97,221,233**	**138,388,158**

The tables below show the breakdown of derivatives held for trading (in EUR):

	31.12.2023	31.12.2023	31.12.2022	31.12.2022
	Carrying amount	Notional value	Carrying amount	Notional value
Foreign exchange derivatives	**55,934,940**	**3,268,935,018**	**71,692,414**	**2,689,062,232**
Over-the-counter				
Forward contracts	43,214,655	1,971,394,490	58,616,166	2,133,965,061
Exchange contracts	12,184,029	1,260,268,143	7,323,655	505,276,791
Options issued	536,256	-	5,752,593	-
Organised market				
Futures	-	37,272,385	-	49,820,380
Interest rate derivatives	**31,176,742**	**1,580,208,567**	**62,834,781**	**1,406,036,293**
Over-the-counter				
Exchange contracts	30,783,643	1,201,330,109	62,823,592	1,179,187,607
Organised market				
Futures	-	358,516,467	-	125,071,122
Options issued	393,099	20,361,991	11,189	101,777,564
Equity derivatives	**1,226,402**	**488,680,553**	**719,273**	**1,073,257,129**
Organised market				
Futures	-	375,899,291	-	809,055,262
Options issued	1,226,402	112,781,262	719,273	264,201,867
TOTAL DERIVATIVES	**88,338,084**	**5,337,824,138**	**135,246,468**	**5,168,355,654**

The breakdown of fair values (excluding accrued interest and CVA/DVA), based on whether they are derived from a published market price or a valuation technique, is provided in Note 8.22.

8.15. Financial liability hedges

To hedge the interest rate risk on certain debt instruments, the Bank applies the hedge accounting provisions of IFRS 9.
Detailed information on hedged items, hedging instruments and hedge ineffectiveness is provided in Note 8.25.

Financial liability hedges consist of the following types (in EUR):

	31.12.2023	31.12.2023	31.12.2022	31.12.2022
	Carrying amount	Notional value	Carrying amount	Notional value
Interest rate swaps	5,322,311	133,095,928	72,871	9,000,000
Accrued interest	-521,658	-	6,707	-
TOTAL FINANCIAL LIABILITY HEDGES	**4,800,653**	**133,095,928**	**79,578**	**9,000,000**

8.16. Deposits with credit institutions

Interbank loans and receivables are detailed as follows (in EUR):

	31.12.2023	31.12.2022
Demand deposits	198,125,979	199,469,957
Term deposits	69,080,571	72,262,936
Accrued interest	7,420	94,707
TOTAL DEPOSITS WITH CREDIT INSTITUTIONS	**267,213,970**	**271,827,600**

8.17. Deposits to customers

Deposits from customers break down as follows (in EUR):

	31.12.2023	31.12.2022
Demand deposits	1,442,378,586	2,338,920,640
Term deposits	477,756,826	185,718,093
Accrued interest	5,971,879	3,071,966
TOTAL CUSTOMER DEPOSITS	**1,926,107,291**	**2,527,710,699**

8.18. Provisions

Provisions break down as follows (in EUR):

	31.12.2023	31.12.2022
Provisions for disputes	-	250,000
Provisions for commitments and guarantees given	1,804	3,599
Long-term personnel benefits	1,101,747	1,056,866
Provisions for reserved interest on loans	8,918	410,724
TOTAL PROVISIONS	**1,112,469**	**1,721,189**

Provisions for long-term employee benefits correspond to premiums whose payment is deferred over time.

Provisions for disputes are based on the best estimates available at the end of the financial year, taking into account the opinions of internal or external experts.

In 2023, the Luxembourg division recorded a provision reversal of EUR 250,000 (2022: allocation of EUR 150,000), of which EUR 100,000 for the Bank.

Provisions for reserved interest on loans include interest receivable as well as interest received on loans designated by the Impairment Committee.

ECLs calculated on loan commitments given and financial guarantees issued are recorded under “Provisions for commitments and guarantees given”. The classification of impairment losses according to the different levels and the related 2023 movements are as follows (in EUR):

	Stage 1
Closing balance as at 31.12.2022	**3,599**
Increase due to new acquisitions or new loans	1,057
Decrease due to refunds or sales	-2,528
Modifications following changes in credit risk	-318
Exchange rate differences and other movements	-6
Closing balance as at 31.12.2023	**1,804**

Stage 1:
Commitments and financial guarantees without a significant increase in credit risk since initial recognition

No impairment (stage 3) has been recorded on off-balance sheet commitments in 2023 and 2022.

8.19. Current and deferred tax liabilities

Tax liabilities can be summarised as follows (in EUR):

	31.12.2023	31.12.2022
Current taxes	9,976,563	14,458,324
Deferred taxes	1,064,817	1,401,367
TOTAL CURRENT AND DEFERRED TAXES	**11,041,380**	**15,859,691**

Changes in deferred tax liabilities are explained by (in EUR):

	31.12.2023	31.12.2022
Balance at beginning of year	**1,401,367**	**2,526,500**
Charge (Income) to profit and loss	-221,700	-221,138
Items charged directly to equity	-114,850	-903,995
BALANCE AT THE END OF THE YEAR	**1,064,817**	**1,401,367**

Deferred tax is calculated on the following temporary differences (in EUR):

	31.12.2023	31.12.2022
Property, plant and equipment, and intangible assets	1,469,253	1,690,953
Provisions	449,612	449,612
Financial assets measured at fair value through other comprehensive income	-854,048	-739,198
DEFERRED TAXES	**1,064,817**	**1,401,367**

At 31 December 2023 and 2022, deferred taxes are calculated on the basis of the tax rate of 24.94%.

8.20. Other liabilities

Other liabilities comprise the following items (in EUR):

	31.12.2023	31.12.2022
Payroll and social security liabilities	8,026,025	5,128,116
Accrued expenses	83,533,818	85,335,385
Deferred income	2,256	-
Other financial liabilities	18,722	4,080,317
Lease liabilities	1,742,969	1,716,840
Other debts	11,218,350	18,625,601
TOTAL OTHER LIABILITIES	**104,542,140**	**114,886,258**

In 2023, "Accrued expenses" mainly represented the re-invoicing of support costs by Banque Degroof Petercam S.A. amounting to EUR 30,864,334 (2022: EUR 28,985,281).

"Accrued expenses" is also composed of provisions for commissions payable in the accounts of Degroof Petercam Asset Services S.A.

"Lease liabilities" have been recorded following the application of IFRS 16 since 1 January 2019.

At 31 December 2023 and 2022, the "Other liabilities" item mainly comprises liabilities to the VAT authorities amounting to EUR 8,866,674 (2022: EUR 6,864,114), as well as securities and cash suspense accounts amounting to EUR 1,220,137 (2022: EUR 9,537,162).

The change in the net carrying amount of "Lease liabilities" is explained as follows (in EUR):

	IT equipment	Cars	Total
Closing balance as at 31.12.2021	**-**	**1,730,488**	**1,730,488**
New contracts	-	885,982	885,982
Matured contracts	-	-354	-354
Contractual payments	-	-930,983	-930,983
Interest	-	8,973	8,973
Other	-	22,734	22,734
Closing balance as at 31.12.2022	**-**	**1,716,840**	**1,716,840**
New contracts	-	949,517	949,517
Matured contracts	-	-4,836	-4,836
Contractual payments	-	-1,033,693	-1,033,693
Interest	-	32,821	32,821
Other	-	82,320	82,320
Closing balance as at 31.12.2023	**-**	**1,742,969**	**1,742,969**

8.21. Equity

The table below shows the composition of equity (in EUR):

	31.12.2023	31.12.2022
Capital subscribed	37,000,000	37,000,000
Issue premium	40,356,000	40,356,000
Legal reserve	3,700,000	3,700,000
Reserve for wealth tax	41,049,999	46,590,374
Other reserves and retained earnings	150,970,999	159,291,933
Cumulative other comprehensive income	-2,554,110	-2,187,070
Profit or loss attributable to owners of the parent	11,214,640	21,140,691
Interim dividend payment	-	-35,002,000
TOTAL	**281,737,528**	**270,889,928**

The Bank's subscribed capital is represented by 740,000 shares, each with a nominal value of EUR 50.

Legal reserve

In accordance with the law on commercial companies, a sampling of at least 5% is charged annually on net profits, which is allocated to the creation of a legal reserve until this reserve reaches 10% of the share capital. The legal reserve has reached 10% of the share capital.

Wealth tax reserve

In accordance with paragraph 8a of the law on wealth tax, the Bank deducts the wealth tax due for the year from the amount of the wealth tax. To this end, the Bank's general meeting of shareholders allocates to a non-distributable reserve an amount corresponding to five times the amount of the wealth tax allocated.

Cumulative other comprehensive income

Accumulated other comprehensive income includes net unrealised gains and losses on financial assets measured at fair value through accumulated other comprehensive income (see Note 8.6 and 9.15). In accordance with CSSF Regulation No. 14-02, unrealised income net of tax included in revaluation reserves will be charged to a non-distributable reserve.

Other reserves and retained earnings

Other reserves and retained earnings include the impact of the transition to IFRS for an amount of EUR 16,594,740 as well as the result related to the incentive plan set up within the Group.

As at 31 December 2023, the cumulative amount related to the incentive plan included in other reserves amounts to EUR 4,211,365 (2022: EUR 4,211,365).

Other reserves also include goodwill of EUR 73,025,963 recorded in 2016 following the integration of Petercam (Luxembourg) S.A. and the reclassification of the profit and loss account to reserves of gains realised by Petercam (Luxembourg) S.A. at the time of the sale of PIAM Luxembourg to DPAS for EUR 7,547,663.

Dividends

In 2023, the Bank paid no interim dividend (2022: EUR 35,002,000).

8.22. Fair value of financial instruments

The carrying amounts and fair values of financial instruments are shown, by financial instrument category, in the table below (in EUR):

	31.12.2023	31.12.2023	31.12.2022	31.12.2022
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and assets with central banks	401,666,937	401,666,937	404,091,958	404,091,958
Financial assets held for trading	130,765,670	130,765,670	148,481,278	148,481,278
Hedging of financial assets	92,498,424	92,498,424	155,940,457	155,940,457
Financial assets held for purposes other than trading that must be measured at fair value through profit or loss	8,758,132	8,758,132	9,332,900	9,332,900
Financial assets measured at fair value through other comprehensive income	322,058,200	322,058,200	515,173,778	515,173,778
Loans and receivables from credit institutions measured at amortised cost	110,919,687	110,919,687	89,637,659	89,637,659
Loans and receivables from customers measured at amortised cost	439,866,217	443,581,219	578,184,328	589,344,641
Debt instruments measured at amortised cost	1,070,344,663	1,057,887,763	1,327,255,278	1,385,640,022
TOTAL	**2,576,877,930**	**2,568,136,032**	**3,228,097,636**	**3,297,642,693**
Financial liabilities				
Financial liabilities held for trading	97,221,216	97,221,250	138,388,158	138,388,158
Financial liability hedges	4,800,653	4,800,653	79,578	79,578
Deposits from credit institutions	267,213,968	267,195,962	271,827,600	271,793,462
Customer deposits	1,926,107,244	1,915,155,516	2,527,710,699	2,527,479,441
TOTAL	**2,295,343,081**	**2,284,373,381**	**2,938,006,035**	**2,937,740,639**

The fair value of financial instruments includes accrued interest.

For financial instruments that are not measured at fair value in the financial statements, the following methods and assumptions are used to determine the fair value of instruments that are not quoted in an active market:

- The carrying amount of short-term financial instruments and of financial instruments without fixed maturities, such as current accounts, corresponds to a reasonable approximation of their fair value;
- Other loans and borrowings are revalued by discounting their future cash flows, based on market interest rate curves at the balance sheet date.

The fair value of financial instruments is determined using the methods described in Chapter 5.2.7 “Fair value of financial instruments”.

The classification of financial instruments according to the fair value hierarchy is based on criteria such as the measurement of a market’s liquidity level, the average volumes of transactions recorded and the frequency of valuations.

Financial instruments are classified into one of the following three categories:

- Level 1 includes valuations based on prices published in active markets. No valuation model or technique is used;
- Level 2, which relies on valuation models and techniques using observable parameters on an active market;
- Valuations based on unobservable inputs, outside an active market, are classified in level 3.

The following tables show the classification of fair values (excluding accrued interest) according to valuation category (in EUR):

31.12.2023	Level 1	Level 2	Level 3	Total
Financial assets				
Derivatives held for trading	2,157,062	113,342,395	-	115,499,457
Other financial assets held for trading	63,996	-	-	63,996
Financial assets held for purposes other than trading that must be measured at fair value through profit or loss	27,764	4,412	8,725,958	8,758,134
Hedging derivatives	-	80,503,532	-	80,503,532
Financial assets measured at fair value through other comprehensive income	317,594,231	-	729,938	318,324,169
Loans and receivables from credit institutions measured at amortised cost	-	110,919,687	-	110,919,687
Loans and receivables from customers measured at amortised cost	-	422,626,325	19,926,743	442,553,068
Debt instruments measured at amortised cost	877,125,035	180,762,728	-	1,057,887,763
TOTAL	**1,196,968,088**	**908,159,079**	**29,382,639**	**2,134,509,806**
Financial liabilities				
Derivatives	2,159,880	86,183,438	-	88,343,318
Hedging derivatives	-	5,322,311	-	5,322,311
Deposits from credit institutions	-	267,188,542	-	267,188,542
Customer deposits	-	1,911,169,560	-	1,911,169,560
TOTAL	**2,159,880**	**2,269,863,851**	**-**	**2,272,023,731**

31.12.2022	Level 1	Level 2	Level 3	Total
Financial assets				
Derivatives held for trading	6,483,113	136,564,480	-	143,047,593
Other financial assets held for trading	108	-	-	108
Financial assets held for purposes other than trading that must be measured at fair value through profit or loss	5,249	5,586	9,322,065	9,332,900
Hedging derivatives	-	154,025,896	-	154,025,896
Financial assets measured at fair value through other comprehensive income	489,986,587	21,895,885	683,963	512,566,435
Loans and receivables from credit institutions measured at amortised cost	-	89,637,658	-	89,637,658
Loans and receivables from customers measured at amortised cost	-	551,691,718	37,248,871	588,940,589
Debt instruments measured at amortised cost	1,063,218,811	322,421,212	-	1,385,640,023
TOTAL	**1,559,693,868**	**1,276,242,435**	**47,254,899**	**2,883,191,202**
Financial liabilities				
Derivatives	6,492,116	128,768,411	-	135,260,527
Hedging derivatives	-	72,871	-	72,871
Deposits from credit institutions	-	271,789,900	-	271,789,900
Customer deposits	-	2,524,693,761	-	2,524,693,761
TOTAL	**6,492,116**	**2,925,324,943**	**-**	**2,931,817,059**

As at 31 December 2023 and 2022, the securities classified in level 3 are all variable-income securities; the majority of the securities are part of the "Financial assets measured at fair value through other comprehensive income" (FVOCI) portfolio and the remainder to the "Financial assets held for purposes other than trading required to be measured at fair value through profit or loss" (FVTPL) portfolio.

In 2022, two bonds were reclassified from level 2 to level 1 and from level 1 to level 2, respectively, following changes in the number of available price contributors for amounts of EUR 21,896,961 and EUR 12,483,022, respectively.

The FVTPL portfolio is mainly made up of securities linked to the Bank's private equity activity.

The following table shows the movements relating to the carrying amount of assets included in level 3 (in EUR):

	FVTPL Portfolio	FVOCI portfolio	Total
Closing balance as at 31.12.2021	**9,529,847**	**683,963**	**10,213,810**
Purchase	418,794	-	418,794
Sale	-67,828	-	-67,828
Level transfer	-	-	-
Change in exchange rate	64,718	-	64,718
Capital reduction	-539,167	-	-539,167
Revaluation of securities	-84,300	-	-84,300
Closing balance as at 31.12.2022	**9,322,064**	**683,963**	**10,006,027**
Purchase	206,378	-	206,378
Sale	-242,695	-	-242,695
Change in exchange rate	-7,131	-	-7,131
Capital reduction	-350,440	-	-350,440
Revaluation of securities	-202,218	45,975	-156,243
Closing balance as at 31.12.2023	**8,725,958**	**729,938**	**9,455,896**

The results recognised as a result of these movements are set out in the following table (in EUR):

	31.12.2023	31.12.2022
Net income - FVTPL	-218,351	-16,472
Tax on income for the financial year	54,457	4,108
Effect on profit(loss) for the financial year	**-163,894**	**-12,364**
Revaluation to fair value - FVOCI	-	-
Taxes charged directly to reserves	-	-
Effect on other components of comprehensive income	-	-
Effect on total comprehensive income	**-163,894**	**-12,364**

8.23. Financial assets transferred

At 31 December 2023 and 2022, no financial assets had been transferred.

8.24. Offsetting financial assets and liabilities

The Luxembourg Division does not employ accounting offsetting practices but it has signed some “offsetting master agreements” with certain counterparties such as:

- “ISDA Master Agreement” for OTC derivative transactions;
- “Global master repurchase agreements” for repurchase and reverse repurchase transactions;
- “Global master securities lending agreements” for securities lending transactions.

The assets given or received as collateral related to these financial transactions may be as follows:

- Cash and securities for repurchase and reverse repurchase transactions as well as for OTC derivative transactions for which the Bank has signed a credit support annex contract complementary to the ISDA contract;
- Securities for securities lending transactions.

The tables below detail the financial assets and liabilities covered by a legally enforceable master netting agreement or similar arrangement (in EUR).

Securities guarantees are reported at their valuation value.

	Financial assets subject to offsetting			Offsetting potential		
	Amount before compensation	Balance sheet offsetting with financial liabilities	Net amount recognised	Financial liabilities	Collateral received	Net amount after taking account of offsetting potential
31.12.2023						
Derivatives	127,191,365	-	127,191,365	-80,600,375	-46,590,991	-
Total	**127,191,365**	**-**	**127,191,365**	**-80,600,375**	**-46,590,991**	-
31.12.2022						
Derivatives	136,077,543	-	136,077,543	-95,441,905	-40,635,638	-
Total	**136,077,543**	**-**	**136,077,543**	**-95,441,905**	**-40,635,638**	**-**

Financial liabilities subject to offsetting				Offsetting potential		
	Amount before compensation	Balance sheet offsetting with financial liabilities	Net amount recognised	Financial assets	Collateral received	Net amount after taking account of offsetting potential
31.12.2023						
Derivatives	92,985,589	-	92,985,589	-80,600,375	-12,385,214	-
Total	**92,985,589**	**-**	**92,985,589**	**-80,600,375**	**-12,385,214**	**-**
31.12.2022						
Derivatives	130,844,493	-	130,844,493	-95,441,905	-35,402,588	-
Total	**130,844,493**	**-**	**130,844,493**	**-95,441,905**	**-35,402,588**	**-**

8.25. Hedge accounting – Fair value hedge of interest rate risk

The Bank's exposure to market risks (including interest rate risk) and its approach to managing these risks are discussed in Note 6 "Risk Management". In accordance with the management strategy in place, the Bank concludes interest rate swap agreements to hedge the interest rate risk on fixed-rate bonds using a reference interest rate (mainly Euribor). The reference rate is a component of interest rate risk that can be reliably observed and measured. Hedge accounting is used when economic hedging relationships meet the criteria for hedge accounting. When the Bank wishes to protect itself against changes in fair value related to interest rate risk when purchasing a bond, it enters into an interest rate swap agreement whose essential characteristics correspond perfectly or almost perfectly to those of the security. The Bank prospectively assesses the effectiveness of the hedge by comparing changes in the fair value of the investment in acquired securities resulting from changes in the benchmark interest rate with changes in the fair value of the interest rate swaps used to hedge the exposure.

The hedging ratio is determined by comparing the notional amount of the derivative with the principal amount of the purchased bond or loan granted.

The Bank has identified the following main sources of inefficiency:

- The effect of counterparty credit risk and the Bank's credit quality on the fair value of the interest rate swap, which is not reflected in changes in the fair value of the hedged item due to changes in interest rates;
- Differences in the timing of settlement of hedging instruments and hedged items: due to the micro hedge structures created before the implementation of hedge accounting in accordance with IFRS 9, the interest rate swap contracts already had an existing value as at 31 December 2017, unlike the benchmark bonds created on 1 January 2018, which results in a source of inefficiency. To compare the impact of changes in the fair value of swaps with that of benchmark bonds since the introduction of IFRS 9, the value of swaps is smoothed over its residual term. "Smoothing" is the market value of the hedging instrument (interest rate swap) at 31 December 2017 amortised between that date and the reporting date.

No other sources of ineffectiveness have been identified in these hedging relationships.

At 31 December 2023 and 2022, the weighted average nominal and fixed interest rates of interest rate swaps (IRS) held as fair value hedges of interest rate risk break down as follows by residual maturity (in EUR):

31.12.2023	Less than 3 months	From 3 months to 1 year	From 1 to 5 years	More than 5 years
Hedging of debt instruments				
Notional value	20,000,000	150,000,000	607,982,866	396,100,000
Weighted average fixed interest rate	0.21%	0.29%	0.96%	0.88%
Loan hedging				
Notional value	-	-	25,750,000	14,775,000
Weighted average fixed interest rate	-	-	0.16%	0.45%

31.12.2022	Less than 3 months	From 3 months to 1 year	From 1 to 5 years	More than 5 years
Hedging of debt instruments				
Notional value	37,500,000	39,000,000	843,575,964	509,900,000
Weighted average fixed interest rate	0.23%	0.25%	0.72%	0.57%
Loan hedging				
Notional value	-	-	10,450,000	30,075,000
Weighted average fixed interest rate	-	-	0.59%	0.15%

The following tables detail the hedging instruments, the hedged items and hedging ineffectiveness (in EUR):

31.12.2023	Notional value	Carrying amount Assets	Liabilities	Changes in fair value	Ineffectiveness of the hedge recognised in income[6]
Derivative instrument hedges					
IRS - Hedging of debt instruments	1,234,305,761	-83,490,398	4,409,676	-45,311,438	705,535
IRS - Hedging of loans	44,767,029	-4,242,029	-	-2,184,073	15,259
TOTAL	**1,279,072,789**	**-87,732,427**	**4,409,676**	**-47,495,511**	**720,794**

31.12.2022	Notional value	Carrying amount Assets	Liabilities	Changes in fair value	Ineffectiveness of the hedge recognised in income[7]
Derivative instrument hedges					
IRS - Hedging of debt instruments	1,429,975,964	136,557,107	76,571	139,382,989	-459,555
IRS - Hedging of loans	40,525,000	6,200,611	-	6,058,506	-78,177
TOTAL	**1,470,500,964**	**142,757,718**	**76,571**	**145,441,495**	**-537,732**

(6) After smoothing the market value of the hedging instrument as at 31 December 2017:
total estimated depreciation of EUR 77,844 and impact on the income statement for the year of EUR 1,493

(7) After smoothing the market value of the hedging instrument as at 31 December 2017:
total estimated depreciation of EUR 77,844 and impact on the income statement for the year of EUR 25,995

31.12.2023	Carrying amount	Accumulated fair value adjustments of the hedged item included in the carrying amount	Changes in fair value used to calculate hedge ineffectiveness	Residual adjustment following the discontinuation of hedge accounting
Assets designated as hedged items				
Instruments measured at amortised cost	**852,700,903**	**79,285,765**	**35,407,838**	**-**
Debt instruments	818,177,467	83,346,575	33,208,506	
Loans	34,523,435	-4,060,810	2,199,332	
Debt instruments measured at fair value through other comprehensive income	**295,360,682**	**-**	**15,036,259**	**-**
Debt instruments measured at fair value through other comprehensive income	295,360,682	-	15,036,259	
TOTAL	**1,148,061,585**	**79,285,765**	**50,444,097**	**-**

31.12.2022	Carrying amount	Accumulated fair value adjustments of the hedged item included in the carrying amount	Changes in fair value used to calculate hedge ineffectiveness	Residual adjustment following the discontinuation of hedge accounting
Assets designated as hedged items				
Instruments measured at amortised cost	**883,977,441**	**77,086,433**	**-96,676,663**	**-**
Debt instruments	849,615,122	83,346,575	-90,539,980	-
Loans	34,362,319	-6,260,142	-6,136,683	-
Debt instruments measured at fair value through other comprehensive income	**446,906,890**	**52,442,747**	**-53,236,690**	**-**
Debt instruments measured at fair value through other comprehensive income	446,906,890	52,442,747	-53,236,690	-
TOTAL	**1,330,884,331**	**129,529,180**	**-149,913,353**	**-**

9. Notes
to the income statement

9.1. Interest income and expenses

Details of interest income and expenses by type of financial instrument generating interest income are as follows (in EUR):

	31.12.2023	31.12.2022
Interest income	**228,698,527**	**120,181,176**
Financial assets held for trading	139,724,675	85,047,528
Financial instrument hedges	43,041,716	6,217,502
Financial assets measured at fair value through other comprehensive income	7,773,909	5,110,497
Loans and receivables from credit institutions measured at amortised cost	12,652,182	2,153,775
Loans and receivables from customers measured at amortised cost	15,838,184	8,133,664
Debt instruments measured at amortised cost	9,667,860	7,871,235
Interest income on liabilities	-	5,646,975
Interest expenses	**-203,269,825**	**-104,461,333**
Financial liabilities held for trading	-130,946,229	-79,756,784
Financial instrument hedges	-8,439,564	-8,483,003
Amounts owed to credit institutions	-8,925,298	-1,682,688
Amounts owed to customers	-54,925,913	-11,712,598
Lease liabilities	-32,821	-8,973
Interest expense on assets - Central banks	-	-1,934,652
Interest expense on assets - Other	-	-882,635
Net interest margin	**25,428,702**	**15,719,842**

Negative interest gives rise to interest income mainly on customer deposits and interest expenses on other assets and debt instruments. There is no more negative interest in 2023.

The increase in interest income and expense on financial assets held for trading is mainly due to foreign exchange and interest rate derivatives.

In 2023, the bank no longer charged negative interest to its clients (2022: EUR 5,646,976).

9.2. Dividend income

Dividend income by category of financial assets is detailed below (in EUR):

	31.12.2023	31.12.2022
Financial assets held for trading	11	3
Financial assets designated at fair value through profit and loss	44,823	2,406,313
Financial assets designated at fair value through comprehensive income	8,001	157
Holdings	-	-
TOTAL	**52,835**	**2,406,473**

At 31 December 2023, dividends of EUR 44,823 on financial assets measured at fair value through profit or loss were received from GREEN IV.

At 31 December 2022, dividends on financial assets measured at fair value through profit or loss were mainly received from BDG Appalaches.

9.3. Commissions received and paid

The commissions received and paid are distributed on the basis of the following services (in EUR):

	31.12.2023	31.12.2022
Commissions received	**302,685,259**	**341,277,508**
Investment fund activities - Custodian bank	14,775,503	17,153,609
Investment fund activities - Central government	27,778,233	28,633,664
Investment fund activities - Other	193,557,957	224,095,142
Asset management	7,609,968	8,495,667
Brokerage and securities-related activities (other than custody fees)	39,554,959	43,263,486
Securities-related activities (other than custody fees)	-	-
Custodian fees	12,727,021	13,381,222
Other	6,681,616	6,254,718
Commissions paid	**-214,586,351**	**-245,795,503**
Investment fund activities - Central government	-	1,800
Investment fund activities - Other	-177,864,504	-206,021,790
Brokerage and securities-related activities (other than custody fees)	-28,351,192	-32,401,545
Custodian fees	-5,143,355	-5,720,017
Other	-3,227,300	-1,653,951
Net fees & commissions	**88,098,908**	**95,482,005**

The decrease in 2023 in brokerage and securities-related fees received and paid is explained by the decrease in the number of transactions carried out by customers, both private and institutional.

The heading “Investment-fund related activities - Other” consists essentially of distribution commissions and management fees.

The decrease in custodian fees (received and paid) is mainly due to the decrease in securities held on behalf of clients.

9.4. Gains or losses on financial instruments held for trading, net

The table below breaks down the gains and losses on held-for-trading financial instruments by type of financial instrument (in EUR):

	31.12.2023	31.12.2022
Equity instruments and related derivatives	-207,013	-454,283
Interest rate instruments and associated derivatives	-1,783,180	1,093,116
Foreign exchange transactions	8,252,116	13,218,073
TOTAL	**6,261,923**	**13,856,906**

All interest on financial instruments is recorded in interest income on financial instruments held for trading. The above-mentioned gains and losses include the revaluation to fair value of these financial instruments as well as the realised results.

The fall in net income is partly offset by the rise in net margin on these products (see Note 9.1).

9.5. Net gains or losses on financial instruments that must be measured at fair value through profit or loss

The results on financial instruments designated at fair value through profit or loss are broken down as follows by type of financial instrument (in EUR):

	31.12.2023	31.12.2022
Equity instruments	-272,106	-265,182
Debt instruments - UCI units	-119,688	206,927
Commodities and related derivatives	50,353	160,578
TOTAL	**-341,441**	**102,324**

Equity instruments relate to Private Equity funds.

Most of the gains recorded on other instruments at 31 December 2023 and 2022 relate to liquidation bonuses paid for Group funds.

9.6. Net gains or losses on financial instruments not measured at fair value through profit or loss

The results on financial instruments not measured at fair value through profit or loss are broken down as follows by type of financial instrument (in EUR):

	31.12.2023	31.12.2022
Financial assets measured at fair value through other comprehensive income	889,681	-759,606
Debt instruments measured at amortised cost	-27,817	-40,308
TOTAL	**861,864**	**-799,914**

All interest received and paid on financial instruments is recorded in interest income. The revaluation at fair value is recognised in shareholders' equity in accumulated other comprehensive income. Only realised results related to these instruments are included in this item.

The increase in income in 2023 is mainly due to capital gains on bond sales.

9.7. Net income from hedge accounting

Gains and losses on hedging instruments break down as follows (in EUR):

	31.12.2023	31.12.2022
Net income on hedged financial instruments for the portion attributable to interest rate risk	50,444,097	-149,913,352
Net realised income on hedging derivatives	-50,320,196	149,411,671
Net income from financial assets at amortised cost - Asset portfolio	-5,040,159	13,875,960
Net realised gain/(loss) on hedging derivatives - Asset portfolio	5,362,062	-13,815,909
TOTAL	**445,804**	**-441,630**

Net income on the hedged financial instruments for the portion attributable to interest rate risk includes only the change in fair value related to the interest rate risk of the bonds designated as hedged items. Interest on hedged financial instruments is recognised in interest income and expenses.

Realised gains and losses on hedged bonds measured at amortised cost or at fair value through other comprehensive income are recognised in "Net gain or loss on financial instruments not measured at fair value through profit or loss".

Net income on financial assets at amortised cost - Portfolio of assets includes the change in fair value of financial assets at amortised cost comprising a portfolio of fixed-rate loans granted to customers by the Bank.

Net income on interest rate swaps designated as hedging items includes revaluation results and realised results; interest is recognised in interest income and expenses.

9.8. Other net operating income

Other operating income or expenses, net break down as follows (in EUR):

	31.12.2023	31.12.2022
Other operating income	**12,731,903**	**8,237,570**
Rental income	1,841,223	1,880,258
Recovery of miscellaneous charges	8,752,937	4,447,984
Miscellaneous	2,137,743	1,909,328
Other operating expenses	**-496,759**	**-1,714,170**
Miscellaneous	-496,759	-1,714,170
Other net operating income	**12,235,144**	**6,523,400**

At 31 December 2023, the increase in "Recovery of miscellaneous expenses" under other operating income is mainly due to an amount of EUR 5,566,861 (2022: EUR 2,000,000) relating to the re-invoicing of intra-group costs in connection with services provided to the parent company.

The "Miscellaneous" item under other operating income mainly comprises an amount of EUR 1,120,756 (2022: EUR 854,190) which relates to a VAT refund and other miscellaneous income.

At 31 December 2022, "Miscellaneous" under other operating expenses mainly comprised a fine from the CSSF amounting to EUR 1,560,000.

9.9. Staff expenses

Staff expenses comprise the following (in EUR):

	31.12.2023	31.12.2022
Wages and salaries	-46,290,133	-40,258,554
Social security, social insurance and supplementary insurance	-5,017,895	-4,291,235
Pension-related expenses	-1,285,984	-1,338,087
Employee benefits related to the incentive plan	-	-
Other costs	-942,312	-1,536,833
TOTAL	**-53,536,324**	**-47,424,709**

Note 11 provides information on benefits granted to staff and on the profit sharing plan.

The average number of staff employed is as follows:

	31.12.2023	31.12.2022
Management	11	10
Senior executives	204	194
Employees	209	197
TOTAL	**424**	**401**

The amount of remuneration allocated during the financial year to the members of the management bodies (Board of Directors and Executive Committee) amounts to (in EUR):

	31.12.2023	31.12.2022
Directors	-514,000	-467,544
Management	-4,437,030	-5,209,485
TOTAL	**-4,951,030**	**-5,677,029**

At 31 December 2023 and 31 December 2022, there were no loans or advances granted to directors. As at 31 December 2022, other commitments granted to directors stood at EUR 2,960 (2021: EUR 2,960).

No advances or commitments were granted to members of the management body in 2023 or 2022.

9.10. General and administrative expenses

General and administrative expenses break down as follows (in EUR):

	31.12.2023	31.12.2022
Marketing, advertising and public relations	-1,234,057	-758,847
Professional fees	-11,115,605	-6,302,894
Operating leases	-1,921,266	-2,240,099
IT and telecommunications expenses	-11,315,076	-18,898,342
Repair and maintenance	-2,721,270	-648,545
Other general and administrative expenses	-29,531,419	-21,222,144
TOTAL	**-57,838,693**	**-50,070,871**

"Other general and administrative expenses" mainly include entertainment and travel expenses, supplies and documentation, training expenses, and contributions and insurance other than those related to staff. At 31 December 2023, the contribution of EUR 1,504,532 to the national resolution fund (2022: EUR 1,648,488) and the provision of EUR 49,598 to the deposit guarantee fund (2022: EUR 76,483) are also included in this item.

The re-invoicing of support costs by Banque Degroof Petercam S.A. in the amount of EUR 14,981,299 (2022: EUR 12,076,183) is recorded under "Other general and administrative expenses": the change is due in particular to the increase in re-invoiced IT costs.

For leases registered in accordance with IFRS 16 from 1 January 2019, the Bank recognises depreciation on rights of use rather than rentals received, as described in Note 5.4 of the accounting principles. At 31 December 2023, just as at 31 December 2022, the "Operating leases" item includes lease payments associated with leases considered low-value contracts.

At 31 December 2023, the decrease in IT and telecommunication expenses is due to the discontinuation of the project to implement the new banking platform (Avaloq), decided in September 2023.

Fees recognised for services invoiced to the Bank during the year by the audit firm are as follows (excluding VAT, in EUR):

	31.12.2023	31.12.2022
Legal and contractual audit of the consolidated annual accounts	-372,103	-351,331
Other insurance services	-86,552	-199,827
Tax advisory services	-	-
Other services	-5,866	-5,382
TOTAL	**-464,521**	**-556,540**

Other services include a report on agreed procedures.

Data for the 2021 financial year has been reclassified for the purposes of comparability with the data for the 2022 financial year.

9.11. Depreciation of property, plant and equipment and intangible assets

During the financial period ended 31 December 2023, depreciation of property, plant and equipment amounted to EUR 2,786,016 (2022: EUR 3,388,607) and amortisation of intangible assets amounted to EUR 2,119,917 (2022: EUR 2,450,076).

A breakdown of this depreciation and amortisation by asset category is given in notes 8.10 and 8.11.

9.12. Provisions

In 2023, a reversal of provisions for litigation in the amount of EUR 100,000 was recorded, while in 2022 a charge of EUR 150,000 was recorded.

At 31 December 2023, provisions consist mainly of a reversal of the provision for reserved interest on loans, booked in the amount of EUR 401,806 (2022: EUR 76,911).

With regard to ECL calculated on loan commitments given and financial guarantees, at 31 December 2023 there is a reversal of provision of EUR 1,795 and EUR 3,204 at 31 December 2022.

9.13. Net impairment of assets

The net impairment of assets breaks down as follows (in EUR):

	31.12.2023	31.12.2022
Interbank loans and receivables	590	420
Loans and receivables from customers	-2,549,211	-413,065
Debt instruments measured at fair value through other comprehensive income	28,489	-26,711
Debt instruments measured at amortised cost	25,381	-21,356
Intangible assets	-	-
Property, plant and equipment (Oeuvres d'Art)	-	6,457
TOTAL	**-2,494,751**	**-467,169**

Details of changes in impairment on loans and receivables are provided in Note 8.8.

9.14. Income tax expense

The net tax expense is explained as follows (in EUR):

	31.12.2023	31.12.2022
Income taxes for the year	3,958,386	7,938,156
Deferred taxes	-214,596	-227,799
Tax on income for the financial year	**3,743,790**	**7,710,357**
Reversal of previous years' provisions	-294,279	-43,597
Net income tax expense	**3,449,511**	**7,666,760**

At 31 December 2023, the bank had not provided for any current taxes for the 2023 fiscal year.

The Bank's loss for 2023 has been fully absorbed by the results of the Luxembourg division under the tax consolidation regime, and has not given rise to the recognition of deferred taxes (Note 8.8).

At 31 December 2023, the deferred tax amounts are due to balance sheet movements included under “Current and deferred tax liabilities” (Note 8.19) for EUR 221,700 (2022: EUR 221,138) and movements relating to the revaluation reserve (Note 8.6) for EUR -7,105 (2022: EUR 6,660).

The following table shows the reconciliation (in EUR) of the standard tax rate in Luxembourg of 24.94% with the Bank’s effective tax rate. It should be noted that the effective tax rate for the Luxembourg consolidated division at 31 December 2023 and 2022 is 25.43% and 26.77% respectively.

	31.12.2023	31.12.2022
Earnings before taxes	14,664,151	28,807,451
Tax rate applicable at the end of the year	24.94%	24.94%
Notional tax on profit	**3,657,239**	**7,184,578**
Effect of tax rate differences in other jurisdictions	-1,952	-2,145
Tax effect of non-deductible expenses	122,945	608,430
Tax effect of non-taxable income	516,832	108,929
Deductible tax expenses	-	-
Effect of other items	-551,274	-189,435
Tax on income for the financial year	**3,743,790**	**7,710,357**
Average effective tax rate	**25.53%**	**26.77%**

9.15. Other comprehensive income items

Other components of comprehensive income consist of results not recognised through profit and loss.

As at 31 December 2023 and 2022, other comprehensive income consists solely of unrealised gains and losses on the revaluation of the portfolio of financial assets measured through other comprehensive income shown in the table below in EUR. These results recognised directly in equity (Note 8.6) are likely to be recognised in the income statement in a subsequent financial year.

	31.12.2023	31.12.2022
Debt instruments	**-401,548**	**-2,700,638**
Fair value adjustment before taxes	90,137,029	-50,284,175
Transfer from reserve to pre-tax profit		
Reversal of reserve following disposals/repayments	-51,672,210	-1,718,881
Changes in fair value related to interest rate risk	-38,971,299	48,378,372
Expected credit losses	-28,489	26,711
Taxes charged directly to the income statement	7,105	-6,660
Taxes charged directly to reserves	126,316	903,995
Equity instruments	**34,508**	**-**
Fair value adjustment before taxes	45,974	-
Transfer from reserve to pre-tax profit		
Reversal of reserve following disposals/repayments	-	-
Taxes charged directly to reserves	-11,466	-
Result realised on FVOCI portfolio charged to shareholders’ equity	-	-
TOTAL OTHER COMPREHENSIVE INCOME	**-367,040**	**-2,700,638**

10 Rights and commitments

10.1. Assets in open custody

Assets in open custody are basically transferable securities that have been entrusted for safekeeping by clients, regardless of whether or not the holder's free disposition is limited or whether the securities are covered by an asset management agreement with the Luxembourg division. These assets are measured at fair value.

The Luxembourg Division's assets in open custody as at 31 December 2023 and 2022 amounted to EUR 51,962,224,466 and EUR 65,919,619,246, respectively.

10.2. Guarantees given

At 31 December 2023, the Bank had issued bank guarantees in the amount of EUR 9,891,966 (2022: EUR 9,088,161).

As at 31 December 2023, the amounts of cash and securities given as collateral amounted to EUR 40,708,261 and EUR 59,974,137, respectively, in the context of derivative transactions for own account and for the account of customers (2022: EUR 48,103,816 and EUR 34,430,000).

In 2023, EUR 1,949,576 (2022: EUR 2,036,246) was pledged as collateral for a credit line received.

10.3. Guarantees received

Total guarantees received in the form of assets, sales of assets and guarantees in connection with loans granted to clients, securities lending and derivative transactions amounted to EUR 623,631,636 as at 31 December 2023 (2022: EUR 793,921,960). Among these guarantees, EUR 622,895,601 (2022: EUR 790,090,855) consist of mortgages and pledges of cash and securities.

10.4. Commitments

The Bank is committed to meet the credit lines granted to customers for which the unused amount as at 31 December 2023 was EUR 60,683,210 (2022: EUR 139,482,767).

As at 31 December 2023, other commitments, including commitments to subscribe to private equity funds (note 8.5), amounted to EUR 3,401,767 (2022: EUR 3,094,954).

As at 31 December 2023, the amount of fiduciary transactions was EUR 1,401,357 (2022: EUR 17,151,816).

As at 31 December 2022, the Bank received a credit line of EUR 163,574,660 for its settlement activity.

The Law on measures for the resolution, reorganisation and liquidation of credit institutions and certain investment firms and on deposit guarantee and investor compensation schemes ("the Law"), transposing into Luxembourg law Directive 2014/59/EU establishing a framework for the reorganisation and resolution of credit institutions and Directive 2014/49/EU on deposit guarantee and investor compensation schemes, was adopted on 18 December 2015.

The deposit guarantee and investor indemnification system in force until now, run by the AGDL (Association pour la Garantie des Dépôts Luxembourg) will be replaced by a new contribution-based deposit guarantee and investor compensation system. The new system will guarantee all eligible deposits of a single depositor up to EUR 100,000 and investments up to EUR 20,000. The law also provides that deposits deriving from specific transactions, fulfilling a social purpose or linked to particular life events will be protected over and above EUR 100,000 for a period of twelve months.

The amount of financial resources of the Luxembourg Resolution Fund (FRL) must reach, by the end of 2024, at least 1% of the guaranteed deposits, as defined in Article 1, number 36 of the Law, of all credit institutions authorised in all participating Member States. This amount will be collected from credit institutions through annual contributions during the years 2015 to 2024.

The target level of the financial resources of the FGDL (Fonds de Garantie des Dépôts Luxembourg or Luxembourg Deposit Guarantee Fund) has been set at 0.8% of the member institutions' guaranteed deposits as defined in Article 163 no. 8 of the Act and was reached at the end of 2018 through the annual contribution.

When the 0.8% level was reached, Luxembourg credit institutions continue to contribute for a further 8 years in order to provide an additional cushion of 0.8% of the guaranteed deposits as defined in Article 163 No. 8 of the Law.

During the year, the Bank paid annual contributions to the FGDL of EUR 49,598 (2022: EUR 76,483) and to FRL of EUR 1,941,331 (2022: EUR 1,939,397).

11. Employee benefits and stock-based remuneration plans

11.1. Post-employment benefits

Post-employment benefits consist of defined contribution pension plans. The contributions expense during this financial year was EUR 1,285,984 (2022: EUR 1,338,087).

11.2. Group incentive plans

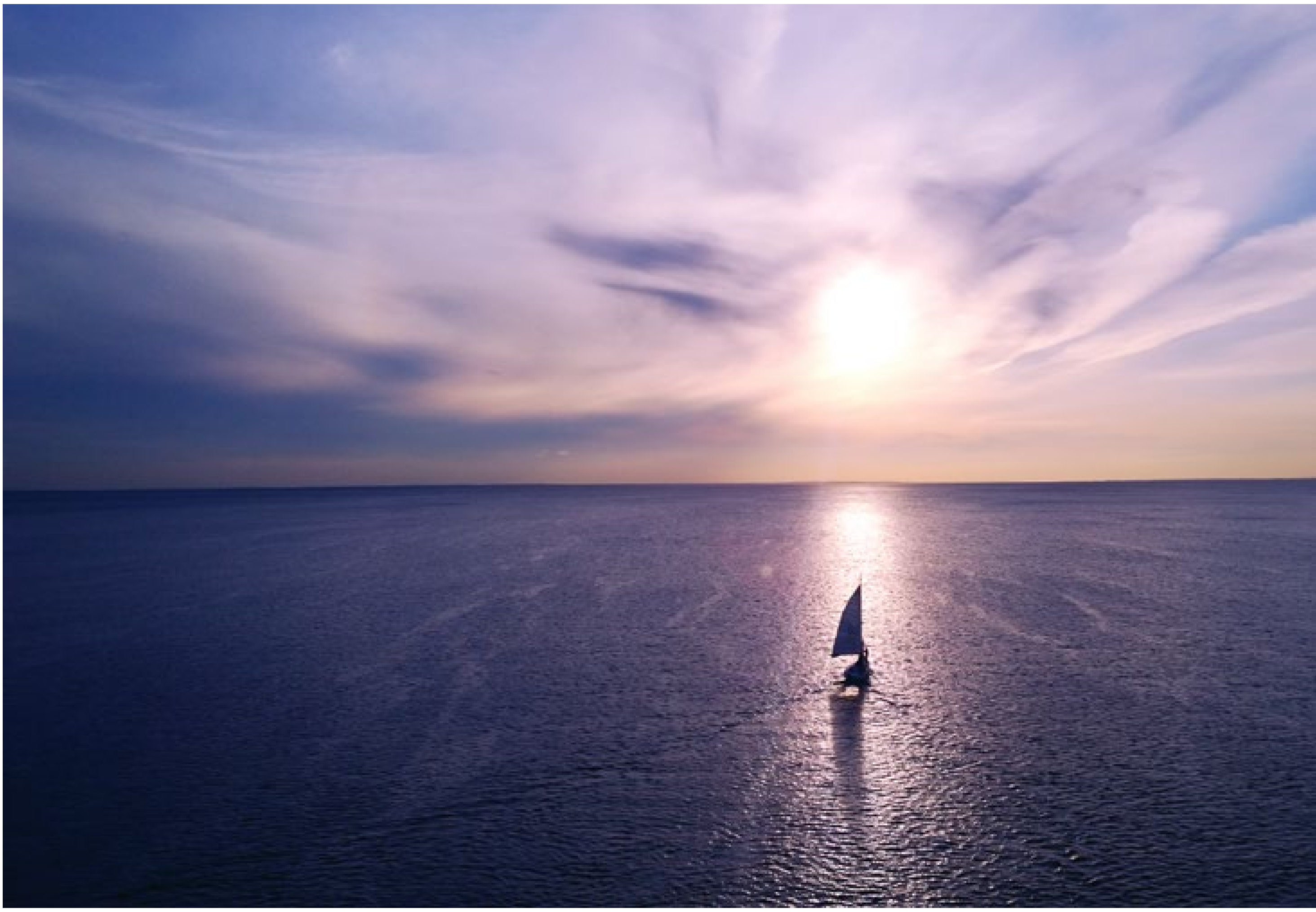
Banque Degroof Petercam S.A. has issued several incentive plans in recent years, for the benefit of either the directors or senior managers of the Banque Degroof Petercam Group, or both simultaneously, in order to increase their loyalty and align their interests with those of the Banque Degroof Petercam Group. These plans are drawn up in accordance with local legal provisions. No amount was recorded in 2023 and 2022.

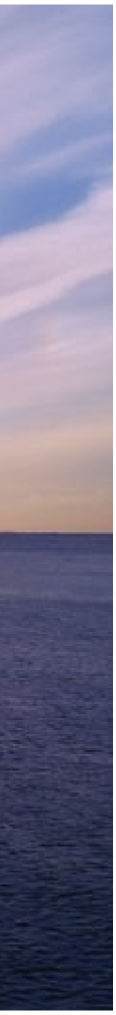
The incentive plans issued include plans that will be settled in cash and plans that will be settled in shares. Over the past two years, the Bank has not issued any plans.

12. Related parties

The Luxembourg Division's related parties are the associates, members of the Board of Directors and other executives of the Bank and its subsidiaries ("key management"), as well as close family members of the aforementioned persons and any company controlled or significantly influenced by one of the aforementioned persons.

The tables below summarise, by nature, the transactions that have been carried out with related parties of the Banque Degroof Petercam S.A. Group (in EUR):





31.12.2023

Balance sheet	Parent company	Key executives	Associates	Other related parties	Total
Current account advances	4,297,177	-	1,336,534	-	5,633,711
Term loans	-	417	8,526	-	8,943
Other assets	7,950,724	-	-	105,144	8,055,868
TOTAL ASSETS	**12,247,901**	**417**	**1,345,060**	**105,144**	**13,698,522**
Term deposits	2,600	2,272,289	191,795	6,081	2,472,765
Repos	-	-	-	-	-
Other liabilities	70,221,177	-	-	-	70,221,177
TOTAL LIABILITIES	**70,223,777**	**2,272,289**	**191,795**	**6,081**	**72,693,942**
Guarantees given	**57,475**	**2,960**	**-**	**-**	**60,435**
Guarantees received	**-**	**-**	**-**	**-**	**-**

31.12.2023

Balance sheet	Parent company	Key executives	Associates	Other related parties	Total
Income statement					
Financial expenses	-105,278	78,648	7,288	178	-191,392
Fees and commissions	-122,164,627	-	-	-42,434,904	-164,599,531
Staff expenses	-	-4,951,030	-	-	-4,951,030
Other	-14,981,299	1,004	-	-46,905	-15,029,208
TOTAL EXPENSES	**-137,251,204**	**-5,030,682**	**-7,288**	**-42,481,987**	**-184,771,161**
Interest income	97,382	141	212,718	119,230	429,471
Fees and commissions	-	49,649	3,350	8,372,543	8,425,542
Dividends	-	-	-	-	-
Other	6,035,033	241	5,250	64,544	6,105,068
TOTAL REVENUES	**6,132,415**	**50,031**	**221,318**	**8,556,317**	**14,960,081**

31.12.2022

Balance sheet	Parent company	Key executives	Associates	Other related parties	Total
Current account advances	5,531,609	4,041	1,193,077	-	6,728,727
Term loans	-	-	4,769,157	-	4,769,157
Other assets	4,560,056	-	-	127,368	4,687,424
TOTAL ASSETS	**10,091,665**	**4,041**	**5,962,234**	**127,368**	**16,185,308**
Term deposits	1,860	6,215,341	536,825	5,903	6,759,929
Other liabilities	64,370,712	-	-	-	64,370,712
TOTAL LIABILITIES	**64,372,572**	**6,215,341**	**536,825**	**5,903**	**71,130,641**
Guarantees given	**61,225**	**-**	**774,065**	**-**	**835,290**
Guarantees received	**-**	**-**	**-**	**-**	**-**

31.12.2022

Balance sheet	Parent company	Key executives	Associates	Other related parties	Total
Income statement					
Financial expenses	-7,292	5,694	816	3,191	-16,994
Fees and commissions	-124,172,072	-	-	-39,426,954	-163,599,026
Staff expenses	-	-5,677,028	-	-	-5,677,028
Other	-12,076,183	-	-	-206,500	-12,282,683
TOTAL EXPENSES	**-136,255,546**	**-5,682,722**	**-816**	**-39,636,646**	**-181,575,730**
Interest income	7,690	13,641	121,821	76,688	219,840
Fees and commissions	20,000	30,395	3,100	8,986,343	9,039,838
Dividends	-	-	-	-	-
Other	2,620,250	-	5,250	-	2,625,500
TOTAL REVENUES	**2,647,940**	**44,036**	**130,171**	**9,063,031**	**11,885,178**

All transactions with related parties included in the above tables were carried out under normal market conditions.

Key management personnel costs break down as follows (in EUR):

	31.12.2023	31.12.2022
Short-term personnel benefits	-4,625,832	-5,245,844
Post-employment employee benefits	-275,198	-381,185
Employee benefits related to the incentive plan	-	-
TOTAL	**-4,901,030**	**-5,627,029**

13 Geographical information

The Bank and its main subsidiaries are based in Luxembourg.

The tables below summarise the Group's main information by country in which the subsidiaries are domiciled (in EUR):

31.12.2023

	Average number of FTE employees	Net revenues	Profit or loss before tax	Taxes on income
Luxembourg	421	128,503,042	11,410,631	-3,449,513
Belgium	3	4,540,697	3,253,521	-555,755
TOTAL	**424**	**133,043,739**	**14,664,151**	**-4,005,267**

31.12.2022

	Average number of FTE employees	Net revenues	Profit or loss before tax	Taxes on income
Luxembourg	398	128,124,783	26,161,620	-6,996,792
Belgium	3	4,724,624	2,645,831	-669,968
TOTAL	**401**	**132,849,407**	**28,807,451**	**-7,666,760**

14 Post-balance sheet events

There are no subsequent events that could have an impact on these financial statements.

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