

Annual Report

2021





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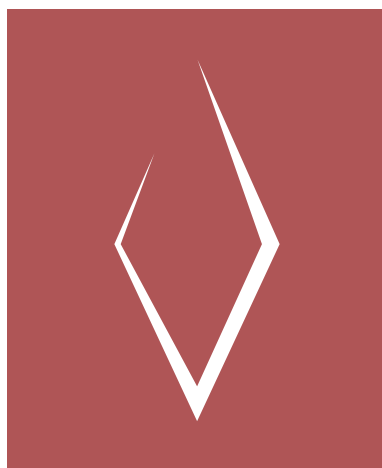
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Our governance

Board of Directors as at 28 April 2022

Board of Directors

Chairman	Etienne FRANZI	
Chief Executive Officer	Francesco GROSOLI	
Members	H.E.M. José BADIA Massimo BERTOLINI Francesco CARLONI Mario Germano GIULIANI Elisabeth MARKART Caroline ROUGAIGNON VERNIN	<i>Plenipotentiary Minister Head of Mediobanca Group Governance area Deputy Central Director Mediobanca Director Royalty Pharma PLC French foreign trade advisor Chairman of the Economic, Social & Environmental Council Director Mediobanca Company Director Group Head of Human Resources Mediobanca</i>
	Sveva SEVERI Marco VITTORELLI Alexandra YOUNG	

Executive Committee

Chairman	Etienne FRANZI
Members	Massimo BERTOLINI Francesco CARLONI Francesco GROSOLI Sveva SEVERI Alexandra YOUNG

Management Committee

Chief Executive Officer	Francesco GROSOLI
Chief Operating Officer	Kamran DJAVADI
Chief of Staff	Olivier PAGÈS
Head of Front Office	Sophie SAURINI
Head of CMB Asset Management	Federico LIMITI
Head of Infrastructure & Change Management	Stephan SIEDER
Head of Products & Services Distribution	Jérôme MAMAN
Chief Risk Officer	Gianmarco BASSETTI
Head of Treasury & Special Projects	Stefano ARGENTON
Head of Finance	David NUTTE
Chief Executive Officer CMG Monaco	Bernard AYBRAN
Head of Human Resource	Nathalie ARESI
Head of Legal	Edouard CURÉ
Head of Compliance	Philippe AUDRA

Statutory Auditors

Sandrine ARCIN
Stéphane GARINO

Message from the Chairman

Etienne
FRANZI

“In-depth
knowledge of our
customers and
extensive expertise
enable us to offer
solutions that
are best suited to
their profiles and
expectations.”

With net banking income and net profit up by 9% and 13% respectively, 2021 was unquestionably a successful year for our company, despite a particularly volatile and competitive environment.

All our business divisions contributed to this success, but investment advisory stood out for its remarkable growth again in 2021. It now has €1.24 billion in assets under management, and together with the private and fund management activities accounted for nearly 25% of net banking income for the year.

Our in-depth knowledge of our customers and extensive expertise enable us to offer solutions that are best suited to their profiles and expectations, and are undoubtedly key to the success of the advisory business, which is now a strategic area of our development.

As part of a policy to constantly improve our services, significant developments were made in the area of digitisation under the guidance of the CEO. These enabled us to show exceptional agility during the health crisis, and are now opening up new areas of growth.

Our teams now benefit from powerful IT tools that continuously manage all aspects of the customer relationship once an account has been opened.

Although viewed as limiting during the recent lockdowns, these advanced communication methods are now considered indispensable both to our bankers and a growing number of customers, particularly a new younger generation of private banking customers keen to use digital channels.

This focus on high-performance digital resources that meet the highest of standards in cybersecurity comes in tandem with measures introduced in this space by the Monegasque authorities, which see them as a key source of attractiveness for the Principality.

Of course, all of this was only possible thanks to the dedication and skills of all our employees, who have helped to make CMB Monaco one of the most dynamic and innovative leading players in the market.

On behalf of the Board, I want to thank them sincerely. With their commitment, the quality of our shareholder, Mediobanca Group, and the strength of our financial structure, we can look to the future with utmost confidence.

Etienne FRANZI



Message from the CEO

Francesco
GROSOLI

“The
relevance of
our customer-
focused
strategy has
been further
demonstrated
this year.”





Our operating environment

Covid-19 dominated the news again in 2021. There was a great deal of concern about the risks associated with long term inflation, reduced central bank asset purchases, pressure on oil prices, bottlenecks leading to production and transportation issues, potential new post Omicron variants, etc. Our focus was also on the possible impact of major macroeconomic factors, such as tensions between China and the US, and the German elections. However, despite this highly volatile environment, thanks to the rapid development of vaccines and the rebound in economic activity, the markets were able to get back on a solid footing.

Our strategy

More than ever, our teams have had to show foresight to best support our customers in the face of these unknowns and to help them take advantage of the various opportunities linked to the rise in stock market indices during 2021.

The relevance of our customer-focused strategy was further demonstrated this year. As we had anticipated from the outset of the crisis, customers now expect a stronger presence and support from their private banker. In any crisis, the role of a trusted advisor becomes all the more important, and our bankers fulfilled their responsibilities in this regard.

The banks that stand out are those that waste no time in aligning themselves with what competitors are doing, but also those that focus on customer expectations in order to support them with confidence on the one hand, and to build a truly differentiating range of products and services that meet their needs, on the other.

It was with this in mind that we launched a Private Markets offering in 2021, and to support our customers in key areas, for example by giving them access to an index generally designed to monitor the performance of the Metaverse, “the Ball Metaverse Index”, which includes companies actively involved in the construction of this universe.

Our results

In this particular context, CMB Monaco once again delivered very good results in 2021. Consolidated net banking income reached a record €115.9 million, up 9% on 2020. Consolidated net profit rose by 13% to €16.3 million.

None of this would have been possible without the efforts of our 246 employees, all of whom demonstrated passion, agility, attention to customers, and commitment to excellence. I would also like to thank our shareholder, Mediobanca, which has made the development of the Wealth Management division, of which CMB Monaco is an integral part, a central feature of its growth strategy.

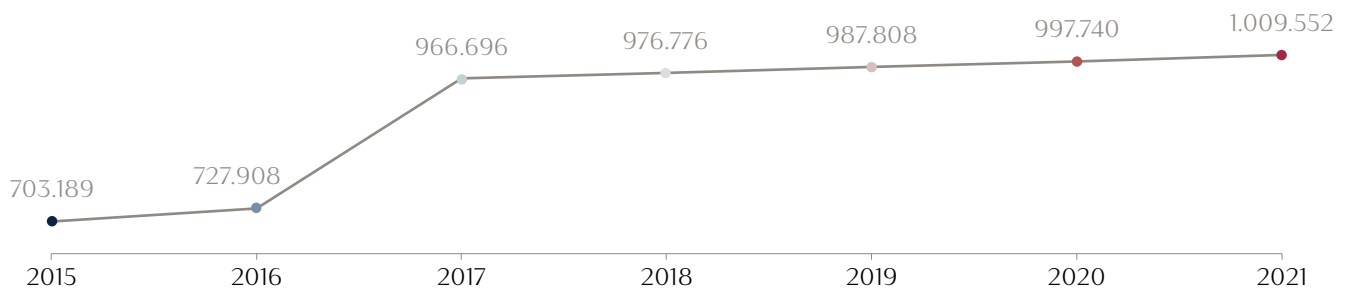
Right now, we are closely monitoring the situation in Ukraine from a financial, compliance and security perspective. Despite this external environment, I am confident that the post-pandemic era will offer particularly attractive investment opportunities and that CMB Monaco will ensure its clients can fully benefit from them.

Francesco GROSOLI

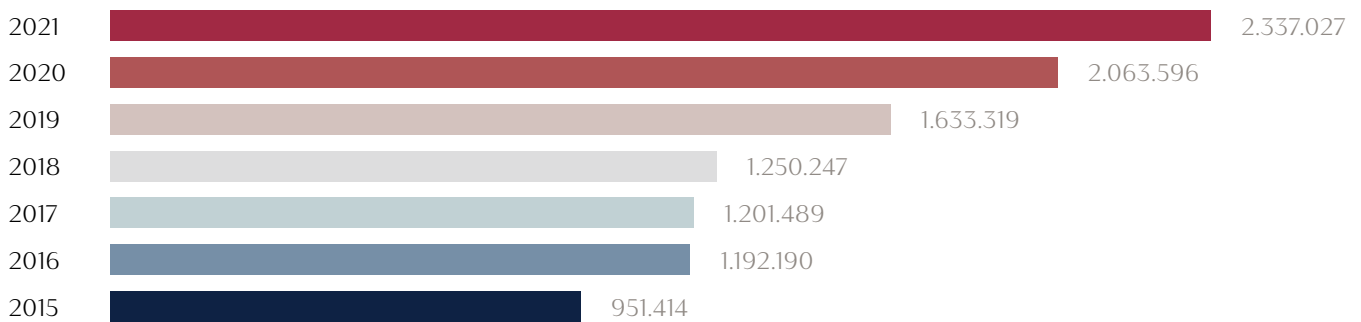


Key figures

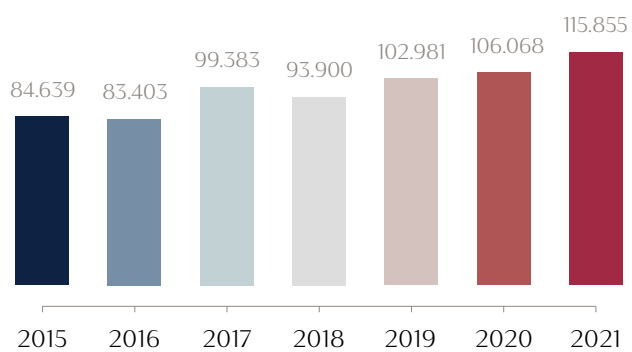
Consolidated shareholders equity (K€)



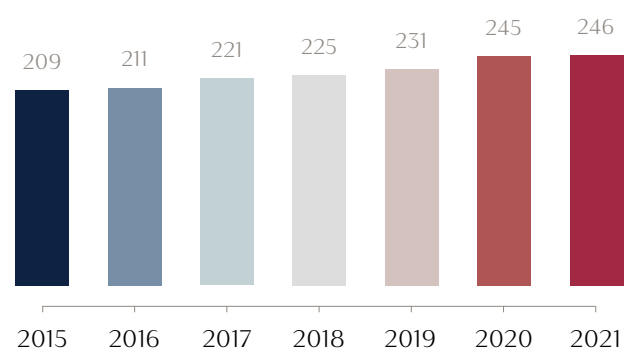
Customers' loans volume (K€)



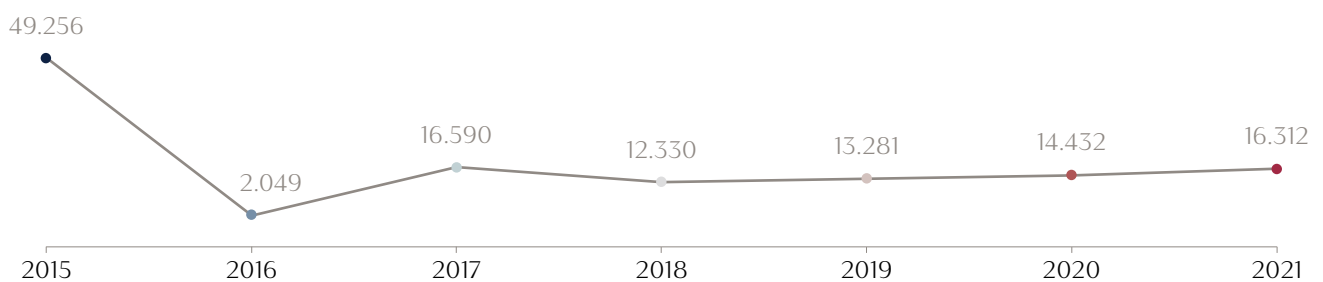
Net banking income (K€)



Employees



Consolidated net profit (K€)



Financial report

Statutory accounts



Report of the Board of Directors

to the Ordinary General Meeting of 28 April 2022

2021: a record year

While the Covid-19 epidemic dominated the headlines again throughout 2021, investors were able to take advantage of the situation and make astute acquisitions following the exceptional situation and strict lockdowns in 2020. The rapid development of vaccines, the rebound in economic activity and good earnings releases by many groups, many driven by a catch-up effect, gave the markets a solid basis on which to rebuild gains.

The appearance of Sars-cov-2 variants, supply problems causing shortages in certain sectors, fears around an acceleration of inflation linked to an overheating of the economy and soaring raw material prices ultimately proved to have a brief impact as the equity markets took on an increasingly positive trend.

Europe and around the world

Practically every major index in the world benefited from the upbeat trends of 2021, and most have also reached high levels in 2022. In Europe, the pan-European Euro Stoxx 50 index posted an annual gain of more than 21%. In Germany, the Dax rose by around 16%, while the UK's FTSE 100 rose by more than 14%. In the United States, the S&P 500 broke no less than 70 records, rising by more than 27% on 30 December 2021; the Dow Jones and the Nasdaq Composite surged by 20% and 22% respectively before the last trading session. In Asia, the Nikkei rose by almost 5% over the year.

Raw materials

As was the case for almost all raw materials in 2021, North Sea Brent crude had an exceptional year, rising by more than 51% and closing the year at almost \$80. The WTI rose by 56% year-on-year.

This was disappointing for some analysts, however, who had predicted that oil prices would climb back above \$100 due

to the sharp increase in demand linked to the economic recovery and pressure on supply chains.

But renewed wariness from the autumn, prompted by accelerating inflation and the rise of the Omicron variant, which raised concerns about future demand, as well as OPEC's decision to continue to increase its supply, slowed the exceptional rally in oil prices. In comparison, gas soared by 53%, aluminium by nearly 42%, copper by 23% and wheat by more than 25%. Gold fell by 4%.

The euro

The single currency fell by nearly 7.5% against the US dollar in 2021. The dollar strengthened steadily from spring onwards on the back of a faster paced economic recovery in the US and proactive policies by Joe Biden, while Europe struggled to find a coordinated response to stem the progress of the various variants without impeding the recovery.

From a monetary perspective, the measures taken by the ECB and the Fed remained very accommodative, but due to the speed at which inflation rose from the summer they began to implement tapering measures to reduce their respective asset purchase programmes from the first quarter of 2022. The dollar ended the year at \$1.1324 to the euro on the Euronext, back at its July 2020 level.

In this context, the Bank continued to implement its transformation plan and work on strengthening its development.

Consolidated net banking income reached a record €115.9 million, up 9% compared with 2020.

All business divisions contributed to this excellent result.





Investment management for both private clients and funds remained strong, with volumes reaching 27% of customer deposits. The advisory activity saw strong growth again this year, with assets under management reaching a very satisfactory €1.24 billion. These two activities together accounted for 22% of net banking income and 35% of customer deposits.

The brokerage activity remained at nearly 21% of net banking income, thanks in particular to very strong activity in the “Distribution of investment products and services” department.

In lending, we further increased our market share. With growth of around 13%, total loan receivables surpassed €2.3 billion, without any weakening of our principles in terms of stringency and prudence, as evidenced by a provisioning rate of virtually nil.

As part of a similar stringent approach, cash assets continued to be invested only in highly rated

bonds issued by governments and international organisations or placed with our Group under agreements corresponding to the average duration of our funding, which enabled us to limit the heavy impact of the fall in interest rates.

General operating expenses rose by 6%, reflecting our transformation and repositioning efforts, as well as the implementation of a major IT investment plan around digitisation, customer onboarding and, more broadly, continuous improvements to our services.

Consolidated gross operating income came to a little over €37.9 million, and after taking into account the cost of risk, other non-operating items and a goodwill impairment charge on fixed assets of €18.9 million, consolidated net profit came to €16.3 million, an increase of 13% versus 2020.

On a stand-alone basis, net profit for the bank rose by 1% versus the previous year to €15.5 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 42% and 219% respectively, the Board of Directors proposes that net profit be appropriated as follows:

Net profit for 2021	€ 15.486.316
Brought forward from previous year	€ 179
Total income for appropriation	€ 15.486.495
Allocation to extraordinary reserve	€ 15.486.000
Carried forward	€ 495
Total income appropriated	€ 15.486.495

Total stand-alone shareholders' equity is therefore €1.007 million as at 31 December 2021 and consolidated shareholders' equity is €1.010 million. A certain number of transactions referred to in Article 23 of the Sovereign Ordinance of 5 March 1985 were entered into during 2021:

- ❖ Routine banking transactions and reciprocal services with banking institutions having the same directors as the Bank,
- ❖ IT and administrative services provided to our subsidiaries CMG Monaco and CMB Asset Management SAM.

The group had 246 employees as at 31 December 2021.

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

The Board of Directors

Balance sheet

as at 31 December 2021 and 2020 before allocation of net profit

In thousands of euros	2021	2020
Cash, Central Banks	298.877	293.520
Due from banks	2.952.980	2.734.001
Customer loans	2.337.027	2.063.596
Bonds and other fixed income securities	507.984	560.953
Equities and other variable income securities	2.351	25.235
Participating interests and other financial investments	113	48
Interests in related companies	8.214	7.608
Goodwill and other intangible assets	18.426	13.675
Property and equipment	147.904	166.309
Other assets	15.478	12.533
Accrued charges - deferred income	14.940	17.222
Total assets	6.304.294	5.894.700
Due to banks	944.579	535.065
Due to customers	4.295.631	4.305.676
Other liabilities	26.884	31.669
Accrued charges - deferred income	27.970	24.195
Provisions for contingencies and charges	2.168	2.019
General banking risks reserve	7.768	12.268
Share capital	111.110	111.110
Additional paid-in-capital	4.573	4.573
Reserves	868.125	852.791
Retained earnings		1
Net profit	15.486	15.333
Total liabilities	6.304.294	5.894.700

Commitments and contingencies

Commitments given		
Confirmed lines of credit	1.042.872	871.095
Guarantees given	56.887	55.419
Commitments relating to securities transactions	0	34.254

Income statement

as at 31 December 2021 et 2020

In thousands of euros	2021	2020
Banking income and expense		
Interest income	54.107	57.075
Interest expense	(8.931)	(13.062)
Income from variable income securities	1.514	2.414
Commission and fee income	70.176	64.175
Commission expense	(4.093)	(5.457)
Net gain (or loss) on disposals of trading account securities	227	887
Net gain (or loss) on disposals of securities held for sale	1.152	505
Other banking income	584	582
Other banking expense	(3.835)	(4.293)
Net banking income	110.901	102.826
General operating expenses	(67.241)	(62.946)
Depreciation and other write-downs of property, equipment and intangible assets	(7.436)	(4.508)
Gross operating income	36.224	35.372
Depreciation on revaluation reserve on property	(18.850)	(18.850)
Movement of provisions on loans and off-balance sheet items	(1.172)	(353)
Operating incomes	16.202	16.169
Gains and releases of provisions on long-term investments	0	0
Income before tax and non-operating items	16.202	16.169
Non operating income	0	(154)
Income taxes	(5.216)	(5.182)
Provisions / Reversals for General Banking Risks and regulated provisions	4.500	4.500
Net profit	15.486	15.333
Group share	15.486	15.333
Basic earnings per share	0.028	0.028
Diluted earnings per share	0.028	0.028

Statement

of changes in main balance sheet items

In thousands of euros	2021	2020	Variation	%
Interbank loans	3.251.857	3.027.521	224.336	7.41%
- Repayable on demand	2.826.344	2.669.434	156.910	5.88%
- Time loans	425.513	358.087	67.426	18.83%
Customer loans	2.337.027	2.063.596	273.431	13.25%
- Sight account	768.545	610.362	158.183	25.92%
- Other loans	1.568.482	1.453.234	115.248	7.93%
Security portfolio	510.335	586.188	(75.853)	(12.94%)
Total	6.099.219	5.677.305	421.914	7.43%
Interbank deposits	944.579	535.065	409.514	76.54%
- Repayable on demand	3.976	24.990	(21.014)	(84.09%)
- Time loans	940.603	510.075	430.528	84.40
Customer deposits	4.295.631	4.305.676	(10.045)	(0.23%)
- Repayable on demand	3.745.077	3.746.141	(1.064)	(0.03%)
- Time deposit	536.262	543.121	(6.859)	(1.26%)
- Special savings accounts	14.292	16.414	(2.122)	(12.93%)
Total	5.240.210	4.840.741	399.469	8.25%



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
Balance as at 31 December 2020	111.110	4.573	684.711	168.080	1	12.268	15.333	996.076
Appropriation of 2020 net profit			15.333		0		(15.333)	0
Revaluation difference amortization			18.850	(18.850)				0
Profit for the period 2021							15.486	15.486
Decrease in provision						(4.500)		(4.500)
Balance as at 31 December 2021	111.110	4.573	718.894	149.230	1	7.768	15.486	1.007.062
Appropriation of 2020 net profit			15.487		(1)		(15.486)	0
Revaluation difference amortization			18.850	(18.850)				0
Balance as at 31 December 2021 after appropriation	111.110	4.573	753.231	130.380	0	7.768	0	1.007.062





Notes

to the Financial Statements for the year ended 31 December 2021

1. Share ownership

At 31 December 2021, the Bank had a share capital of €111.110.000 consisting of 555.550 shares with a nominal value of €200 each, which were held as follows, the percentages being rounded off:

Mediobanca: 99.998%
i.e. 555,539 shares

Directors: 0.002%
i.e. 11 shares

The Bank's accounts are consolidated in the financial statements of Mediobanca Spa, Piazzetta Enrico Cuccia, 1 - 20121 Milan - Italy.

2. Accounting principles and valuation methods

The accounting principles and valuation methods used to prepare the financial statements comply with the provisions of Regulation 2014-07 of the French Accounting Standards Authority (Autorité des Normes Comptables - ANC) on the financial statements of banking sector companies.

2.1 Provisions for doubtful receivables

Provisions are established for doubtful receivables where there is a probable risk of total or partial non-recovery.

Provisions for specific receivables are recognised as a deduction from assets in accordance with ANC Regulation 2014-07 on the financial statements of banking sector companies. The Bank periodically reviews the status of the various cases and adjusts the provisions accordingly.

2.2 Interest and fees

Interest is recognised in the income statement on a pro rata basis.

Fee income is recognised when it is due and payable, with the exception of fees that are treated as interest, which are recognised on a pro rata basis.

Unpaid interest is subject to a provision if its recovery appears compromised, in which case it is excluded from net banking income.

2.3 Income from the securities portfolio

Income from the securities portfolio includes the net gains on disposals of securities, bonds and equities. Dividend income on equities is recorded as and when it is received.

Interest income on bonds held in the portfolio is recognised on a pro rata basis.

2.4 Gains on foreign currency transactions

Assets, liabilities and off-balance sheet commitments denominated in foreign currency are expressed in euros at the market exchange rates or official fixed exchange rates in force on the reporting date.

Forward foreign currency transactions are recognised at the forward exchange rate on the reporting date and the financial gain or loss is recorded under "Gains on financial transactions".

2.5 Gains on interest rate or currency swaps

These transactions are treated in the same way as lending or borrowing transactions, either in one currency or in two different currencies. The amounts received or paid in respect of these transactions are included in the income statement on a pro rata basis.

2.6 Securities transactions

Trading account securities

Pursuant to the provisions of Articles 2321-1 and 2 and 2322-1 to 3 of ANC Regulation 2014-07, trading account securities are those that are acquired or sold with the intention of reselling or repurchasing them in the short term. They are recognised on their date of acquisition at cost, excluding acquisition-related expenses but including accrued interest, where applicable. At each reporting date, they are valued at their market price. The difference between the acquisition value and the market price is taken to the income statement.

Available-for-sale securities

Pursuant to the provisions of Articles 2331-1 and 2332-1 to 4 of ANC Regulation 2014-07, available-for-sale securities are securities acquired with the intention of holding them for the medium or long term, other than held-to-maturity securities (or equity interests). They are recognised at cost on their date of acquisition. Any accrued interest recorded on the acquisition of the securities is recorded as a receivable.

Where the acquisition price of fixed-income securities exceeds their redemption price, the difference is amortised over the remaining time to maturity. Where the acquisition price of fixed-income securities is lower than their redemption price, the difference is recognised in income over the remaining time to maturity.

At each reporting date, an impairment is recognised for any unrealised capital losses arising from the difference between the carrying amount, as adjusted for the amortisation of differences between cost and redemption price, and the market price.

Unrealised capital gains are not recognised.

Equity investments

Equity investments are recognized at their historical cost. At year-end, they are valued on the basis of their “value in use”.

2.7 Provision for retirement benefits

Commitments covered by a provision for retirement benefits were valued at €2 million at the end of December 2021.

2.8 Fund for general banking risks

At 31 December 2021, the provision recorded as a prudent measure to hedge against general risks inherent in banking transactions was reduced to a total of €8 million (ANC Regulation 2014-07).

2.9 Fixed assets, depreciation and amortisation

Property, plant and equipment are recognised at cost and depreciated on a straight-line basis over their useful lives.

On 1 January 2017, the bank performed a revaluation of its property portfolio, resulting in the recognition of a revaluation reserve of €224.63 million. This revaluation surplus gave rise to additional depreciation, which is calculated over the residual depreciation period of the assets concerned.

Goodwill on intangible assets is amortised over a ten- year period. Goodwill relates to the acquisition of the Monaco branch of ABN AMRO for €8 million in November 2006, fully amortised at 31 December 2016, the acquisition of the Monaco business of

Capitalia Luxembourg for €18.2 million in March 2008, fully amortised at 31 December 2018, and the acquisition of part of the business assets of CFM Indosuez Monaco, acquired in two tranches of €5.3 million and €1.2 million in December 2016 and February 2017 respectively.

2.10 Off-balance sheet items

Forward financial instruments and hedging transactions are accounted for in accordance with Regulation 2015- 05.

The off-balance sheet financial instruments shown under “commitments given” are mainly held for interest rate hedging purposes. Gains or losses on these instruments are recorded in the income statement on a pro rata basis.

2.11 Tax expense

For the 2021 financial year, the bank remains within the scope of application of corporate income tax at the rate of 26.5%, instituted by Sovereign Ordinance no. 3152 of 19 March 1964.

2.12 Related parties

The Bank carries out market transactions and cash pooling with its parent company, Mediobanca, under normal market conditions.

2.13 Impact of the COVID-19 epidemic on the financial statements for the year

The Bank adapted its organisational and operating methods, in terms of both personnel and IT systems, so that the services provided to its customers and third parties could be maintained.

2.14 Impact of the Russian-Ukrainian crisis

The events in Ukraine in 2022 impacted the entire global economy, including the stock markets. CMB Monaco applies all the measures arising from international sanctions and has implemented all the due diligence required by these texts. At this stage, the bank has not identified any significant exposure to assets of Russian or Ukrainian issuers.

Moreover, the bank has not identified any risks arising from the sanctions imposed on Russia that could have a significant impact on the 2021 financial statements.

3. Other information

3.1 Fixed assets

Fixed assets can be analysed as follows as at 31 December 2021:

In thousands of euros	31/12/2020	Increase	Decrease	31/12/2021
Gross amount				
Goodwill, intangible assets	49,345	8,079		57,424
Property and equipment	270,113	732		270,845
Prepayments to suppliers	1,613	11,215	(7,394)	5,434
Total fixed assets	321,071	20,026	(7,394)	333,703
Depreciation				
Goodwill, intangible assets	(36,925)	(5,770)		(42,695)
Property and equipment	(104,144)	(20,516)		(124,660)
Total depreciation	(141,069)	(26,286)	0	(167,355)
Provisions for impairment of assets	(18)			(18)
Net value	179,984	(6,260)	(7,394)	166,330

3.2 Investments in subsidiaries and participating interests

As at 31 December 2021, investments in subsidiaries and participating interests were as follows:

In thousands of euros	Share capital	% interest	At cost	2021 net profit	Shareholder provisions loans	Provisions	Net book value 31/12/2021
CMB Asset Management	150	99.50%	150	5	-		150
CMG Monaco	600	99.92%	592	2,321	6,532		7,124
Other companies			113				113
Certificate of association FGDR			940				940

- ❖ CMB Asset Management, Société Anonyme Monégasque: a firm committed to manage funds under discretionary mandate.
- ❖ CMG Monaco, Société Anonyme Monégasque: as at 31 December 2021 this subsidiary manages 23 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 of euros	Balance at 31/12/2020	Provisions made during the year	Provisions reversed during the year	Utilised during the year	Balance at 31/12/2021	Loans at 31/12/2021	% of coverage
Provisions for contingencies							
Private risks	538	127	(29)	(90)	546	12.396	4%
Provisions for contingencies and charges	2.019	1.491	(75)	(1.267)	2.168		
Total	2.557	1.618	(104)	(1.357)	2.714	12.396	

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

In thousands euros	2021			2020		
	Available for sale	Hold for trades	Total portfolio	Available for sale	Hold for trades	Total portfolio
Bonds						
Governments	336.155		336.155	205.193		205.193
Central authorities			0	10.180		10.180
Banks			0	36.821		36.821
Other financial institutions	171.829		171.829	308.495		308.495
Other non-financial institutions			0	264		264
Subtotal	507.984		507.984	560.953	0	560.953
Shares & others						
Equities, warrants, others, mutual funds	2.351		2.351	2.300	22.935	25.235
Subtotal	2.351		2.351	2.300	22.935	25.235
Total	510.335	0	510.335	563.253	22.935	586.188
<i>Of which allowance of depreciation</i>	(869)			(804)		
<i>Unrealized gain</i>	4.664			4.518		

Securities breakdown by type of transferable securities	2021	2020	Trading account securities breakdown	2021	2020
Fixed income bonds	507.984	535.699	Listed on an active market		22.935
Floating income bonds		25.254	Others		0
Equities, warrants, others, mutual funds	2.351	25.235			
Total	510.335	586.188	Total	0	22.935

3.5 Breakdown of customer transactions

In thousands of euros	2021	2020
Receivable accounts	756.690	610.049
Other customer loans	1.580.337	1.453.547
Total	2.337.027	2.063.596

3.6 Breakdown of balance sheet items

In thousands of euros	Foreign currencies	Euros	Total euro equivalent
Due from banks	1.463.029	1.788.828	3.251.857
Customers loans	281.876	2.055.151	2.337.027
Accrued charges - deferred income	1.992	12.948	14.940
Other assets	1.144	14.334	15.478
Participating interests and portfolio securities	214.430	304.232	518.662
Property, equipment, goodwill and intangible assets		166.330	166.330
Total assets	1.962.471	4.341.823	6.304.294
Due to banks	1.032	943.547	944.579
Due to customers	1.992.834	2.302.797	4.295.631
Accrued charges - deferred income & prepaid expenses/provisions for contingencies and charges	1.607	28.531	30.138
Debt represented by a security			
Other liabilities	5.978	20.906	26.884
Shareholders' equity		1.007.062	1.007.062
Total liabilities	2.001.451	4.302.843	6.304.294

3.7 Forward commitments

In thousands of euros	2021	2020
Currency transactions:		
- Foreign currencies receivable	1.663.526	880.216
- Foreign currencies to be delivered	1.663.844	879.805
Commitments on derivative financial instruments:		
- Interest rate options	39.371	60.143
- Currency options	161.924	154.204

3.8 Securities due and receivable under delayed delivery transactions

In thousands of euros	Securities due	Securities receivable
Securities awaiting settlement	0	0
Total	0	0

3.9 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	3.045.999	201.069		
Accrued income	249			
Customer loans	1.200.304	129.231	675.311	329.694
Accrued income	2.487			
Bonds	129.910	107.862	270.212	
Total assets	4.378.949	438.162	945.523	329.694

	Less or equal to 3 months	3 months to 1 year	1 to 5 years	Beyond 5 years
Due to banks	3.976	285.458	655.000	
Accrued expense	145			
Due to customers	4.077.874	169.638	47.350	
Accrued expense	769			
Total liabilities	4.082.764	455.096	702.350	

Commitments and contingencies	Less or equal to 1 year	1 to 5 years	Beyond 5 years
Confirmed lines of credit	80.898	116.780	845.194
Guarantees given	8.876	43.948	4.063
Commitments relating to securities transactions			
Commitments given	89.774	160.728	849.247

3.10 Accrued interest and other accruals included in balance sheet items

In thousands euros	2021	2020
Related accounts receivable (incl. Accrued income)	2.736	6.297
Due from banks	249	1.068
Customer loans	2.487	2.778
Bonds and other fixed income securities		2.451
Accrued charges – deferred income	14.940	17.222
Commitments on derivative financial instruments	11.939	15.045
Prepaid expense	1.475	1.005
Accrued income	1.526	1.171
Other accruals		1
Total assets	17.676	23.519
Accrued expense	914	1.197
Due to banks	145	75
Due to customers	769	1.122
Accrued charges – deferred income	27.970	24.195
Commitments on derivative financial instruments	3.484	2.355
Deferred income	150	165
Accruals	24.307	21.611
Other accruals	29	64
Total liabilities	28.884	25.392

3.11 Employees

	2021	2020
Executives	177	168
Senior Employees	68	75
Staff	1	2
Total	246	245

3.12 Analysis of income and expenses

In thousands euros	Expense	Income
Interest		
Interbank transactions	(5.265)	16.009
Customer transactions	(3.666)	32.869
Bonds and other fixed income securities		5.229
Subtotal	(8.931)	54.107
Income from variable securities		
Participating interests		1.514
Subtotal		1.514
Commissions		
Customer transactions	(1.019)	18.250
Securities transactions	(3.074)	51.926
Subtotal	(4.093)	70.176
Trading account securities		
Currency transactions		1.793
Disposals of trading account securities	(1.566)	
Subtotal	(1.566)	1.793
Securities held for sale		
Net gains or losses		1.557
Net changes in provision	(405)	
Subtotal	(405)	1.557
General operating expenses		
Personnel expenses		
- Salaries and bonuses	(35.221)	
- Social security contributions	(10.502)	
General and administrative expenses	(21.518)	
Subtotal	(67.241)	

3.13 Breakdown of the cost of risk

	2021
Reversal doubtful debt provision	29
Reversal risk provision (litigation)	50
Doubtful debt provision	(128)
Risk provision (litigation)	(1.086)
Loss on irrecoverable debt	(37)
Total	(1.172)

Resolutions

presented to the Ordinary General Meeting of 28 April 2022



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 those statements and summarised in those reports.

Second resolution

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

Net profit for 2021	€ 15.486.316
Brought forward from previous year	€ 179
Total income for appropriation	€ 15.486.495
Allocation to extraordinary reserve	€ 15.486.000
Carried forward	€ 495
Total income appropriated	€ 15.486.495

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.

Fourth resolution

Having considered the special report of the Statutory Auditors and the Board of Directors' report on the agreements provided for by Article 23 of the Sovereign Ordinance of 5 March 1895, the shareholders take note of the transactions entered into between the Bank 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 5 March 1895, provided that the Directors report thereon to the Ordinary Annual General Meeting.

Sixth resolution

The shareholders discharge the Directors from any liability arising from the exercise of their functions in respect of the financial year ended 31 December 2021.

Seventh resolution

Full and final discharge shall be given to Monica Agusta, H.E. Claude Giordan, Alessandro Ragni and Francesco Saverio Vinci, who ceased to hold office as Director on 31 May 2021.

Balance sheet

at 31 December 2021 and 2020 after allocation of net profit

In thousands of euros	2021	2020
Cash, Central Banks	298.877	293.520
Due from banks	2.952.980	2.734.001
Customer loans	2.337.027	2.063.596
Bonds and other fixed income securities	507.984	560.953
Equities and other variable income securities	2.351	25.235
Participating interests and other financial investments	113	48
Interests in related companies	8.214	7.608
Goodwill and other intangible assets	18.426	13.675
Property and equipment	147.904	166.309
Other assets	15.478	12.533
Accrued charges - deferred income	14.940	17.222
Total assets	6.304.294	5.894.700
Due to banks	944.579	535.065
Due to customers	4.295.631	4.305.676
Other liabilities	26.884	31.669
Accrued charges - deferred income	27.970	24.195
Provisions for contingencies and charges	2.168	2.019
General banking risks reserve	7.768	12.268
Share capital	111.110	111.110
Additional paid-in-capital	4.573	4.573
Reserves	883.611	868.124
Retained earnings		1
Total liabilities	6.304.294	5.894.700

Commitment and contingencies

Commitments given		
Confirmed lines of credit	1.042.872	871.095
Guarantees given	56.887	55.419
Commitments relating to securities transactions	0	34.254

General report

of the statutory auditors on the year ended 31 December 2021

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 31 May 2021 for the financial years 2021, 2022 and 2023.

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

- ❖ **Total assets on the balance sheet amount to €6.304.294k**
- ❖ **The income statement shows a net profit of €15.486k**

The global crisis linked to the COVID-19 pandemic created unusual conditions for the preparation and audit of the financial statements for this financial year. This crisis and the exceptional measures taken to deal with the health emergency had multiple consequences for businesses, particularly on their activity and financing, and gave rise to increased uncertainties about their future prospects. Some of these measures, particularly travel restrictions and remote working, also had an impact on the internal organisation of companies and the procedures for performing audits.

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 examined the transactions entered into by your company during the financial year ended 31 December 2021, together with the balance sheet as at 31 December 2021 and the income statement and notes to the financial statements for the year then ended.

These documents were drawn up in accordance with legal requirements and in the same form and using the same valuation methods as the previous financial year, and adopted as set out above.

We verified the various components of the 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 2021, 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 2021 and of the results of operations for the twelve-month period then ended.

We 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, 13 April 2022

The Statutory Auditors
Stéphane GARINO, Sandrine ARCIN.



Special report

of the statutory auditors on the year ended 31 December 2021



To the Shareholders,

In accordance with the provisions of Article 24 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 2021 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 Bank 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 2021 is described in the special report prepared by the Board of Directors of your company. We 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 31 May 2021 held to approve the financial statements for the year ended 31 December 2020, to renew the appointment of directors, to appoint five new directors and to appoint the statutory auditors.

For this meeting, we verified:

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

We did not observe any irregularities.

Monaco, 13 April 2022

The Statutory Auditors
Stéphane GARINO, Sandrine ARCIN.

Financial Report

Consolidated accounts



Consolidated balance sheets

as at 31 December 2021 and 2020 before allocation of net profit

In thousands of euros	2021	2020
Cash, Central Banks	298.877	293.520
Due from banks	2.952.980	2.734.001
Customer loans	2.337.027	2.063.596
Bonds and other fixed income securities	508.384	561.353
Equities and other variable income securities	2.351	25.235
Participating interests and other financial investments	113	48
Interests in related companies	940	866
Goodwill and other intangible assets	18.426	13.675
Property and equipment	147.904	166.309
Other assets	15.201	13.162
Accrued charges - deferred income	19.200	20.379
Total assets	6.301.403	5.892.144
Due to banks	944.579	535.065
Due to customers	4.288.907	4.299.900
Other liabilities	26.963	31.758
Accrued charges - deferred income	29.234	25.662
Provisions for contingencies and charges	2.168	2.019
General banking risks reserve	7.768	12.268
Share capital	111.110	111.110
Additional paid-in-capital	4.573	4.573
Reserves	869.789	855.356
Retained earnings		1
Net profit	16.312	14.432
Net profit - Group share		
Total liabilities	6.301.403	5.892.144

Commitment and contingencies

Commitment given		
Confirmed lines of credit	1.042.872	871.095
Guarantees given	56.887	55.419
Commitments relating to securities transactions	0	34.254

Consolidated income statements

at 31 December 2021 and 2020

In thousands of euros	2021	2020
Banking income and expense		
Interest income	54.107	57.075
Interest expense	(8.931)	(13.062)
Income from variable income securities	14	14
Commission and fee income	78.232	71.593
Commission expense	(4.093)	(5.457)
Net gain (or loss) on disposals of trading account securities	227	887
Net gain (or loss) on disposals of securities held for sale	1.152	505
Other banking income	5	5
Other banking expense	(4.858)	(5.492)
Net banking income	115.855	106.068
General operating expenses	(70.531)	(66.506)
Depreciation and other write-downs of property, equipment and intangible assets	(7.436)	(4.508)
Gross operating income	37.888	35.054
Depreciation on revaluation reserve on property	(18.850)	(18.850)
Movement of provisions on loans and off-balance sheet items	(1.172)	(353)
Operating income	17.866	15.851
Gains and releases of provisions on long-term investments	0	0
Income before tax and non-operating items	17.866	15.851
Non operating income	0	(154)
Income taxes	(6.054)	(5.765)
Provisions / Reversals for General Banking Risks and regulated provisions	4.500	4.500
Net profit	16.312	14.432
Group share	16.312	14.432
Basic earnings per share	0.029	0.026
Diluted earnings per share	0.029	0.026

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
Balance as at 31 December 2020	111.110	4.573	706.126	149.230	1	12.268	14.432	997.740
Appropriate of 2020 net profit			14.433		(1)		(14.432)	0
Decrease in provision						(4.500)		(4.500)
Revaluation difference amortisation			18.850	(18.850)				0
Net profit 2021							16.312	16.312
Balance as at 31 December 2021	111.110	4.573	739.409	130.380	0	7.768	16.312	1.009.552



Notes

to the consolidated financial statements for the year ended 31 December 2021

The consolidated financial statements of the CMB group have been prepared in accordance with the general accounting principles applicable in France for credit institutions.

Rules for preparing the consolidated financial statements

The group applies the ANC (Autorité des normes comptables) regulation on the rules of consolidation for companies governed by the ANC.

The Bank's accounts are consolidated in the financial statements of Mediobanca Spa, Piazzetta Enrico Cuccia, 1 - 20121 Milan - Italy.

Consolidation methods

Fully consolidated companies

Companies over which the group exercises exclusive control are fully consolidated, including companies following a different chart of accounts whose business is an extension of the banking and financial businesses or concerns related activities, such as real estate and services companies.

The group has exclusive control, through the direct or indirect holding of the majority of the voting rights, of the following consolidated companies: CMG Monaco, CMB Asset Management.

Other equity investments are excluded from the scope of the consolidated financial statements because CMB does not exercise significant influence over their activity.

Consolidation rules

Inter-company accounts and income and expenses arising on intra-group transactions that have a material impact on the consolidated financial statements are eliminated where they concern fully consolidated subsidiaries.

Accounting principles and valuation methods

We refer to the developments in the notes to the stand-alone financial statements (2 - paragraphs 2.1 to 2.14).

Impact of the COVID-19 epidemic on the financial statements for the year

The Bank adapted its organisational and operating methods, in terms of both personnel and IT systems, so that the services provided to its customers and third parties could be maintained.

Impact of the Russian-Ukrainian crisis

The events in Ukraine in 2022 impacted the entire global economy, including the stock markets.

CMB Monaco applies all the measures arising from international sanctions and has implemented all the due diligence required by these texts.

At this stage, the bank has not identified any significant exposure to assets of Russian or Ukrainian issuers. Moreover, the bank has not identified any risks arising from the sanctions imposed on Russia that could have a significant impact on the 2021 financial statements.



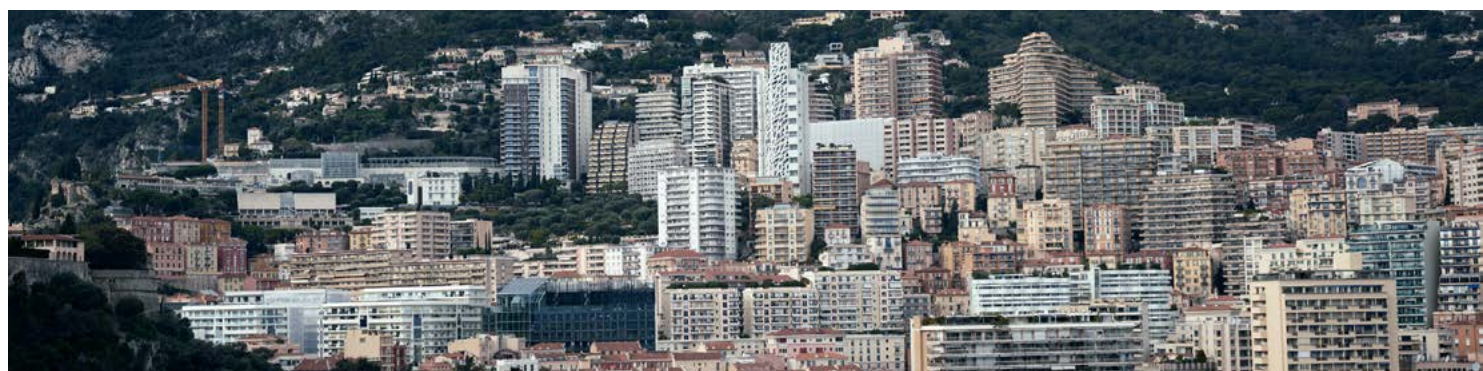


a. Consolidated goodwill, intangible assets, property and equipment

In thousands of euros	31/12/2020	Increase	Decrease	31/12/2021
Gross amount				
Goodwill, intangible assets	47.447	8.079		55.526
Property and equipment	253.079	732		253.811
Prepayments to suppliers	1.614	11.215	(7.394)	5.435
Total fixed assets	302.140	20.026	(7.394)	314.772
Depreciation				
Goodwill, intangible assets	(35.027)	(5.770)		(40.797)
Property and equipment	(87.111)	(20.516)		(107.627)
Total Depreciation	(122.138)	(26.286)	0	(148.424)
Provisions for impairment of assets	(18)			(18)
Net Value	179.984	(6.260)	(7.394)	(166.330)

b. Breakdown of customer transactions

In thousands of euros	2021	2020
Breakdown of the transactions		
Receivable accounts	756.690	610.049
Other customer loans	1.580.337	1.453.547
Total	2.337.027	2.063.596



c. Consolidated provisions for contingencies

In thousands of euros	Balance at 31/12/2020	Provisions made during the year	Provisions reversed during the year	Utilised during the year	Balance at 31/12/2021	Loans at 31/12/2021	% of coverage
Provisions for contingencies							
Private risks	538	127	(29)	(90)	546	12.396	4%
Provisions for contingencies & charges	2.019	1.491	(75)	(1.267)	2.168		
Total	2.557	1.618	(104)	(1.357)	2.714	12.396	

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

In thousands of euros	2021	2020
Related accounts receivable (incl. Accrued income)	2.736	6.297
Due from banks	249	1.068
Customer loans	2.487	2.778
Bonds and other fixed income securities		2.451
Accrued charges – deferred income	19.200	20.379
Commitments on derivative financial instruments	11.940	15.045
Prepaid expense	1.536	1.067
Accrued income	5.724	4.266
Other accruals		1
Total assets	21.936	26.676
Accrued expense	914	1.197
Due to banks	145	75
Due to customers	769	1.122
Accrued charges – deferred income	29.234	25.662
Commitments on derivative financial instruments	3.484	2.355
Deferred income	150	165
Accruals	25.571	23.078
Other accruals	29	64
Total liabilities	30.148	26.859

e. Analysis of income and expense

In thousands of euros	Expense	Income
Interests		
Interbank transactions	(5.265)	16.009
Customer transactions	(3.666)	32.869
Bonds and other fixed income securities		5.229
Subtotal	(8.931)	54.107
Income from variable securities		
Participating interests		14
Subtotal		14
Commissions		
Customer transactions	(1.019)	18.240
Securities transactions	(3.074)	59.992
Subtotal	(4.093)	78.232
Trading account securities		
Currency transactions		1.793
Disposals of trading account securities	(1.566)	
Subtotal	(1.566)	1.793
Securities held for sale		
Net gain or losses		1.557
Net changes in provision	(405)	
Subtotal	(405)	1.557
General operating expenses		
Personnel expenses		
- Salaries and bonuses	(36.626)	
- Social security contributions	(10.925)	
General and administrative expenses	(22.980)	
Subtotal	(70.531)	

f. Breakdown of the cost of risk

In thousands of euros

2021

Breakdown of the cost of risk	
Reversal doubtful debt provision	29
Reversal risk provision (litigation)	50
Doubtful debt provision	(128)
Risk provision (litigation)	(1.086)
Loss on irrecoverable debt	(37)
Total	(1.172)



Report of the statutory auditors

on the consolidated financial statements for the year ended 31 December 2021

To the Shareholders,

We have audited the accompanying consolidated financial statements of CMB Monaco for the year ended 31 December 2021.

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 €6.301.403k**

◇ **The income statement shows a net profit of €16.312k**

The global crisis linked to the COVID-19 pandemic created unusual conditions for the preparation and audit of the financial statements for this financial year. This crisis and the exceptional measures taken to deal with the health emergency had multiple consequences for businesses, particularly on their activity and financing, and gave rise to increased uncertainties about their future prospects. Some of these measures, particularly travel restrictions and remote working, also had an impact on the internal organisation of companies and the procedures for performing audits.

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 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 of these disclosures and their consistency with the consolidated financial statements.

Monaco, 13 April 2022

The Statutory Auditors
Stéphane GARINO, Sandrine ARCIN.



CMB Monaco

23, avenue de la Costa - 98000 Monaco
+377 93 15 77 77
cmb@cmb.mc

Grimaldi Branch

4, rue Grimaldi - 98000 Monaco
+377 93 15 77 77
agencegrimaldi@cmb.mc

Coordination

Ida COMMUN - CMB Monaco

Design and production

Pierrick COLLIN - CMB Monaco

Photography

Bakir HAMED - Studio 67
Jacopo EMILIANI - Le Dictateur

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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 Monaco

23, avenue de la Costa - 98000 Monaco
+377 93 15 77 77
cmb@cmb.mc