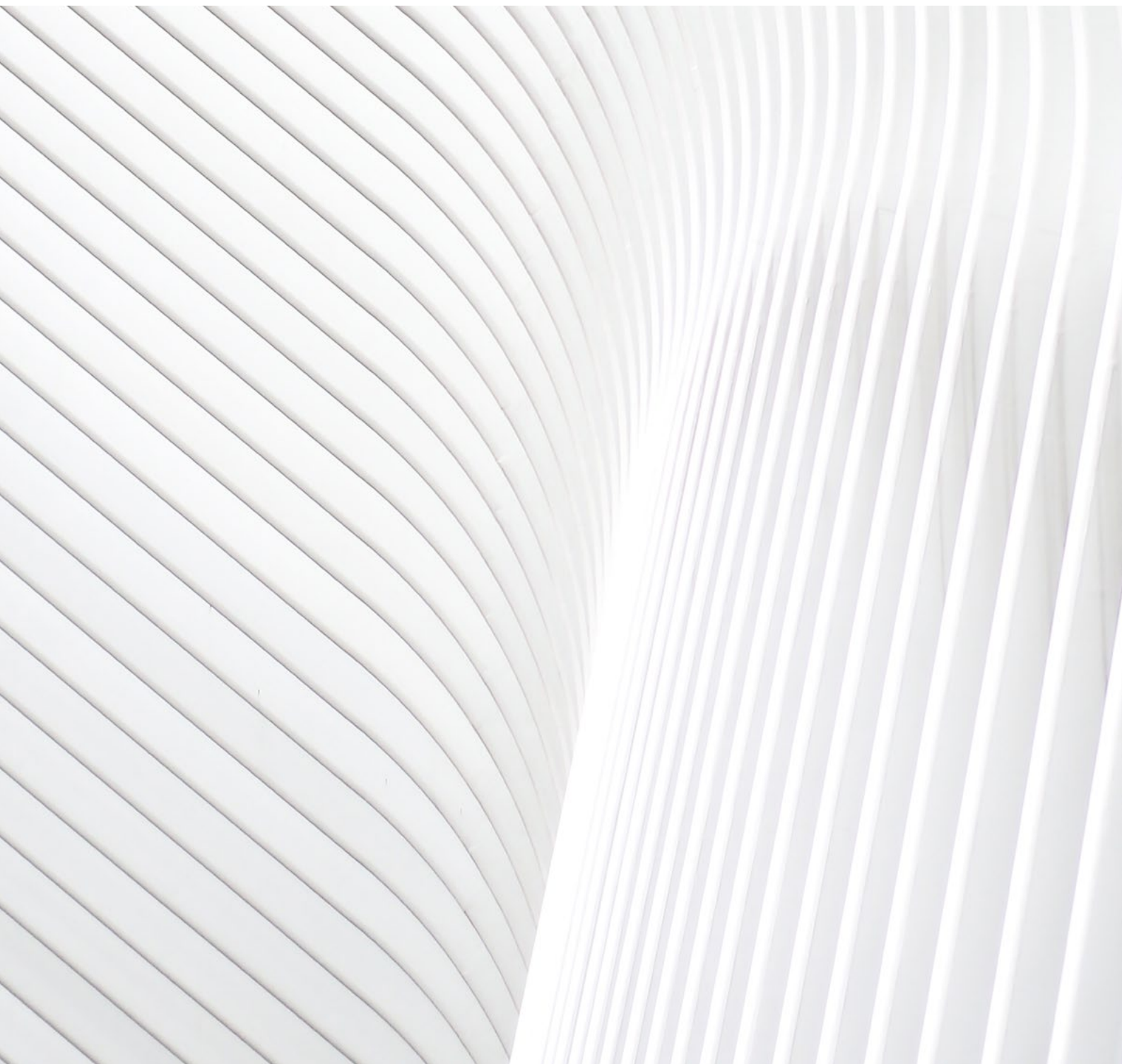


**Make a Mark**  
2019 in brief



« If I have seen further  
it is by standing on the  
shoulders of Giants. »



**Sir Isaac Newton** was an English mathematician, physicist, astronomer, theologian, and author who is widely recognized as one of the most influential scientists of all time and as a key figure in the scientific revolution.

We make a mark for future generations fostering a sustainable economy by unlocking long-term economic and societal value. We build our expertise on a rich legacy combining visionary founders, successive generations of dedicated leaders and colleagues, and 150 years of bespoke client service.



A conversation with our Chairman, Ludwig Criel,  
and our CEO, Bruno Colmant

“Since its foundation in 1871, Degroef Petercam has experienced many complex periods. Our strength today is based on that experience, together with the expertise and commitment of all our colleagues.”

**You have been the new CEO since August 2019. As CEO, what is your initial impression of the group?**

**Bruno Colmant:** It is an incredible honor to be called upon to be CEO of a company like Degroef Petercam, and I am fully aware of the responsibility that comes with the job. We are proud to rely on a rich history of nearly 150 years. The group always managed to consistently reinvented itself through the efforts of generations of inspiring, visionary entrepreneurs. We are the reference investment partner for institutions and companies. Throughout all these decades, we have been protecting what families have built up and passed on from generation to generation.

**What are the highlights of the past year?**

**Bruno Colmant:** Our performance in 2019 was moderate, with a number of ups and downs. Our clients enjoyed solid returns, our activities improved overall and institutional management set a new record in capital inflows during the year. 2019 was however also marked by some administrative headwinds.

**Ludwig Criel:** Like all Belgian financial institutions, we had to review certain procedures to ensure that they comply with increasingly stringent regulations, in particular those relating to the fight against money laundering. This obligation to carefully document our relationship with our clients implied that in certain





*Ludwig Criel, Chairman, and Bruno Colmant, CEO*

cases we had to complete their files with additional documents.

This was a cumbersome process for some clients, and we are sorry for that. We took a vigorous approach to the situation and today it looks like it is well under way to be solved. By the way, I remain convinced that these regulatory requirements further strengthen our relationship with our clients as we will know them even better, which will help us providing them with the best services.

#### **Which developments have you seen in your commercial activities in 2019?**

**Bruno Colmant:** As at 31 December 2019, total client assets amounted to 74.7 billion euros, up from 63.2 billion euros last year, an increase of more than 18%. While the general trend in assets managed for private clients lagged somewhat due to the administrative requirements that had to be met, fund distribution and institutional mandates set a new record in terms of net inflows, demonstrating the trust our clients place in us. Degroof Petercam Asset Management booked a net capital inflow of 2.1 billion euros and

received numerous awards for the quality of its management and the investment performances of its funds. Incidentally, I am pleased to note that the share of investments in our sustainability strategies has continued to rise this year.

In a climate of falling interest rates, our results are determined mainly by our fee-generating activities. In 2019, for example, our institutional asset management and Asset Services activities were the main drivers of our results. Revenue from Private Banking declined slightly compared to 2018, as did Investment Banking, which noted a slight decline compared to the record performance of the previous year. With 90 mandates in advisory, M&A and capital market transactions in 2019, Degroof Petercam consolidated its leading position in the field of investment banking, in particular for medium-sized companies. In addition, a significant exit transaction also generated strong growth for Private Equity.

#### How is the group's profitability and financial position?

**Bruno Colmant:** Let us not deny it: we faced an exceptional level of expenses in 2019. On 31 December 2019, our gross operating result amounted to 84.4 million euros. After taxes and extraordinary items, the consolidated net profit amounted to 20.2 million euros.

The significant year-on-year decrease is mainly attributable to a sharp increase in the cost of our technological transformation and expenses related to the regulatory remediation process.

**Ludwig Criel:** This does not detract from the fact that our group is still one of the most financially sound banks in Europe and that we have ample liquidity at our disposal. As at 31 December 2019, our legal core capital ratio amounted to more than 19%, well above the minimum ratios imposed by the regulatory authorities.

Our balance sheet total exceeds 8 billion euros, of which 5 billion euros of highly liquid assets. Our bank is extremely well capitalized, thanks to a conservative approach in the management of our group and our activities.

“Our bank is extremely well capitalized, thanks to a conservative approach in the management of our group and our activities.”

## Imagine Tomorrow. Since 1871.

**How is the group positioned in the context of the coronavirus pandemic and what do you see in the future?**

**Bruno Colmant:** Markets have fallen sharply as a result of the coronavirus crisis and all countries in Europe have been in almost full lockdown. Since its foundation in 1871, Degroef Petercam has experienced many complex periods. Our strength today is based on that experience, together with the

expertise and commitment of our staff members.

During this period, virtually all of our employees have been able to work from home without any disruption to our business, thanks to the forward-thinking approach and the mobilization of our IT teams. Now more than ever, we remain calm and we are taking all the necessary precautions.

**Ludwig Criel:** We will overcome this unprecedented health crisis by demonstrating solidarity, by fully engaging alongside our clients, by demonstrating the perfect cohesion between our activities and by relying on our independence, which is essential to remain agile in these difficult times. I would like to thank our directors and family shareholders for their unwavering support. My confidence stems from my firm belief in our uniqueness and our core strengths, as well as from the conviction that we create added value for our clients, that our company can adapt and that we are ready for the future. We can be proud of who we are and what we stand for.

To conclude, I would like to express my sincere thanks to our clients for their trust in us. I would also like to express my heartfelt thanks to our 1,422 staff members, who work hard every day to make a difference for our clients.

We continue to  
make a mark.

Together.  
For our clients.  
For society.  
For future generations.  
For ourselves.

**Net income**

in million EUR

480.6

2018: 454.8

**Gross operating profit**

in million EUR

84.4

2018: 111.9

**Consolidated net profit**

in million EUR

20.2

2018: 56.8

**Total client assets**

in billion EUR

	2019		2018	
	Gross	Net*	Gross	Net*
Assets under management **	60.0	60.0	50.5	50.5
Assets under administration ***	40.5	8.5	34.9	7.2
Assets under custody ****	89.3	6.2	78.1	5.5
<b>Total client assets</b>		<b>74.7</b>		<b>63.2</b>

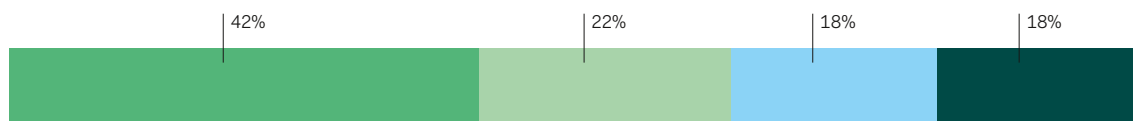
\* Excluding double counting.

\*\* Management and credit services.

\*\*\* Administrative services, including fund accounting, fund directing, registration and set up new funds, transfer agent, etc.

\*\*\*\* Custody services, including recording, holding and custody through securities and cash accounts.

## Breakdown of operating income



- Private Banking (including Credits and Private Equity)
- Asset Management
- Asset Services
- Investment Bank

## Capital structure at 31.12.2019



- DSDC\*
- Petercam Invest\*
- Financial partners
- Management and staff
- Own shares

Total number of shares: **10,842,209**

\*Family and reference shareholders.

DSDC : families Philippon, Haegelsteen, Schockert and Siaens, CLdN Finance and Cobepa.

Petercam Invest: Peterbroeck and Van Campenhout families.

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## Board of directors

**Chairman of the board of directors**

Ludwig Criel\*

**Chairman of the executive committee**

Bruno Colmant

**Directors-members of the executive committee**

Nathalie Basyn

Gautier Bataille de Longprey

Benoît Daenen

Gilles Firmin

François Wohrer

**Directors**

Yvan De Cock\*

Miguel del Marmol

Jean-Baptiste Douville de Franssu

Jean-Marie Laurent Josi

Véronique Peterbroeck

Alain Philippson\*\*

Jacques-Martin Philippson

Kathleen (Cassy) Ramsey\*

Alain Schockert

Frank van Bellingen

Guido Vanherpe\*

\*Independent director

\*\*Until 31/12/2019



## Staff count

in FTE

# 1,422

2018: 1,412

## Breakdown by country of staff count

in FTE

	31.12.2019	31.12.2018
● Belgium*	887	896
● Luxembourg	357	345
● France	100	90
● Spain	57	59
● Switzerland	21	22

\* Including branches in Germany, Italy and the Netherlands.

# Private banking

**38.4 billion euros managed for private clients (gross).**

**Focus on continued improvement of the client documentation process and of the internal control framework.**

## Enlarged footprint through:

- the opening of two new offices in Wemmel and Turnhout and the recruitment of private bankers to support growth;
- the organization of major high-level events in the Degroof Petercam communities such as the eighth edition of Degroof Petercam Business Day for entrepreneurs, the Expert Highlights sessions to share views on financial markets and a trans generational event on Impact investing.

**Launch of an advisory digital platform, enabling subscribers to adapt the composition and allocation of their fund portfolio on line.**

**Above-average returns of portfolios (first quartile).**

**Innovative services that contributed to growth:**

- Private Equity projects;
- 100% socially responsible mandates for clients in discretionary management;
- Family Office service dedicated to large families with complex assets;
- Dedicated solutions for FBO (Family Business Owners), combining Private Banking and Corporate Finance.

“With our thirteen office in Belgium, we are moving closer to our clients.”

Opening of new offices in Wemmel and Turnhout



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# Credits

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Net increase in the volume of the credit portfolio to 2.2 billion euros.

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Slight decline in average credit margins despite the competitive credit environment.

---

Continued strong dynamics in credits in Belgium, Luxembourg and France.

---

Excellent quality of the credit portfolio.

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Further development of the Lombard credits offering granted to Belgian, Luxembourg and French clients as an alternative to traditional mortgage loans.



2.2  
billion euros

Credits

# Degroof Petercam Asset Management

39.2 billion euros of assets under management (gross), with a net capital inflow of 2.1 billion euros.

Management of nearly 300 institutional mandates, including a new major mandate granted in France.

Ongoing international expansion, with almost 70% of net new cash stemming from outside Belgium.

Significant inflows in different European strategies and global equities, bonds (global unconstrained, high yield and emerging market debt in local currency) and sustainable strategies across different asset classes and themes.

Launch of a new aggregate bond strategy that focuses on sustainability in terms of climate trends.

Buy-side research team of equity and credit analysts drawing up a recommendation list for more than 100 European and US equities and covering more than 500 high yield and investment grade corporate bonds.

Numerous awards for quality of the management and investment performances:

- L'Echo/De Tijd in Belgium: Super Award for the best equity and bond manager over five years;
- Scope Awards in Germany: best asset manager bond fund;
- SRI Awards in Italy: best SRI assets management firm;
- ALFI in Luxembourg: European Distribution Award in the category Fastest Riser in ESG.

Super Award  
for the best  
equity and bond  
manager over  
five years

L'Echo/De Tijd  
in Belgium

Best SRI  
assets  
management  
firm

Scope Awards  
in Italy

Best asset  
manager  
bond fund

Scope Awards  
in Germany



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# Asset Services

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40.5 billion euros assets under administration and/or custody (gross).

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Cross-border migration of an additional sub-fund onto the proprietary custody platform (203 million euros).

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Set-up of around 40 new funds under Luxembourg or Belgian law.

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Launch of five private equity funds with total commitments of 306 million euros.

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Operational onboarding of Belgian funds managed and distributed by Degroof Petercam Asset Management (8.5 billion euros) which were migrated on January 2, 2020.



40.5  
billion euros

Assets under  
administration  
and/or custody

# Investment Banking

90 mandates in mergers & acquisitions (M&A), capital markets transactions and advisory, confirming Degroof Petercam's leading position in investment banking services, especially for mid-size companies.

Expansion of sell-side research to a broader client base in Spain and the United States.

38 M&A mandates totaling 2.3 billion euros of which 13 in Belgium, 23 in France and 2 in Spain.

Launch of a new comprehensive derivatives offering and development of a new client base, including first structuring transactions with new institutional clients.

Landmark debt market capital transactions in Belgium and in France such as the bond issues of Gimv, Leasinvest and Befimmo, the debt financing of Biogroup, the private debt placement for Elis and Vilmorin and acquisition financing for French companies such as Legris, Apax and Axeréal.

Institutional seminars on healthcare, consumer and real estate sectors and Benelux roadshows in major international financial centers such as New York, London, Paris, Milan, Zurich, Brussels, Amsterdam, Luxembourg and Madrid.

6 equity capital market transactions, such as the capital increases of Aedifica, Montéa and TINC.

Double digit growth of stock option plans activities, adding 48 new clients in 2019 amongst which several BEL20 companies.

Ottobock  
acquired  
Vigo

Adviser to the Sellers  
November 2019

GIMV  
Public offering  
of 7-year and  
12-year bonds

€ 250 million  
Co-Lead Manager  
July 2019

Biogroup  
LCD  
Amend & Extend

€ 1,025 million  
Adviser to the Company  
July 2019

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Substantial increase of the dealing desk business in major asset classes worldwide.

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Successful launch of Corporate Finance activities in Luxembourg.

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Publication of the annual Benelux Company Handbook, team of sell-side analysts covering more than 130 listed companies in the Benelux and distribution of more than 1 000 company updates and 60 detailed reports.

Elis

US Private Placement

€ 300 million

Adviser to the Company  
April 2019

Aedificia

Secondary public offering with priority allocation rights

€ 418 million

Co-Lead Manager  
May 2019

Xior

Student Housing

acquired

The Lofttown

Student Housing

Adviser to the Buyer  
October 2019

# Responsible Investment

**58% asset increase into SRI funds, or more than 7.2 billion euros invested in sustainable portfolios.**

**Launch of a new active investment strategy in government and corporate bonds dedicated to the transition to a low-carbon economy. This strategy includes green bonds, companies responding to climate change issues through their services and products, as well as companies in so-called transition sectors.**

**Labeling of the full range of 11 sustainable strategies according to the Towards Sustainability criteria, defined by the Belgian financial sector.**

**Focus on climate and active shareholdership:**

- Member of the collective engagement initiatives 'Responsible outsourcing of cobalt', 'FAIRR' and 'Climate Action 100+';

- Signatory of the Investor Charter 'Investor statement on deforestation and forest fires in the Amazon' via the UN backed Principles of Responsible Investment (PRI);
- Implementation of the recommendations from the Taskforce on Climate-related Financial Disclosures (TCFD);
- 171 letters of commitment with companies on their corporate governance through an active voting policy;
- Shareholder responsibility through Voting Advisory Board which participated in 650 general meetings of shareholders and voted on 9,266 resolutions.

**Further international recognition:**

- Third consecutive year of UN-PRI's highest rating (A+);
- Top 10 H&K Responsible Investment Brand Index published by Citywire ranking asset managers genuinely committed to ESG;
- ALFI European Distribution Award in the category of the Fastest Riser in ESG.

European  
Distribution  
Award in the  
category of the  
Fastest Riser  
in ESG

ALFI in  
Luxembourg

+58%

Asset increase  
into SRI funds

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# Private Equity

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Overall strong performance and pace of deployment of existing private equity investments in line with expectations.

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Record fundraising with 250 million euros of new commitments raised across four new investment opportunities.

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New initiatives in view of the development of the Private Equity offering in France.

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Successful launch of Green Fund IV, a new fund in the renewable energy sector, aimed at pursuing a strategy similar to previous funds focused on onshore wind farm projects in France.

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Completion of major exit transaction with the sale of ASL (aviation services), a participation of 3P Air Freighters.

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Significant distributions in certain funds and feeder funds, such as Green Fund 2, CA2 Secondaries (Committed Advisors), CVC Capital Partners 6, Down2Earth, Sofindev IV and 3P Tangible Assets Fund.

250  
million euros

New projects  
in Private Equity



# Philanthropy

2,970 hours of volunteer work performed by 396 colleagues during the seventh edition of Degroof Petercam Solidarity Days covering projects ranging from first aid trainings, tree planting, sporting with refugees and walking with disabled persons and many more initiatives all over Belgium and Luxembourg.

750,000 euros in micro donations gathered through the crowdfunding platform Gingo, supporting 49 projects in Belgium and Luxembourg.

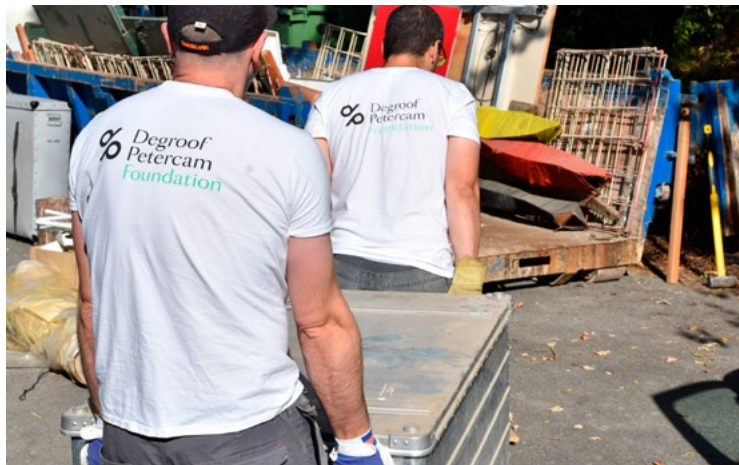
Launch of the skills based sponsorship program with over 50 colleagues involved by advising charity initiatives or mentoring job seekers, in France and Belgium.

20,904 euros awarded to 'Mobile Schools', a project delivering education to street children in developing countries, thanks to micro donations from colleagues in France, Belgium and Luxembourg.

Collection of funds by the Degroof Petercam Cycling Team for the Foundation against Cancer.

2,970  
hours of volunteer work

396 colleagues  
participated in the  
Solidarity Days



Organization of a conference at the Belgian embassy in Lisbon on Portugal's pioneering role in social economy and social innovation in presence of Prof. Filipe Santos, dean of the Catolica University and world leader on this topic.

1 million euros grant awarded to 'DUO for a JOB' selected as the first winner of the new Degroof Petercam Foundation program. DUO for a JOB matches young job seekers with an immigrant background with senior people to accompany and support them in their job search.

Active participation to NetMentora (entrepreneurial network) and Fundació Banc Dels Aliments (food bank) in Spain.

Participation in the annual summit of the European Venture Philanthropy Association (EVPA) in The Hague.

Long-term advisory mission for a future philanthropist willing to tackle violence against women and children.

Organization of an inspiring conference on the topic of 'Invisible heroes' in collaboration with DUO for a JOB, the Lunt Foundation and social entrepreneur Julie de Pimodan, founder of Fluicity, an active citizenship app.

"This grant allows us to roll out our program in France."

The Foundation awards its first 1 million euros grant to DUO for a JOB



"What drives us? To facilitate more and more intercultural and intergenerational encounters."

Mentoring program

# Contact\*

## Belgium



### Degroof Petercam (registered office)

Nijverheidsstraat | Rue de l'Industrie 44  
1040 Brussels  
T +32 2 287 91 11

#### Antwerp

T +32 3 233 88 48

#### West Flanders

T +32 56 26 54 00

#### Flemish Brabant

T +32 16 24 29 50

#### East Flanders

T +32 9 266 13 66

#### Brabant North-West

T +32 2 204 49 20

#### Hainaut

T +32 71 32 18 25

#### Wallon Brabant

T +32 10 24 12 22

#### Liège

T +32 4 252 00 28

#### Bruxelles

T +32 2 287 91 11

#### Limbourg

T +32 11 77 14 60

#### Campine

T +32 14 24 69 40

#### Namur

T +32 81 42 00 21

#### Coast

T +32 50 63 23 70

#### Tournai

T +32 71 32 18 25

### Degroof Petercam Asset Management

Guimardstraat | Rue Guimard 18  
1040 Brussels  
T +32 2 287 91 11

### Degroof Petercam Investment Banking

Guimardstraat | Rue Guimard 18  
1040 Brussels  
T +32 2 287 97 11

## Luxembourg



### Degroof Petercam Luxembourg

Zone d'activité La Cloche d'Or  
12, rue Eugène Ruppert  
2453 Luxembourg  
T +352 45 35 45 1

### Degroof Petercam Asset Services

Zone d'activité La Cloche d'Or  
12, rue Eugène Ruppert  
2453 Luxembourg  
T + 352 26 64 50 1

### Degroof Petercam Insurance Broker

Zone d'activité La Cloche d'Or  
14, rue Eugène Ruppert  
2453 Luxembourg  
T +352 45 89 22 21 00

## France



### Degroof Petercam France

44, rue de Lisbonne  
75008 Paris  
T +33 1 73 44 56 50

#### Lille

63, place St Hubert  
59800 Lille  
T +33 3 69 50 50 60

### Degroof Petercam Investment Banking - France

44, rue de Lisbonne  
75008 Paris  
T +33 1 73 44 56 50

- Private Banking
- Institutional Asset Management
- Investment Banking
- Asset Services

#### Degroof Petercam Asset Management - France

44, rue de Lisbonne  
75008 Paris  
T +33 1 73 44 56 50

## Spain

#### Degroof Petercam Spain

<i>Main Office:</i>	<i>Corporate Headquarters:</i>
Avenida Diagonal 464	Plaza del Ayuntamiento 26
08006 Barcelona	46002 Valencia
T +34 93 445 85 00	T +34 96 353 20 94

<i>Bilbao</i>	<i>Madrid</i>
T +34 94 679 23 02	T +34 91 523 98 90

#### Degroof Petercam SGIIC

Avenida Diagonal 464  
08006 Barcelona  
T +34 93 445 85 80

#### Degroof Petercam Asset Management Sucursal en España

Paseo de la Castellana 141, Planta 19  
28046 Madrid  
T +34 9 157 20 36 6

#### Degroof Petercam Investment Banking

Avenida Diagonal 464  
08006 Barcelona  
T +34 93 445 85 00

## The Netherlands

#### Degroof Petercam Netherlands branch

De Entree 238A 7th Floor  
1101 EE Amsterdam  
T + 31 20 573 54 16

## Switzerland

#### Degroof Petercam Suisse

Place de l'Université 8  
1205 Genève  
T +41 22 929 72 11

## Germany

#### Degroof Petercam Asset Management Zweigniederlassung Deutschland

Mainzer Landstrasse 50  
60325 Frankfurt am Main  
T +49 69 274 015 295

## Italy

#### Degroof Petercam Asset Management Succursale Italiana

Via Monte di Pietà 21  
20121 Milano  
T +39 02 86337 223

**Degroof Petercam**

Nijverheidsstraat | Rue de l'Industrie 44  
1040 Brussels  
BELGIUM

VAT BE 0403 212 172

RPR | RPM Brussels

FSMA 040460 A

T +32 2 287 91 11

[contact@degroofpetercam.com](mailto:contact@degroofpetercam.com)

**Editor-in-chief**

Bruno Colmant

The annual report is available at  
[annualreport.degroofpetercam.com/2019](http://annualreport.degroofpetercam.com/2019)

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