



# Annual Report 2019

THE VISION **AHEAD**



**CMB**

Compagnie Monégasque  
de Banque

# 2019 ANNUAL REPORT

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## SUMMARY

<b>OUR GOVERNANCE</b>	p. 3
Editorial by the Chairman	p. 4
Editorial by the CEO	p. 6
Key figures	p. 8
<b>FINANCIAL REPORT – STATUTORY ACCOUNTS</b>	p. 9
Report of the Board of Directors to the ordinary general meeting of 29 April 2020	p. 10
Balance sheet as of December 31, 2018 and 2019 before appropriation of net profit	p. 12
Income Statement as of December 31, 2018 and 2019	p. 13
Statement of sources and application funds	p. 14
Statement of changes in shareholders equity	p. 15
Notes	p. 16
Resolutions submitted to the ordinary general meeting of 29 April 2020	p. 24
Income Statement of December 31, 2019 and 2018 after appropriation of net profit	p. 25
General report of the statutory auditors, financial year ended 31 December 2019	p. 26
Special report of the statutory auditors, financial year ended 31 December 2019	p. 27
<b>FINANCIAL REPORT – CONSOLIDATED ACCOUNTS</b>	p. 28
Consolidated balance sheet as of December 31, 2019 and 2018, before appropriation of net profit	p. 29
Consolidated income statement of December 31, 2019 and 2018	p. 30
Consolidated statement of changes in shareholders equity	p. 31
Notes	p. 32
Report of the statutory auditors on the consolidated financial statements, financial year ended 31 December 2019	p. 36

# OUR GOVERNANCE

Board of Directors as of 31 December 2019

## BOARD OF DIRECTORS

Chairman	Etienne FRANZI	
Chief Executive Officer	Francesco GROSOLI	
Members	Monica AUGUSTA, S.E.M. José BADIA, Francesco CARLONI, S.E.M. Claude GIORDAN, Alessandro RAGNI, Sveva SEVERI, Francesco Saverio VINCI, Marco VITTORELLI,	<i>Executive Vice-Chairman Netjets Europe Plénipotentiary Minister Managing Director Mediobanca Ambassador of Monaco to the Holy See Director Mediobanca Director Mediobanca General Manager Mediobanca Company Director</i>

## EXECUTIVE COMMITTEE

Chairman	Etienne FRANZI
Members	Francesco GROSOLI Francesco CARLONI Alessandro RAGNI Francesco Saverio VINCI Sveva SEVERI

## MANAGEMENT COMMITTEE

CEO	Francesco GROSOLI
COO	Kamran DJAVADI
Chief of Staff	Olivier PAGES
Head of Private Banking	Sophie SAURINI
Head of Premier & Business Banking	Federico LIMITI
Head of Infrastructure & Change Management	Stephan SIEDER
Head of Products & Services Distribution	Jérôme MAMAN
CFO	Gianmarco BASSETTI
Finance & group relations	Stefano ARGENTON
Head of Discretionary Portfolio Manager	Robert LAURE
Head of HR	Nathalie ARESI

## STATUTORY AUDITORS

André Garino  
Christian Boisson

# EDITORIAL BY THE CHAIRMAN

Etienne Franzi



Changing your Chief Executive Officer is always a delicate task, although with Francesco Grosoli, who took office on 15 May 2019, the risk involved seemed limited.

As I underlined last year when announcing his appointment, Mr Grosoli is a highly accomplished private banking professional who brings in-depth knowledge of the Monaco financial centre and its particularities, coupled with solid international experience.

In practice, the task was accomplished with great success and the handover implemented seamlessly, without disrupting our financial performance.

In 2019, for the first time, total client deposits topped €13 billion. This growth was achieved alongside a surge in lending (+30.6%) and a continuing focus on prudence and profitability.

Thanks to an additional boost from new synergies

achieved with our shareholder Mediobanca, net banking income also reached a new high, passing the €100 million mark. This lifted net profit to a total of €13.3 million, up 8% versus 2018 and 10% above our forecast, despite the ongoing unfavourable interest rate environment.

Against this backdrop, our financial structure went from strength to strength, with shareholders' equity close to €1 billion and prudential ratios at "stratospheric" levels relative to the regulatory standards in force.

At the same time, we invested heavily to further improve the quality and security of our IT system, so that we can provide the most sophisticated products and services to our clients in a totally safe environment.

Our constant concern for security, which is in our DNA, has been particularly evident during the tragic pandemic that has spread across the

globe and is still ongoing as I write. Compagnie Monégasque de Banque was among the market's first institutions to roll out a continuity plan enabling us to fulfil requirements as an "operator of vital importance" (O.I.V.) and meet the needs of our clients, while protecting the health of our employees. In less than a week, nearly 70% of our employees were working from home, thanks to the expertise of our IT department and the extensive resources available to implement this setup. On behalf of the Board of Directors, I would like to thank all our personnel for their

outstanding engagement at this time, once again demonstrating their commitment to our Bank. My thanks also go to our clients for the trust they have placed in us during this difficult period. With the measures that we have taken, we are well equipped to ride out this crisis. As of end-May 2020, all our financial results are ahead of our forecasts and 2019 figures. This latest evidence of our Bank's solid resilience brings us into the new decade confident in our ability to continuously prove ourselves worthy of the loyalty shown to us by our clients for nearly 45 years.

Etienne Franzi



# EDITORIAL BY THE CEO

Francesco Grosoli



When the World Health Organization declared COVID-19 a pandemic on 11 March 2020, all major industries – financial institutions being no exception – faced one of their biggest challenges in decades.

At the time of writing, this human tragedy's long-term impact on the global economy remains uncertain. Nevertheless, thanks to CMB's healthy liquidity ratios and our preparedness for the crisis from its outset, we were able to quickly roll out a continuity plan enabling us to pursue our activities while ensuring the safety of our clients, employees and partners.

The surge in volatility that resulted from this crisis has highlighted the key importance of being guided by a bank that is genuinely attentive to clients' needs and expert in providing tailored advice. Our core private banking role of providing

reassurance and advice has become even more crucial in this context of uncertainty, which has demonstrated the relevance of the strategic changes we launched in 2019.

## **Our financial performance**

CMB remains a particularly strong bank, with a CET1 ratio of 41% – well above the 8% regulatory minimum – that makes it not only Monaco's best-capitalised bank but also one of the best-capitalised banks worldwide.

These liquidity levels support our growth strategy as a provider of credit solutions and allow us to quickly seize opportunities – as evidenced by our main portfolio and mortgage financings.

Our unswerving client focus and our culture of excellence ensured that we delivered solid financial results in 2019, with total assets of more

than €5 billion.

The robust results of 2019 have enabled CMB to pass two significant milestones, with client deposits now topping €13 billion and net banking income €100 million. The development of Mediobanca Group's wealth management division, of which CMB is a part, is one of the main drivers of our shareholder's medium-term strategic plan.

### **Our strategy**

Many changes have already taken place over the past year and we have an ambitious transformation plan. Our goal is to become the market's leading bank - not in terms of size but of quality - and to leverage the Mediobanca Group's experience to position ourselves as a top-tier asset management bank. CMB also has the occasion to be seen as a creator of Corporate and Investment Banking (CIB) opportunities for entrepreneurs and investors.

To achieve this, we have reorganised our business to focus on four key segments:

- Private banking, with tailored banking, credit and investment services for high-end clients based in Monaco and abroad,
- Corporate and institutional, with a dedicated team trained to meet the specific needs of companies and institutions established in the Principality,
- Premier, which offers our resident clients the best banking service in its class with a focus on digital channels and branches in Monaco,
- EAM/MFO, with a wide range of products and services for investment professionals (management companies and multi-family offices).

At the same time, we have created a distribution division made up of 17 experts in investment advice, trading, execution, credit structuring and

wealth planning. We have also expanded our service offering, which now comprises a wider range of management and advisory products based on various types of mandates that enable each client to choose a solution adapted to their expectations and risk profile.

To deliver this strategy we can rely on our strong DNA as a Monegasque banking institution, our international development prospects and the synergies achieved with our shareholder Mediobanca - whose support will also enable us to offer our clients all the advantages of a reference private bank.

### **Our new approach**

The fast-changing environment in which we operate requires agility and adaptability. Among other priorities, we plan to further invest in technology for even greater efficiency and to deliver a first-rate client experience.

Furthermore, the crisis has underlined the importance of being able to offer clients the most seamless digital experience possible, in particular through the mobile and online banking solutions in which we have invested over the past year.

### **Our future**

We are committed to implementing our medium- and long-term strategy, strengthening our positioning and investing to grow our business. The current health crisis has led to far-reaching changes in our operational environment. This means that no matter what conditions we operate in, we must always focus on what makes CMB strong: its agility and its ability to help its clients navigate fast-moving situations.

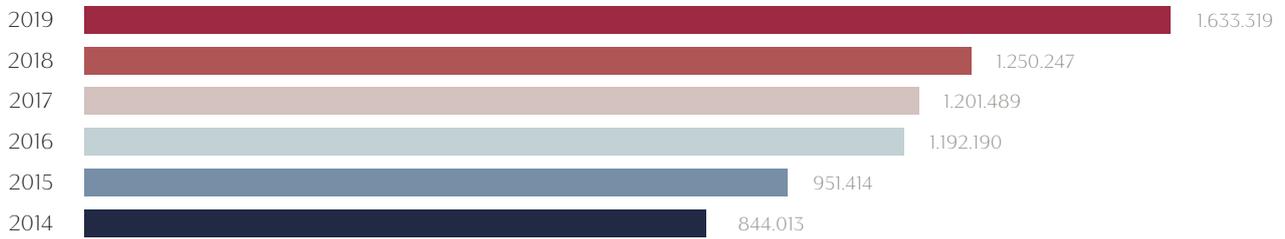
Over the past year, we have opened up to new ways of thinking, working and responding to our clients' ever-changing needs. We are at a critical juncture, and I am convinced that CMB is fully equipped to make this transformation a success.

Francesco Grosoli

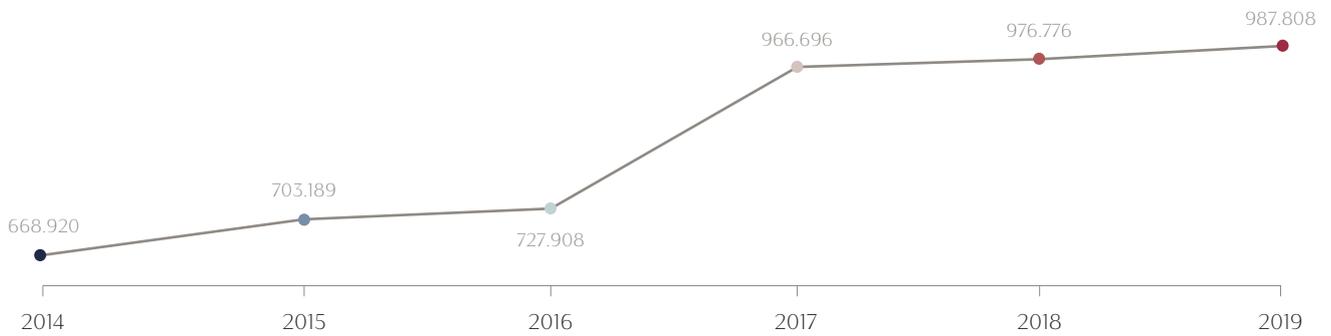


# KEY FIGURES

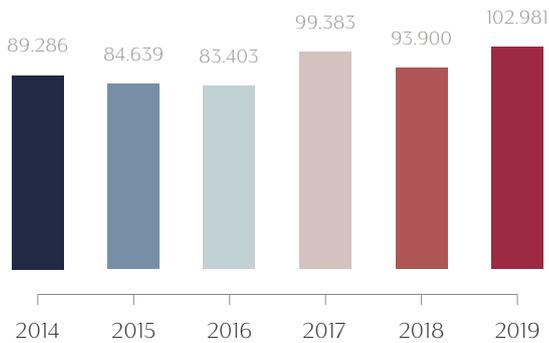
Customer's loans volum (k€)



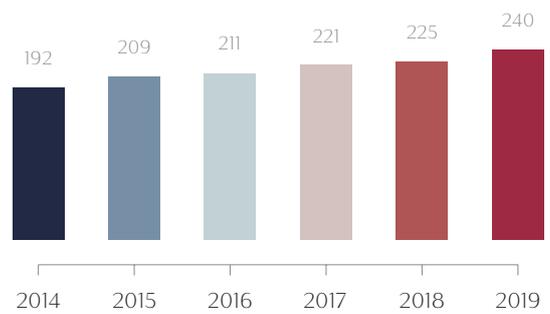
Shareholder equity (k€)



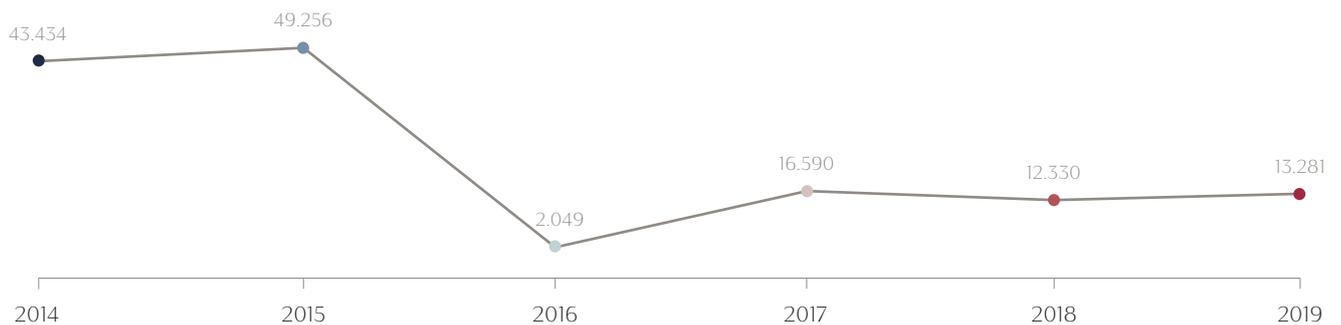
Net banking income (k€)



Employees



Net profit (k€)



FINANCIAL REPORT

# STATUTORY ACCOUNTS



# REPORT OF THE BOARD OF DIRECTORS

to the ordinary general meeting of 29 April 2020

Although expected, the slowdown in the pace of global economic growth was exacerbated by a bigger-than-anticipated slump in industrial activity.

The economic transition in China, the tailing off of the beneficial effects of tax reform in the United States and geopolitical uncertainties led central bankers to radically change tack.

Having increased its key rate targets in December 2018, the Fed lowered them three times in 2019 (July, September and October) to between 1.5% and 1.75%. The ECB, which had not yet begun to tighten its monetary policy, cut its deposit rate by 10 bps to -0.50%, introduced a tiering mechanism to limit the negative impact on bank profitability and relaunched its bond purchase programme to the tune of €20 billion per month.

In the first part of the year, concerns about the outlook for global economic activity drove bond yields down. German interest rates on all maturities passed into negative territory, reaching a low in August (-71 bps for the 10-year). In the United States, despite firmer economic data, the curve inverted, with the yield on 10-year T-notes falling below the 2-year and even the 3-month yield. However, in the latter part of the year stabilising leading indicators rekindled hopes of an economic rebound in the year ahead. Moreover, the United States and China now seem willing to reach an agreement to stop their trade dispute from escalating further.

Equities turned in one of their best performances in a decade.

Bolstered by hopes of an easing of trade tensions between the United States and China and a consensus among central banks on keeping interest rates low, the S&P put on 29% in 2019. Stock markets in the other developed countries performed almost as well (+23.1% for the Stoxx Europe 600 index and +15.2% for the Topix index). Emerging markets rose by nearly 18%.

Note that the performance of equities was actually based mainly on an improvement in valuation multiples, as the outlooks for earnings growth were repeatedly revised downwards over the year.

Credit also posted exceptional performances.

Low or even negative interest rates on the majority of eurozone sovereign bonds drove yield-hungry investors towards corporate bonds. Thanks to the fall in yields and the contraction in risk premiums, the euro investment grade market gained 5.56% and the high yield market leapt by 11.3%. The US market's performance was even more spectacular, with gains of 10.3% for the investment grade segment and more than 14% for high yields.

Benefiting from its safe haven status for many investors, the dollar appreciated against the main foreign currencies in 2019. On the one hand, the tensions linked to the trade war triggered capital flows into the United States, while on the other hand the dollar's high carry prospects compared with the euro's attracted investors seeking yield and - given the slowdown in the German economy and political problems in Italy - doubtful as to the eurozone's solidity.

In this context, the Bank continued to grow, passing a number of significant milestones.

For the first time, total customer deposits comfortably exceeded €13 billion, with net banking income simultaneously rising above the €100 million mark.

All our business segments contributed to this excellent result.

Both private and collective asset management activity remained buoyant, with volumes and income up more than 5% and accounting for nearly 30% of customer deposits - a real source of satisfaction.

As for loans, our market share began to rise again, with outstandings growing by around 30% to nearly €1.650 billion at 31 December 2019 without impinging on our principles of discipline and prudence - as reflected in a provisioning rate of less than 0.4%.

Lastly, management of cash reserved for bonds issued by high-quality governments and international organisations, or inhouse within the framework of Group agreements adapted to the

average duration of our deposits, enabled us to generate a €6.4 million increase in income, which represented nearly 23% of net banking income.

General operating expenses increased by 12%, reflecting a significant effort to strengthen our workforce - particularly in the private banking business lines by hiring investment advisory customer relations managers.

Moreover, in response to changes in anti-money laundering and terrorist financing regulations with the transposition into our internal regulations of the fourth - and soon the fifth - related directive, we added significant IT and human resources in our Compliance Department.

All other expenses were fully under control and attract no particular comment.

Consolidated gross operating income totalled nearly €37 million, up 6% from the previous year. Factoring in cost of risk, other non-operating items and an €18.9 million depreciation expense related to fair value adjustments, consolidated net income amounted to €13.3 million, up 7% from 2018.

The Bank posted stand-alone net income of €12.7 million.

In a continuation of our policy to further strengthen our capital, and although the balance sheet is already extremely solid, as evidenced by the further increases in our Basel III capital ratio and liquidity coverage ratio (LCR) to 41% and 243%, respectively, the Board of Directors proposes that income be appropriated as follows:

Net profit for 2019	€ 12.708.927
Retained earnings brought forward from previous year	€ 859
<b>Total income for appropriation</b>	<b>€ 12.709.786</b>
Appropriation to the extraordinary reserve fund	€ 12.709.000
Appropriation to retained earnings	€ 786
<b>Total income appropriated</b>	<b>€ 12.709.786</b>

This will bring stand-alone shareholders' equity to €985 million as at 31 December 2019 and consolidated shareholders' equity to €988 million.

At its meeting of 30 April 2019 and with effect from 15 May 2019, the Board of Directors appointed a new director, Mr Francesco Grosoli, granting him powers to perform the duties of Chief Executive Officer of your Bank. Since taking office he has engineered the launch of CMB 2.0, an ambitious transformation plan.

In 2019, a certain number of transactions referred to in Article 23 of the Sovereign Ordinance of 5 March 1985 were entered into:

- Routine banking transactions and reciprocal services with banking institutions having the same directors as the Bank,
- IT and administrative services provided to our subsidiaries la Compagnie Monégasque de Gestion and CMB Asset Management SAM.

The group employed 239 people at 31 December 2019.

The Board of Directors wishes to thank Senior Management and all members of staff for the quality of their work, their efforts and the satisfactory results obtained during the past financial year. The Board would also like to thank all our clients for their loyalty to our Bank.

*The Board of Directors*

# BALANCE SHEET

as of December 31, 2018 and 2019, before appropriation of net profit

In thousands of euros	2019	2018
Cash, Central Banks	270.061	31.691
Due from banks	2.469.934	2.307.417
Customer loans	1.633.319	1.250.247
Bonds and other fixed income securities	590.939	449.198
Equities and other variable income securities	31.570	32.642
Participating interests and other financial investments	48	48
Interests in related companies	6.940	12.897
Goodwill and other intangible assets	9.578	9.464
Property and equipment	185.483	203.713
Other assets	11.323	10.636
Accrued income and prepaid expenses	13.755	25.899
<b>TOTAL ASSETS</b>	<b>5.222.950</b>	<b>4.333.852</b>
Due to banks	220.028	45.612
Due to customers	3.958.938	3.269.243
Other liabilities	32.895	20.532
Accrued expense and differed income	23.115	19.083
Provisions for contingencies and charges	2.731	4.598
General banking risks reserve	16.768	19.018
Share capital	111.110	111.110
Additional paid-in-capital	4.573	4.573
Reserves	840.082	825.155
Retained earnings	1	1
Net profit	12.709	14.927
<b>TOTAL LIABILITIES</b>	<b>5.222.950</b>	<b>4.333.852</b>
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>Commitments given</b>		
Confirmed lines of credit	526.962	183.499
Guarantees given	28.017	16.755
Commitments relating to securities transactions	34.254	34.254
<b>Commitments received</b>		
Confirmed lines of credit		500.000
Commitments relating to securities transactions	525	1.052

# INCOME STATEMENT

as of December 31, 2018 and 2019

In thousands of euros	2019	2018
<b>Banking income and expense</b>		
Interest income	65.760	49.857
Interest expense	(22.514)	(12.124)
Income from variable income securities	1.814	4.014
Commission and fee income	56.803	52.927
Commission expense	(4.549)	(3.621)
Net gain (loss) on disposals of trading account securities	1.844	4.492
Net gain (loss) on disposals of securities held for sale	2.297	(879)
Other banking income	603	597
Other banking expense	(4.063)	(3.876)
<b>NET BANKING INCOME</b>	<b>97.995</b>	<b>91.387</b>
General operating expenses	(58.527)	(50.227)
Depreciation and other write-downs of property, equipment and intangible assets	(3.470)	(4.239)
<b>GROSS OPERATING INCOME</b>	<b>35.998</b>	<b>36.921</b>
Depreciation on revaluation reserve on property	(18.850)	(18.850)
Movement of provisions on loans and off-balance sheet items	(984)	286
<b>OPERATING INCOME</b>	<b>16.164</b>	<b>18.357</b>
Gains and releases of provisions on long-term investements	0	(212)
<b>INCOME BEFORE TAX AND NON-OPERATING ITEMS</b>	<b>16.164</b>	<b>18.145</b>
Non operating income	(818)	(71)
Income taxes	(4.887)	(5.397)
Provisions / Reversals for General Banking Risks and regulated provisions	2.250	2.250
<b>NET PROFIT</b>	<b>12.709</b>	<b>14.927</b>
Group share	12.709	14.927
<b>BASIC EARNINGS PER SHARE</b>	<b>0,023</b>	<b>0,027</b>
<b>DILUTED EARNINGS PER SHARE</b>	<b>0,023</b>	<b>0,027</b>

# STATEMENT

of sources and application funds

In thousands of euros	2019	2018	Variation	%
Interbank loans	2.739.995	2.339.108	400.887	17,14%
- Repayable on demand	2.275.953	2.191.066	84.887	3,87%
- Time loans	464.042	148.042	316.000	213,45%
Customer loans	1.633.319	1.250.247	383.072	30,64%
- Commercial loans				
- Sight account	442.863	272.037	170.826	62,80%
- Other loans	1.190.456	978.210	212.246	21,70%
Security portfolio	622.509	481.840	140.669	29,19%
<b>TOTAL</b>	<b>4.995.823</b>	<b>4.071.195</b>	<b>924.628</b>	<b>22,71%</b>
Interbank deposits	220.028	45.612	174.416	382,39%
- Repayable on demand	20.004	45.612	(25.608)	(56,14%)
- Time deposits	200.024			
Customer deposits	3.958.938	3.269.243	689.695	21,10%
- Repayable on demand	2.922.248	2.417.116	505.132	20,90%
- Time deposits	1.023.571	837.524	186.047	22,21%
- Special savings accounts	13.119	14.603	(1.484)	(10,16%)
<b>TOTAL</b>	<b>4.178.966</b>	<b>3.314.855</b>	<b>864.111</b>	<b>26,07%</b>

# STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

In thousands of euros	Share capital	Additional paid-in capital	Reserves	Revaluation difference	Retained earnings	General banking risks reserve	Profit for the period	Total
<b>Balance as of Dec. 31, 2018</b>	111.110	4.573	619.375	205.780	1	19.018	14.927	<b>974.784</b>
Appropriation of 2018 net profit			14.927				(14.927)	<b>0</b>
Revaluation difference amortization			18.850	(18.850)				<b>0</b>
Profit for the period 2019							12.709	<b>12.709</b>
Decrease in provision						(2.250)		<b>(2.250)</b>
<b>Balance as of Dec. 31, 2019</b>	111.110	4.573	653.152	186.930	1	16.768	12.709	<b>985.243</b>
Appropriation of 2019 net profit			12.709				(12.709)	<b>0</b>
Revaluation difference amortization			18.850	(18.850)				<b>0</b>
<b>Balance as of Dec. 31, 2019 after appropriation</b>	<b>111.110</b>	<b>4.573</b>	<b>684.711</b>	<b>168.080</b>	<b>1</b>	<b>16.768</b>	<b>0</b>	<b>985.243</b>

# NOTES

to the Financial Statements Year ended December 31, 2019

## 1. OWNERSHIP STRUCTURE

As of December 31, 2019, the Bank's capital stock totalled €111.110.000 represented by 555.550 shares of common stock with a par value €200. The ownership structure at that date was as follows:

**Mediobanca : 99,998 %  
with: 555.540 shares**

**Board Members: 0,002 %  
with: 10 shares**

## 2. ACCOUNTING PRINCIPLES

The financial statements have been prepared in accordance with generally accepted accounting principles applicable to banking institutions and with the rules prescribed by regulation n° 2014-07 of France's national accounting standards body (ANC) concerning companies in the banking sector.

### 2.1 Doubtful debt provisions

This item primarily consists of provisions for possible losses on customer loans. Provisions allocated to specific loans are deducted directly from the asset concerned according to the regulation n° 2014-07 of France's national accounting standards body (ANC) concerning companies in the banking sector. The Bank closely monitors customer risks and regularly adjusts provisions as required.

### 2.2 Interest income and commissions

Interest income is recorded on an accruals basis. Commissions are recorded on a cash basis, except commissions that represent interest, which are accounted for on an accruals basis. Provision is made for past-due interest income whose recovery appears unlikely and is not included in net banking income.

### 2.3 Portfolio income

Portfolio income includes net income from disposals of bonds, equities and other portfolio

securities.

Dividends are credited to income when received. Income from bonds is accounted for on an accruals basis

### 2.4 Gains and losses on currency transactions

Assets, liabilities and commitments and contingencies denominated in foreign currencies are converted into euros on the basis of year-end exchange rates.

Forward purchases and sales of foreign currency for hedging purposes are translated at the year-end exchange spot rate. The resulting exchange gains and losses are recorded in the income statement under "gains on financial transactions".

### 2.5 Interest rate and currency swaps

Swaps are treated as loans and borrowings in the same currency or in two different currencies. The amounts received or paid under these contracts are recorded in the income statement on an accruals basis.

### 2.6 Securities transactions

#### *Trading account securities*

Pursuant to the provisions of Regulation n° 2014-07 of France's national accounting standards body, articles n° 2321-1 and 2, and n° 2322-1 to 3, trading securities are to be bought or sold with an intention to resell or repurchase them in the short term. They are recorded in the accounts on the date of their purchase at their purchase price excluding fees, including, if applicable, interest accrued. At the end of each accounting period, they are valued at their market price. The difference between the purchase value and the market price is included in the profit & loss account.

#### *Securities held for sale*

Pursuant to the provisions of Regulation n° 2014-07 of France's national accounting standards body, articles n° 2331-1 and n° 2332-1 to 4, held-for-sale securities are those bought with an intention to keep them in the mid or long term, other than investment securities (or equity securities). They are recorded on the date of their purchase at their cost price. Interest accrued

recorded upon purchase of the securities is, if applicable, recorded in associated account.

If the purchase price of fixed income securities exceeds their redemption price, the difference is amortized over the residual maturity of said securities. If the purchase of fixed income securities is lower than their redemption price, the difference is recorded as income over the residual maturity of said securities.

At the end of each accounting period, the latent capital gains arising from the difference between the accounting value, amended by amortizations and adjustments, and the market price, are depreciated.

The latent capital gains are not recorded in the accounts.

#### *Equity securities*

They are recorded at their historical cost. At the end of the financial year, these securities are valued on the basis of the “value in use”.

### **2.7 Provision for pension costs**

Engagement for retirement indemnities according to the active plan in the Company was valued at €2 million at December 31, 2019.

### **2.8 General Banking Risk Funds**

As at December 31, 2019, an overall amount of €17 millions had been earmarked, as a precautionary measure, to cover general risks inherent in banking transactions (ANC Regulation n°2014-07).

### **2.9 Property and depreciation**

Property is stated at cost and depreciated by the straight-line method over the estimated useful life of the assets.

As at January 1, 2017, the bank proceeded a revaluation of his real estate, thus leading to a €224.63 millions amount to be allocated to reserves pursuant. This revaluation surplus gives rise to an additional depreciation charge calculated over the depreciation remaining effective terms duration.

Commercial leases are amortized over ten years. The first amortization corresponds to the acquisition of the ABN-AMRO bank in Monaco for the amount of € 8 millions in November 2006 fully depreciated as at December 31, 2016, followed by the acquisition of the private banking activities of the Capitalia Luxembourg in Monaco that took place in March 2008 for the amount of € 18.2 million; and to the first portion of the acquisition of some CFM Indosuez Monaco

business' elements as at December, 2016 for an amount of €5.3 millions; followed by the second portion as at February, 2017 for an amount of €1.2 million.

### **2.10 Off-balance**

Future instruments and hedging transactions are accounted according to Regulation n°2015-05.

In commitments given, financial instruments included in off-balance sheet commitments, have been acquired primarily as a hedge for interest rate risks. Gains and losses on these instruments are recognized in the income statement on an accruals basis.

Commitments received include a renewable credit facility with an initial duration of five years for a total amount of €500 millions granted to CMB by Mediobanca, August, 2017. At 31 December 2018, this facility had not yet been used.

### **2.11 Corporate taxes**

For the financial year of 2019, the Bank was liable for corporate income tax at the rate of 31% as established by the Sovereign Ordinance N° 3152 of March 19, 1964.

### **2.12 Related Parties**

The bank realizes financial and cash pooling operations with Mediobanca, her parent company, in normal market circumstances.

### 3. OTHER INFORMATION

#### 3.1 Fixed assets

Fixed assets can be analyzed as follows as of December 31, 2019:

In thousands euros	12/31/18	Increase	Decrease	12/31/19
<b>Gross amount</b>				
Goodwill, intangible assets	41.174	1.081	(11)	42.244
Property and equipment	267.970	2.045	(1.080)	268.935
Prepayments to suppliers	3.186	3.403	(2.325)	4.264
<b>Total fixed assets</b>	<b>312.330</b>	<b>6.529</b>	<b>(3.416)</b>	<b>315.443</b>
<b>Depreciation</b>				
Goodwill, intangible assets	(31.913)	(2.077)	11	(33.979)
Property and equipment	(64.568)	(20.243)	1.080	(83.731)
<b>Total depreciation</b>	<b>(96.481)</b>	<b>(22.320)</b>	<b>1.091</b>	<b>(117.710)</b>
<b>Provisions for impairment of assets</b>	<b>(2.672)</b>			<b>(2.672)</b>
<b>NET VALUE</b>	<b>213.177</b>	<b>(15.791)</b>	<b>(2.325)</b>	<b>195.061</b>

#### 3.2 Investments in subsidiaries and participating interests

As of December 31, 2019, investments in subsidiaries and participating interests were as follows:

In thousands euros	Share capital	% interest	At cost	2019 net profit	Shareholder provisions loans	Provisions	Net book value 31/12/19
C.M.B Asset Management	150	99,20%	150	4	0		150
C.M.G.	600	99,92%	592	2.368	5.610		6.202
Other companies			48				48
Certificate of association - FGDR			589				589

- CMB Asset Management SAM, a firm committed to manage funds under discretionary mandate.
- CMG, Compagnie Monégasque de Gestion S.A.M. as of 31 December 2019, this subsidiary manages 24 mutual funds, in compliance with local legislation as well as an open-end investment fund under Luxembourg law.

### 3.3 Provisions for contingencies

In thousands euros	Balance at 31/12/2018	Provisions made during the year	Provisions reversed during the year	Utilised during the year	Balance at 31/12/2019	Loans at 31/12/2019	% of coverage
<b>Provisions for contingencies</b>							
Private risks	696	90	(192)	(52)	542	3.318	16%
Provisions for contingencies and charges	4.598	1.207	(202)	(2.872)	2.731		
<b>Total</b>	<b>5.294</b>	<b>1.297</b>	<b>(394)</b>	<b>(2.924)</b>	<b>3.273</b>	<b>3.318</b>	

### 3.4 Trading account securities and securities held for sale (in thousands of euros)

In thousands euros	2018			2019		
	Available for sale	Hold for trades	Total portfolio	Available for sale	Hold for trades	Total portfolio
<b>Bonds</b>						
Governments	211.584		211.584	179.898		179.898
Central authorities	10.387		10.387	10.592		10.592
Banks	40.117		40.117	38.486		38.486
Other financial institutions	317.603		317.603	201.251		201.251
Other non-financial institutions	9.143	2.105	11.248	17.640	1.331	18.971
<b>Subtotal</b>	<b>588.834</b>	<b>2.105</b>	<b>590.939</b>	<b>447.867</b>	<b>1.331</b>	<b>449.198</b>
<b>Shares &amp; others</b>						
Equities, warrants, others, mutual funds	2.907	28.663	31.570	11.599	21.043	32.642
<b>Subtotal</b>	<b>2.907</b>	<b>28.663</b>	<b>31.570</b>	<b>11.599</b>	<b>21.043</b>	<b>32.642</b>
<b>TOTAL</b>	<b>591.741</b>	<b>30.768</b>	<b>622.509</b>	<b>459.466</b>	<b>22.374</b>	<b>481.840</b>
<i>Of which provisions for impairment</i>	(3.678)			(6.599)		
<i>Of which provisions for contingencies</i>	3.682			825		

Securities breakdown by type of transferable securities	2019	2018	Trading account securities breakdown	2019	2018
Fixed income bonds	565.110	422.797	Listed on an active market	28.040	20.438
Floating income bonds	25.829	26.401	Others	2.728	1.936
Equities, warrants, others, mutual funds	31.570	32.642			
<b>TOTAL</b>	<b>622.509</b>	<b>481.840</b>	<b>TOTAL</b>	<b>30.768</b>	<b>22.374</b>

### 3.5 Breakdown of balance sheet items

In thousands of euros	Foreign currencies	Euros	Total euro equivalent
Due from banks	1.381.418	1.358.577	2.739.995
Customers loans	213.499	1.419.820	1.633.319
Accrued income	1.991	11.764	13.755
Other assets	1.065	10.258	11.323
Participating interests and portfolio securities	162.321	467.176	629.497
Property, equipment, goodwill and intangible assets		195.061	195.061
<b>TOTAL ASSETS</b>	<b>1.760.294</b>	<b>3.462.656</b>	<b>5.222.950</b>
Due to banks	11.740	208.288	220.028
Due to customers	1.768.502	2.190.436	3.958.938
Accrued income and prepaid expenses/provisions for contingencies and charges	2.038	23.808	25.846
Other liabilities	5.204	27.691	32.895
Shareholders' equity		985.243	985.243
<b>TOTAL LIABILITIES</b>	<b>1.787.484</b>	<b>3.435.466</b>	<b>5.222.950</b>

### 3.6 Forward commitments

In thousands of euros	2019	2018
<b>Currency transactions:</b>		
- Foreign currencies receivable	822.452	852.499
- Foreign currencies to be delivered	821.503	853.103
<b>Financial futures:</b>		
- Interest rate options	60.543	23.330
- Currency options	89.203	60.579

### 3.7 Securities due and receivable under delayed delivery transactions

In thousands of euros	Securities due	Securities receivable
Securities awaiting settlement	34.254	525
<b>TOTAL</b>	<b>34.254</b>	<b>525</b>

### 3.8 Analysis of assets and liabilities by maturity

In thousands of euros	Less or equal to 3 months	3 months to 1 year	1 to 5 years	Beyond 5 years
Due from banks	2.613.438	119.313		
Accrued income	2.709			
Customer loans	859.121	95.242	491.785	184.272
Accrued income	2.899			
Bonds	11.089	65.395	509.455	5.000
<b>TOTAL ASSETS</b>	<b>3.489.256</b>	<b>279.950</b>	<b>1.001.240</b>	<b>189.272</b>

	Less or equal to 3 months	3 months to 1 year	1 to 5 years	Beyond 5 ans
Due to banks	220.004			
Accrued expense	24			
Due to customers	3.582.264	271.030	96.917	5.000
Accrued expense	3.727			
<b>TOTAL LIABILITIES</b>	<b>3.806.019</b>	<b>271.030</b>	<b>96.917</b>	<b>5.000</b>

Commitments and contingencies	Less or equal to 1 year	1 to 5 years	Beyond 5 years
Confirmed lines of credit	177.345	9.297	340.320
Guarantees given	8.423	45	19.549
Commitments relating to securities transactions		34.254	
<b>Commitments given</b>	<b>185.768</b>	<b>43.596</b>	<b>359.869</b>
Confirmed lines of credit			
Guarantees given			
Commitments relating to securities transactions		525	
<b>Commitments received</b>		<b>525</b>	

### 3.9 Accrued interest and other accruals included in balance sheet items

In thousands euros	2019	2018
<b>Related accounts receivable (incl. Accrued income)</b>	<b>8.476</b>	<b>5.322</b>
Due from banks	2.709	666
Customer loans	2.899	2.679
Bonds and other fixed income securities	2.868	1.977
<b>Other accruals</b>	<b>13.755</b>	<b>25.899</b>
Commitments on financial futures	12.071	24.722
Prepaid expense	743	391
Accrued income	910	717
Other accruals	31	69
<b>TOTAL ASSETS</b>	<b>22.231</b>	<b>31.221</b>
<b>Accrued expense</b>	<b>3.751</b>	<b>3.192</b>
Accrued expense	24	100
Accrued expense	3.727	3.092
<b>Accrued expense</b>	<b>23.115</b>	<b>19.085</b>
Accrued expense	2.886	2.627
Deferred income	235	230
Deferred income	19.977	15.623
Other accruals	17	603
<b>TOTAL LIABILITIES</b>	<b>26.866</b>	<b>22.275</b>

### 3.10 Employees

	2019	2018
Managers	156	137
Supervisors	69	71
Supervisors	6	8
<b>TOTAL</b>	<b>231</b>	<b>216</b>

### 3.11 Analysis of income and expenses

In thousands euros	Expense	Income
<b>Interest</b>		
Interbank transactions	(2.523)	33.112
Customer transactions	(19.991)	8.123
Bonds and other fixed income securities		24.525
<b>Subtotal</b>	<b>(22.514)</b>	<b>65.760</b>
<b>Income from variable securities</b>		
Participating interests		1.814
<b>Subtotal</b>		<b>1.814</b>
<b>Commissions</b>		
Customer transactions	(2.108)	15.415
Securities transactions	(2.441)	41.388
<b>Subtotal</b>	<b>(4.549)</b>	<b>56.803</b>
<b>Trading account securities</b>		
Currency transactions		2.858
Diposals of trading account securities	(1.014)	
<b>Subtotal</b>	<b>(1.014)</b>	<b>2.858</b>
<b>Securities held for sale</b>		
Net gains or losses		6
Net changes in provision		2.291
<b>Subtotal</b>		<b>2.297</b>
<b>General operating expenses</b>		
Personnel expenses		
- Salaries and bonuses	(29.381)	
- Social security contributions	(9.915)	
General and administrative expenses	(19.231)	
<b>Subtotal</b>	<b>(58.527)</b>	

# RESOLUTIONS

submitted to the ordinary general meeting of 29 April 2020

## First resolution

Having considered the reports of the Board of Directors and Statutory Auditors, the shareholders approve the balance sheet and income statement, together with the transactions reflected in these statements and summarised in those reports.

*This resolution is unanimously adopted by the shareholders attending or represented at the meeting*

## Second resolution

The shareholders approve the appropriation of income as proposed by the Board of Directors:

Net income for 2019	€ 12.708.927
Retained earnings brought forward from the previous year	€ 859
<b>Total income for appropriation</b>	<b>€ 12.709.786</b>
Appropriation to extraordinary reserve fund	€ 12.709.000
Appropriation to retained earnings	€ 786
<b>Total appropriated</b>	<b>€ 12.709.786</b>

*This resolution is unanimously adopted by the shareholders attending or represented at the meeting.*

## Third resolution

The shareholders approve the Statutory Auditors' fees set by the Board of Directors as they appear in the expenditure of the financial year.

*This resolution is unanimously adopted by the shareholders attending or represented at the meeting.*

## Fourth resolution

Having considered the special report of the Statutory Auditors on the conventions provided for by Article 23 of the Sovereign Ordinance of 5 March 1895, the shareholders take note of the transactions entered into between the Company and its Directors.

## Fifth resolution

The shareholders give powers to the Directors to enter into the transactions referred to in Article 23 of the Sovereign Ordinance of the 5th of March 1895, provided that the Directors report thereon to the Ordinary Annual General Meeting.

*This resolution is unanimously adopted by the shareholders attending or represented at the meeting.*

## Sixth resolution

The General Meeting grants the Directors discharge for the performance of their duties in the 2019 financial year and grants full and unconditional discharge to Mr Luigi Lovaglio, a Director who resigned with effect from 25 February 2019, and to Mr Werner Peyer, the Vice-Chairman of the Board of Directors, who resigned on 10 October 2019.

*This resolution is unanimously adopted by the shareholders attending or represented at the meeting.*

# INCOME STATEMENT

of December 31, 2019 and 2018, after appropriation of net profit

In thousands of euros	2019	2018
Cash, Central Banks	270.061	31.691
Due from banks	2.469.934	2.307.417
Customer loans	1.633.319	1.250.247
Bonds and other fixed income securities	590.939	449.198
Equities and other variable income securities	31.570	32.642
Participating interests and other financial investments	48	48
Interests in related companies	6.940	12.897
Goodwill and other intangible assets	9.578	9.464
Property and equipment	185.483	203.713
Other assets	11.323	10.636
Accrued income and prepaid expenses	13.755	25.899
<b>TOTAL ASSETS</b>	<b>5.222.950</b>	<b>4.333.852</b>
Due to banks	220.028	45.612
Due to customers	3.958.938	3.269.243
Other liabilities	32.895	20.532
Accrued expense and differed income	23.115	19.083
Provisions for contingencies and charges	2.731	4.598
General banking risks reserve	16.768	19.018
Share capital	111.110	111.110
Additional paid-in-capital	4.573	4.573
Reserves	852.791	840.082
Retained earnings	1	1
<b>TOTAL LIABILITIES</b>	<b>5.222.950</b>	<b>4.333.852</b>
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>Commitments given</b>		
Confirmed lines of credit	526.962	183.499
Guarantees given	28.017	16.755
Commitments relating to securities transactions	34.254	34.254
<b>Commitments received</b>		
Confirmed lines of credit		500.000
Commitments relating to securities transactions	525	1.052

# GENERAL REPORT

of the statutory auditors, financial year ended 31 December 2019

To the Shareholders,

In accordance with the provisions of Article 25 of the Monegasque law of 20 January 1945 (No. 408), we hereby report to you on the general and permanent engagement entrusted to us pursuant to a decision taken at the Ordinary General Meeting of 26 April 2018 for the financial years 2018, 2019 and 2020.

The financial statements and company documents drawn up by your Board of Directors were made available to us within the legal timeframes.

- **Total assets on the balance sheet amount to 5.222.950 K€**

- **The income statement show net income of 12.709 K€**

We are required to express an opinion on the accompanying financial statements. We conducted our audit in accordance with professional standards and by applying the rules relating to the audit of institutions that are subject to banking regulations. As part of our audit, we have examined the transactions entered into by your company during the financial year ended 31 December 2018, together with the balance sheet as at 31 December 2018 and the income statement and notes to the financial statements for the year ended 31 December 2019.

These documents were prepared in accordance with the legal requirements and in the same form and using the same valuation methods as for the previous year.

We have verified the various components of assets and liabilities together with the methods used to measure them and to evaluate expenses and

income. We conducted our audit in accordance with generally accepted accounting standards, which require that our work be planned and performed to obtain reasonable assurance that the financial statements are free from material misstatement.

An accounting audit involves performing procedures, using sampling techniques, to obtain audit evidence regarding the amounts and disclosures in the financial statements. It also involves evaluating the appropriateness of the accounting policies used and the reasonableness of the main accounting estimates made by the managers of your company.

In our opinion, the accompanying annual financial statements for the year ended 31 December 2019, which are submitted for your approval, give a true and fair view, in accordance with the applicable legal requirements and professional standards, of the assets and liabilities of your Company as at 31 December 2019 and of the results of operations for the 12-month financial year ended 31 December 2018.

We have also verified the financial disclosures contained in the report prepared by your Board of Directors, together with the proposed allocation of income and compliance with the legal and statutory provisions governing the operation of your Company. We have no matters to report.

Monaco, 10 April 2020

The Statutory Auditors  
André Garino, Christian Boisson.

# SPECIAL REPORT

of the statutory auditors, financial year ended 31 December 2019

To the Shareholders,

In accordance with the provisions of Article 25 of the Monegasque law of 20 January 1945 (No. 408), we hereby report to you on the transactions referred to in Article 23 of the Sovereign Ordinance of 5 March 1895 that were completed during the financial year ended 31 December 2019 and on the general meetings held during that year.

## **Transactions referred to in Article 23 of the Sovereign Ordinance of 5 March 1895.**

We remind you that these relate to any undertaking or transaction comprising a series of successive services of the same nature or of a similar nature, entered into with the company or on its behalf and in which a director of your company has a direct or indirect interest.

The execution of these transactions during the financial year ended 31 December 2019 is described in the special report prepared by the Board of Directors of your company. We have verified the information contained in this report and have no matters to report in that regard.

## **General meeting held during the year**

During the financial year, you were convened to attend:

- the annual Ordinary General Meeting of 30 April 2019 held to approve the accounts for the year ended 31 December 2018, to appoint a director and to renew the terms of office of the directors and the statutory auditors.

For this meeting, we verified:

- compliance with the legal and statutory requirements governing the holding of such meetings;
- the execution of approved resolutions.

We did not observe any irregularities.

Monaco, 10 April 2020

The Statutory Auditors  
André Garino, Christian Boisson.

FINANCIAL REPORT

# CONSOLIDATED ACCOUNTS



# CONSOLIDATED BALANCE SHEET

as of December 31, 2019 and 2018, before appropriation of net profit

In thousands of euros	2019	2018
Cash, Central Banks	270.061	31.691
Due from banks	2.469.934	2.307.417
Customer loans	1.633.319	1.250.247
Bonds and other fixed income securities	591.339	449.598
Equities and other variable income securities	31.570	32.642
Participating interests and other financial investments	48	48
Interests in related companies	589	492
Goodwill and other intangible assets	9.577	9.464
Property and equipment	185.483	203.713
Other assets	11.782	11.732
Accrued income and prepaid expenses	17.158	28.887
<b>TOTAL ASSETS</b>	<b>5.220.860</b>	<b>4.325.931</b>
Due to banks	220.028	45.612
Due to customers	3.952.403	3.256.997
Other liabilities	32.948	20.598
Accrued expense and differed income	24.942	21.350
Provisions for contingencies and charges	2.731	4.598
General banking risks reserve	16.768	19.018
Share capital	111.110	111.110
Additional paid-in-capital	4.573	4.573
Reserves	842.075	829.744
Retained earnings	1	1
Net profit		
Net profit - Group share	13.281	12.330
<b>TOTAL LIABILITIES</b>	<b>5.220.860</b>	<b>4.325.931</b>
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>Commitments given</b>		
Confirmed lines of credit	526.962	183.499
Guarantees given	28.017	16.755
Commitments relating to securities transactions	34.254	34.254
<b>Commitments received</b>		
Confirmed lines of credit		500.000
Commitments relating to securities transactions	525	1.052

# CONSOLIDATED INCOME STATEMENT

of December 31, 2019 and 2018

In thousands of euros	2019	2018
<b>Banking income and expense</b>		
Interest income	65.760	49.855
Interest expense	(22.514)	(12.124)
Income from variable income securities	14	14
Commission and fee income	65.627	61.913
Commission expense	(4.549)	(3.623)
Net gain (loss) on disposals of trading account securities	1.844	4.492
Net gain (loss) on disposals of securities held for sale	2.297	(876)
Other banking income	28	14
Other banking expense	(5.526)	(5.765)
<b>NET BANKING INCOME</b>	<b>102.981</b>	<b>93.900</b>
General operating expenses	(62.614)	(54.770)
Depreciation and other write-downs of property, equipment and intangible assets	(3.470)	(4.238)
<b>GROSS OPERATING INCOME</b>	<b>36.897</b>	<b>34.892</b>
Depreciation on revaluation reserve on property	(18.850)	(18.850)
Movement of provisions on loans and off-balance sheet items	(984)	286
<b>OPERATING INCOME</b>	<b>17.063</b>	<b>16.328</b>
Gains and releases of provisions on long-term investements		
<b>INCOME BEFORE TAX AND NON-OPERATING ITEMS</b>	<b>17.063</b>	<b>16.328</b>
Non operating income	(79)	(73)
Income taxes	(5.953)	(6.175)
Provisions / Reversals for General Banking Risks and regulated provisions	2.250	2.250
<b>NET PROFIT</b>	<b>13.281</b>	<b>12.330</b>
Group share	13.281	12.330
<b>BASIC EARNINGS PER SHARE</b>	<b>0,024</b>	<b>0,022</b>
<b>DILUTED EARNINGS PER SHARE</b>	<b>0,024</b>	<b>0,022</b>

# CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

In thousands of euros	Share capital	Additional paid-in capital	Consolidated reserves and retained earnings	Revaluation difference	Retained earnings	General banking risks reserve	Profit for the period	Total
<b>Balance as of December 31, 2018</b>	111.110	4.573	642.815	186.930	1	19.018	12.330	<b>976.777</b>
Appropriate of 2018, net profit			12.330				(12.330)	<b>0</b>
Decrease in provision						(2.250)		<b>(2.250)</b>
Revaluation difference amortization			18.850	(18.850)				<b>0</b>
Net profit 2019							13.281	<b>13.281</b>
<b>Balance as of December 31, 2019</b>	<b>111.110</b>	<b>4.573</b>	<b>673.995</b>	<b>168.080</b>	<b>1</b>	<b>16.768</b>	<b>13.281</b>	<b>987.808</b>

# NOTES

to the Consolidated Financial Statements, year ended December 31, 2019

The consolidated financial statements of the CMB Group have been prepared in accordance with generally accepted accounting principles applicable to banking institutions in France.

## CONSOLIDATED ACCOUNTING TREATMENT

The Group complies with the provisions of regulation of France's national accounting standards body (ANC) concerning the consolidation of businesses to which ACN standards apply.

The bank's accounts are consolidated in the accounts of Mediobanca Spa, Piazzetta Cuccia Enrico, 1 - 20121 Milano-Italia.

## CONSOLIDATION METHODS

### Full consolidation

All companies over which the Group exercises exclusive control are fully consolidated, including those companies with a different financial statement structure which are involved in activities related to banking and finance, such as real estate and services.

The Group exercises exclusive control, through a direct or indirect majority holding in the voting

rights of the following consolidated companies: CMG, CMB Asset Management.

Other participating interests are carried at cost, as CMB does not exercise significant influence over them.

## CONSOLIDATION RULES

All transactions between fully consolidated companies having a material impact on the consolidated financial statements are eliminated when they concern fully integrated subsidiaries.

## SIGNIFICANT ACCOUNTING POLICIES

See paragraphs 2.1 to 2.11 of the notes to the parent company financial statement.

**OTHER INFORMATION**
**a. Consolidated goodwill, intangible assets, property and equipment**

In thousands of euros	12/31/18	Increase	Decrease	12/31/19
<b>Gross amount</b>				
Goodwill, intangible assets	39.276	1.081	(11)	40.346
Property and equipment	250.937	2.044	(1.080)	251.901
Prepayments to suppliers	3.187	3.403	(2.325)	4.265
<b>Total fixed assets</b>	<b>293.400</b>	<b>6.528</b>	<b>(3.416)</b>	<b>296.512</b>
<b>Depreciation</b>				
Goodwill, intangible assets	(30.016)	(2.077)	11	(32.082)
Property and equipment	(47.535)	(20.243)	1.080	(66.698)
<b>Total Depreciation</b>	<b>(77.551)</b>	<b>(22.320)</b>	<b>1.091</b>	<b>(98.780)</b>
<b>Provisions for impairment of assets</b>	<b>(2.672)</b>			<b>(2.672)</b>
<b>NET VALUE</b>	<b>213.177</b>	<b>(15.792)</b>	<b>(2.325)</b>	<b>195.060</b>

**b. Consolidated provisions for contingencies**

In thousands of euros	Balance at 31/12/2018	Provisions made during the year	Provisions reversed during the year	Utilised during the year	Balance at 31/12/2019	Loans at 31/12/2019	% of coverage
<b>Provisions for contingencies</b>							
Private risks	696	90	(192)	(52)	542	3.318	16%
Provisions for contingencies & charges	4.598	1.207	(202)	(2.872)	2.731		
<b>TOTAL</b>	<b>5.294</b>	<b>1.297</b>	<b>(394)</b>	<b>(2.924)</b>	<b>3.273</b>	<b>3.318</b>	

### C. Consolidated accrued interest and other accruals included in balance sheet items

In thousands of euros	2019	2018
<b>Related accounts receivable (incl. Accrued income)</b>	<b>8.476</b>	<b>5.322</b>
Due from banks	2.709	666
Customer loans	2.899	2.679
Bonds and other fixed income securities	2.868	1.977
<b>Other accruals</b>	<b>17.158</b>	<b>28.887</b>
Commitments on financial futures	12.071	24.722
Prepaid expense	784	480
Accrued income	4.272	3.616
Other accruals	31	69
<b>TOTAL ASSETS</b>	<b>25.634</b>	<b>34.209</b>
<b>Accrued expense</b>	<b>3.751</b>	<b>3.192</b>
Due to banks	24	100
Due to customers	3.727	3.092
<b>Other accruals</b>	<b>24.942</b>	<b>21.350</b>
Commitments on financial futures	2.886	2.627
Deferred income	235	230
Accrued expense	21.804	17.890
Other accruals	17	603
<b>TOTAL LIABILITIES</b>	<b>28.693</b>	<b>24.542</b>

#### d. Analysis of income and expense

In thousands of euros	Expense	Income
<b>Interest</b>		
Interbank transactions	(2.523)	33.112
Customer transactions	(19.991)	8.123
Bonds and other fixed income securities		24.525
<b>Subtotal</b>	<b>(22.514)</b>	<b>65.760</b>
<b>Income from variable securities</b>		
Participating interests		14
<b>Subtotal</b>		<b>14</b>
<b>Commissions</b>		
Customer transactions	(2.108)	15.396
Securities transactions	(2.441)	50.231
<b>Subtotal</b>	<b>(4.549)</b>	<b>65.627</b>
<b>Trading account securities</b>		
Currency transactions		2.858
Diposals of trading account securities	(1.014)	
<b>Subtotal</b>	<b>(1.014)</b>	<b>2.858</b>
<b>Securities held for sale</b>		
Net gain or losses		6
Net changes in provision		2.291
<b>Subtotal</b>		<b>2.297</b>
<b>General operating expenses</b>		
Personnel expenses		
- Salaries and bonuses	(31.571)	
- Social security contributions	(10.266)	
General and administrative expenses	(20.777)	
<b>Subtotal</b>	<b>(62.614)</b>	

# REPORT OF THE STATUTORY AUDITORS

on the consolidated financial statements, financial year ended 31 December 2019

To the Shareholders,

We have audited the accompanying consolidated financial statements of COMPAGNIE MONEGASQUE DE BANQUE for the year ended 31 December 2019.

The consolidated financial statements have been approved by the Board of Directors. It is our responsibility to express an opinion on these financial statements based on our audit.

- **Total assets on the balance sheet amount to €5,220,860k**
- **The income statement shows net income of €13,281k**

We conducted our audit in accordance with professional standards, which require that we follow procedures to obtain reasonable assurance that the consolidated financial statements are free from material misstatement. An audit involves the use of sampling techniques in order to obtain audit evidence to substantiate

the amounts and disclosures contained in the financial statements. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the major accounting estimates made to draw up the financial statements, and assessing their overall presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities, financial position and results of operations of the consolidated group of entities.

We have also verified the disclosures relating to the Group contained in the report of the Board of Directors. We have no matters to report as to the fair presentation and consistency of these disclosures with the consolidated financial statements.

Monaco, 10 April 2020

The Statutory Auditors  
André Garino, Christian Boisson.



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The financial statements in English are a faithful translation of the original French version but should not be considered as legally binding due to the unavailability of English equivalents for certain specific French accounting terms. Consequently, the English document is intended for information purposes only.



**CMB**

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