

Annual Report 2023





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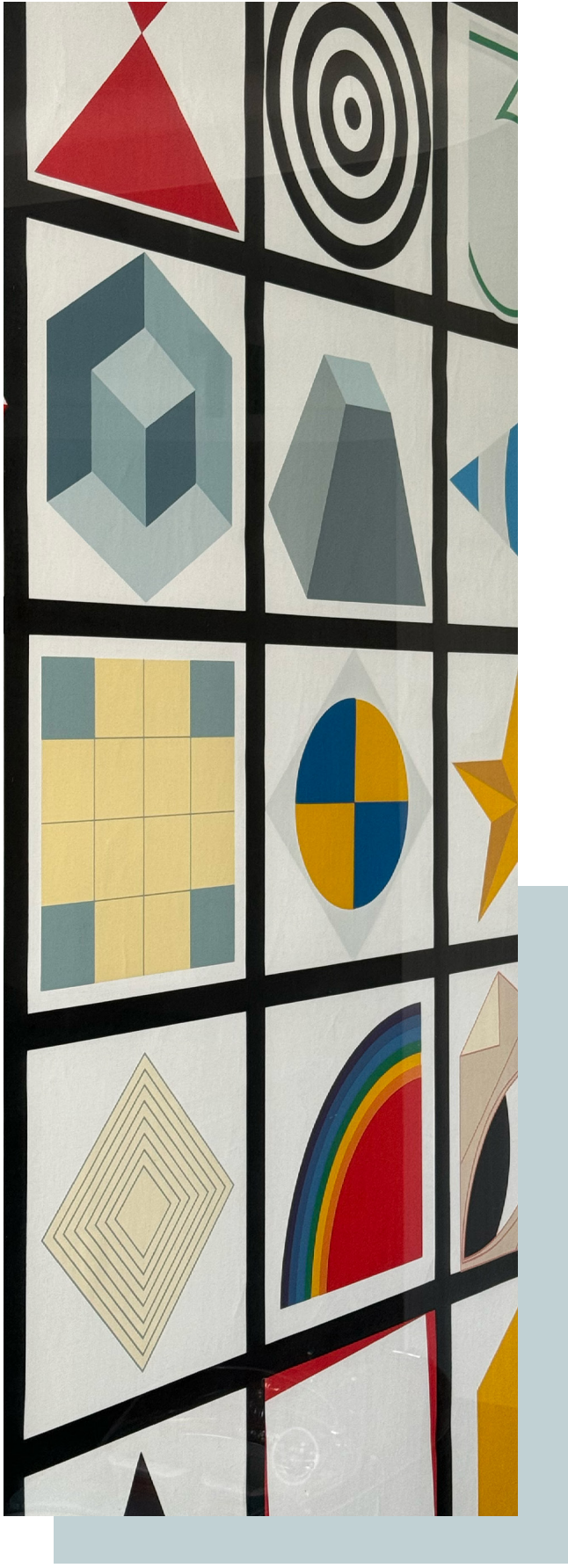
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Our governance

Board of Directors as at 31 December 2023

Chairman	Etienne FRANZI	
Managing Director	Francesco GROSOLI	
Directors	H.E José BADIA	<i>Minister Plenipotentiary</i>
	Massimo BERTOLINI	<i>Head of Mediobanca Group Governance area</i>
	Francesco CARLONI	<i>Deputy Central Director, Mediobanca</i>
	Mario Germano GIULIANI	<i>Director, Royalty Pharma PLC</i>
	Elisabeth MARKART	<i>French Foreign Trade Advisor</i>
	Caroline ROUGAIGNON-VERNIN	<i>Chairman, Monaco Economic, Social & Environmental Council</i>
	Sveva SEVERI	<i>Director, Mediobanca</i>
	Marco VITTORELLI	<i>Company Director</i>
	Alexandra YOUNG	<i>Head of Human Resources, Mediobanca</i>

Board of Directors as at 7 May 2024

Chairman	Etienne FRANZI	
Managing Director	Francesco GROSOLI	
Directors	Makram AZAR	<i>Founder and CEO of Full Circle Capital</i>
	Massimo BERTOLINI	<i>Director of Governance Mediobanca</i>
	Francesco CARLONI	<i>Deputy Central Director Mediobanca</i>
	Mario Germano GIULIANI	<i>Director, Royalty Pharma PLC</i>
	Elisabeth MARKART	<i>French Foreign Trade Advisor</i>
	Francesco PERILLI	<i>Financial Advisor to Equita SIM</i>
	Caroline ROUGAIGNON-VERNIN	<i>Chairman, Monaco Economic, Social & Environmental Council</i>
	Sveva SEVERI	<i>Director, Mediobanca</i>
	Marco VITTORELLI	<i>Company Director</i>
	Alexandra YOUNG	<i>Head of Human Resources Mediobanca</i>

Management Committee

Chief Executive Officer	Francesco GROSOLI
Chief Operating Officer	Kamran DJAVADI
Head of Innovation & Chief of Staff	Olivier PAGÈS
Head of Front Office	Sophie SAURINI
Head of Products & Services Distribution	Jérôme MAMAN
Head of Human Resources	Nathalie ARESI
Head of Compliance	Philippe AUDRA

Statutory Auditors

Sandrine ARCIN
Jean-Paul SAMBA

Message from the Chairman

Last year, I said that *«the return to normal market conditions, with the disappearance of negative interest rates, suggests that 2023 will be even more satisfactory»*.

This has indeed been the case!

2023 was a record year in terms of both business and results.

Consolidated net banking income rose by 47% to 191.7 million euros, and net profit by more than 200% to 58.3 million euros.

Like the rest of the financial community, our Bank benefited from the development of the Principality's attractiveness under the Government of His Serene Highness Prince Albert II.

It also benefited from the general financial climate, with buoyant equity markets and, as expected, high interest rates, peaking at 5.5% for federal funds in the USA and 4% in the Eurozone for deposits with the European Central Bank.

Above all, however, it benefited from greater synergies with our shareholder, the Mediobanca Group, and from further advances in the high quality of service offered to clients, made possible by the decisive steps taken this year in our IT transition.

The resources deployed in this respect have been aimed above all at improving the customer experience, and have resulted in an increase of almost 15% in our resources.

For example, the installation of Salesforce's Financial Services Cloud product has simplified our administrative procedures and reduced the time

it takes to open an account, without prejudice, of course, to our even more stringent due diligence requirements.

The roll-out of the electronic signature has also saved us a considerable amount of time, streamlining exchanges with our clients and the authorities.

At the same time, the work of our teams has been made easier by other technological innovations, such as the migration to the Microsoft cloud and the deployment of Microsoft Copilot IA, a personal assistant based on artificial intelligence, accessible to all staff.

These changes have been accompanied by a particular focus on cybersecurity, to ensure that our clients' data and assets are as secure as possible.

We have adopted a risk-based approach, systematically incorporating appropriate cybersecurity measures into each new innovation, and our staff have been regularly briefed and trained on these issues.

Thanks to this rigorous preparation, all the attacks we faced were thwarted.

The year was also marked by the completion, under optimum conditions, of the temporary redeployment of our operating sites in the Principality in the run-up to the major property development planned on the site of our former head office at 23 avenue de la Costa.

For the duration of this operation, Corporate and Private Banking activities will be carried out at Park Palace and Wealth Management at Métropole.

Finally, pending the outcome of the report dated 8 December 2022 by the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (Moneyval), we have anticipated the Principality's likely inclusion on the Financial Action Task Force's (FATF) 'grey list'.

The measures we have taken to this end make us fully confident in our ability to cope with such an eventuality, while continuing to offer our clients a high-quality service.

None of this would have been possible without the unfailing commitment of our teams. On behalf of the Board of Directors, I would like to thank them. Their expertise and motivation have been essential in enabling us to move forward in an increasingly complex environment, while balancing safety and development.

Etienne FRANZI





Message from the CEO

The year 2023 was marked by exceptional results on the one hand, and by significant geopolitical upheavals on the other. The conflict in Ukraine and on the Israeli-Palestinian front, particularly after 7 October, heightened international tensions. Similarly, the friction between China and the United States has not eased, and among the emerging countries, India has further asserted its economic leadership at China's expense. Despite this climate of uncertainty, the financial markets showed remarkable resilience last year.

The central banks' priority at the start of the year was clear: to bring inflation under control. Despite the risk of a global recession that this ambition entailed, the results have been more positive than expected. Inflation has fallen, and there has been no recession. Although the 2% inflation target was not achieved in either Europe or the US, the trajectory of price stabilisation is encouraging.

The US economy defied expectations, with growth underpinned by robust fiscal policies and household demand - the latter linked to a fall in inflation that has restored consumer purchasing power. Growth in the eurozone was more moderate.

The bond market, which was thought to be moribund, rose from the ashes, offering attractive yields to investors. The equity markets also had a successful year, particularly the US and eurozone indices.

For CMB Monaco, 2023 was a remarkable year. We achieved record net banking income of almost 192 million euros. This performance was driven by the rise in interest rates and the strengthening of our Wealth Management activities. Brokerage activities, which are directly linked to our ability to design products that meet our clients' expectations, also recorded strong growth.

Overall, consolidated net profit came to over €58 million, up by more than 200% on last year - a performance that makes me particularly proud, and one that would not have been possible without the undeniable enthusiasm and efforts of our employees. The consolidated cost/income ratio, at 51%, is another key indicator of our profitability.

In conclusion, 2023 confirmed the strength and resilience of our business model and strategic vision. Supported by the expertise and continuous efforts of our employees, as well as by the close collaboration with our shareholder the Mediobanca Group, CMB Monaco is particularly well positioned to continue to offer attractive investments to our clients and to pursue its growth, in an ever-changing global environment.

Francesco GROSOLI



Key figures 2023

Consolidated shareholders' equity (€m)

1.136

Volume of customer loans (€m)

2.816

Net banking income (€m)

192

Employees

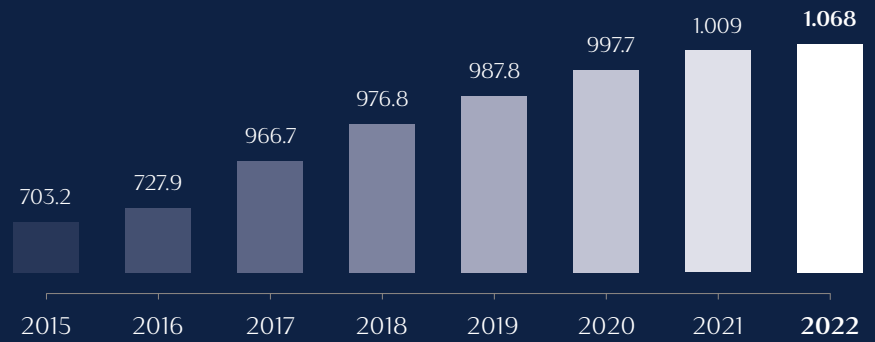
249

Consolidated net profit (€m)

58

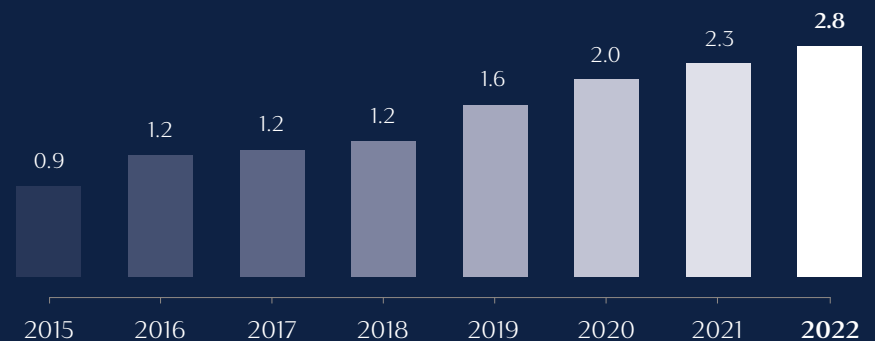
+6%
increase over
2022.

Consolidated shareholders' equity (€m)



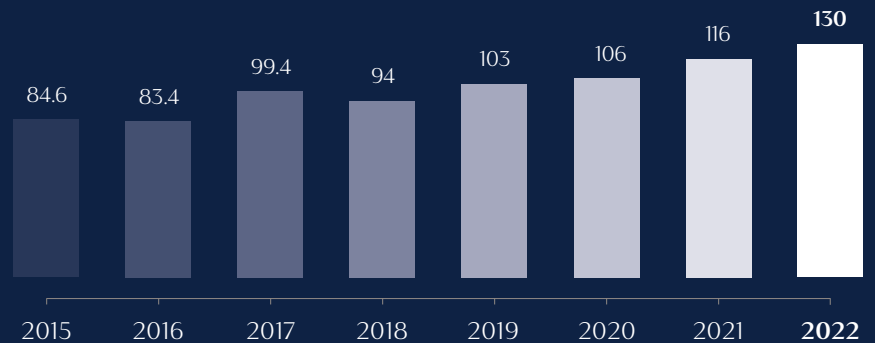
=
=
stable
compared to 2022.

Volume of customer loans (€m)



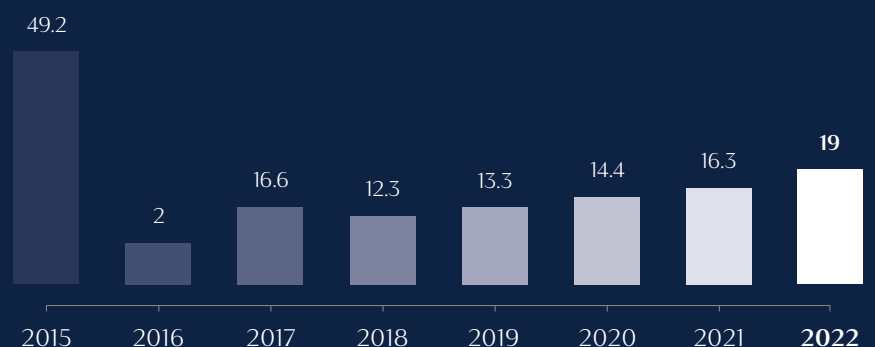
+47%
increase over
2022.

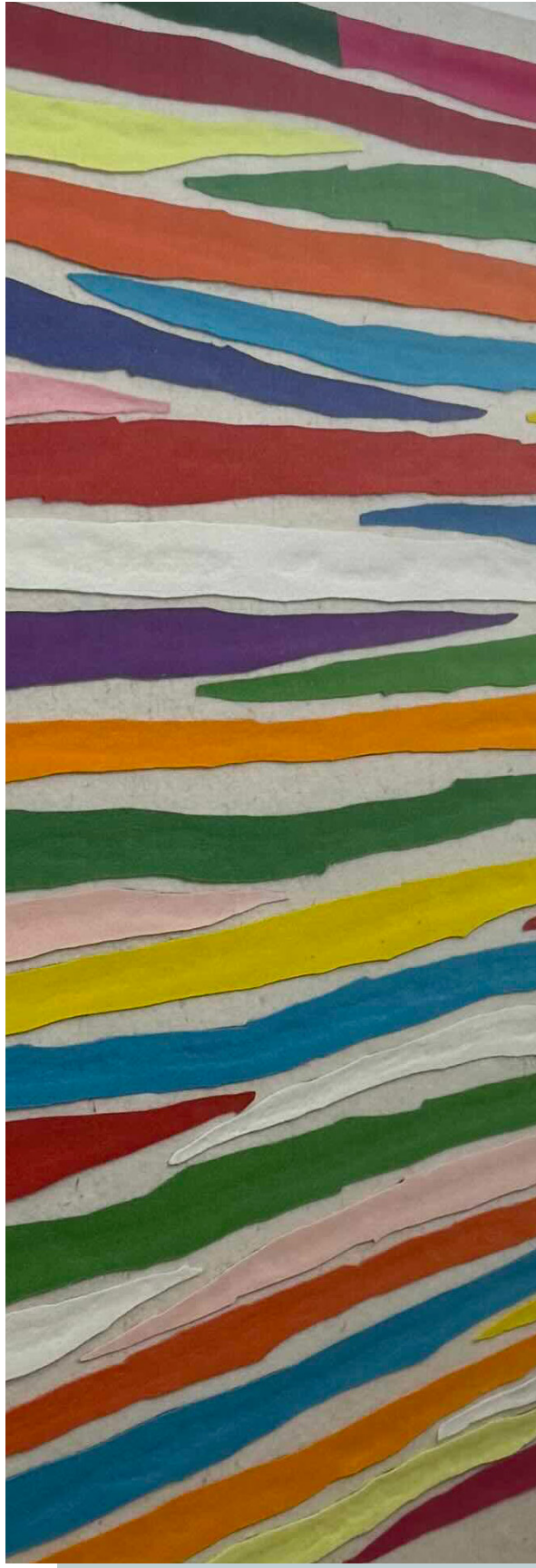
Net banking income (€m)



+213%
increase over
2022.

Consolidated net profit (€m)





Statutory account

Report of the Board of Directors

to the Ordinary General Meeting of 7 May 2024

The objective set for the major central banks at the beginning of 2023 was quite clear: to reduce inflation, even at the risk of a global recession. Looking back over the past year, it is clear that the results have been positive: inflation has fallen, and there has been no recession.

The rise in prices began in the second half of 2020, when the economy recovered from the first wave of the Covid-19 pandemic. Inflation peaks were recorded in June 2022 in the United States (9.1%) and in October 2022 in the eurozone (10.6%).

By the end of 2023, inflation will stand at 3.4% in the United States and 2.4% in the eurozone. Although the 2% target set by the central banks has not yet been reached, there is no doubt that the process of price stabilisation is underway.

With commodity prices stable for several months and economic activity normalising after the post-Covid period, there is no reason to fear that the disinflation process will be interrupted in the months ahead.

Resilience of economic growth, particularly in the United States

The real surprise of 2023 was the resilience of economic growth, particularly in the United States. The gloomy forecasts at the end of 2022 had placed too much emphasis on the tightening of monetary policies, underestimating the support that fiscal policies are still providing to the economy. Moreover, since the second half of the year, falling inflation has begun to restore consumers' purchasing power, which has supported economic activity.

The US economy has proved to be particularly robust, with growth of around 2.4% in 2023, higher than the initial forecasts of barely positive growth for the year. The eurozone avoided the recession that the estimates for the end of 2022 had predicted, but its pace of growth was moderate. The positive economic surprises only came in the first few months of the year, with a slowdown in the spring.

The gap between the eurozone and the United States is largely due to the relative weakness of China's economic performance and world trade, with the eurozone remaining highly dependent on its exports.

Finally, looking ahead, it is gratifying to see that world trade indicators are stabilising at the end of 2023, after two years of decline, which could raise hopes of a global economic recovery, if confirmed.

Tightening begun in 2022 and completed in 2023

In 2023, the central banks completed the tightening process begun in 2022. The Fed raised rates four times (+100 basis points), bringing to a close a cycle of eleven hikes that began in March 2022, taking the federal funds rate from 0.25% to 5.5%. As for the ECB, it has also raised its deposit rate, from a negative level in July 2022 (-0.5%) to 4.0% in 2023, through ten hikes, including six in 2023 (+200 bp).

Faced with these very aggressive monetary measures by central banks, the bond markets experienced a year marked by high volatility. After a start to the year characterised by falling inflation and fears of a global recession, exacerbated in March by concerns about US regional banks, sovereign yields began to rise in the spring and reached their peak in the autumn, even exceeding 2022 levels on both short and long maturities.

These rates then fell rapidly between October and December, in response to falling inflation and accommodative statements by central banks.

Despite this volatility, government bonds recorded positive returns in 2023, including US bonds which had seen the biggest rate rises.

Eurozone bond markets in particular were also subject to high volatility, but posted higher yields than those in the United States, even though the ECB raised rates more aggressively than the Fed in 2023 (200 bp versus 100 bp).

This situation can be explained by the economic slowdown in the eurozone, which has effectively curbed the rise in bond yields, independently of the ECB's actions.

Italian bond yields have also been very volatile, but their absolute return since the start of the year has been largely positive, supported in particular by the confirmation of the ratings awarded by the agencies in the autumn.

Spread markets posted positive absolute returns overall, as they were subject to the volatility of underlying sovereign rates while being protected by the level of spreads, which had widened significantly in 2022.

Yields in riskier segments, such as high yield and emerging markets, have not reached new highs compared to 2022. Indeed, the rise in underlying sovereign rates has been offset by the tightening of spreads, resulting from the resilience of economic activity, contrary to expectations.

Although these spreads have narrowed in 2023, they remain above their usual end-of-cycle levels, making them attractive for 2024.

Buoyant equity markets

It was a good year for equity markets, with the aggregate US and eurozone indices erasing almost all their losses of 2022. Emerging markets also posted positive performances, albeit more modestly, due in particular to the weakness of the Chinese stock market.

In the United States and the eurozone, the recovery was mainly driven by the technology sector, but consumer discretionary and manufacturing also performed well, reflecting optimism about the continuation of the global economic cycle. In the eurozone, the financial sector also performed well thanks to the return of interest rates to positive territory.

Share prices have risen against a backdrop of stable earnings in the US and modest growth in Europe. As a result, valuations are higher than at the end of 2022, but remain attractive over the medium term.

Looking ahead to 2024, the continuation of the global economic cycle, with moderate inflation and expectations of a cut in key interest rates, is a positive factor for companies and may support share prices.

The euro/dollar exchange rate showed some volatility in 2023, fluctuating between 1.05 and 1.13 with no clear direction. For 2024, it is possible that the dollar will see no definite trend, as it is subject to two mutually neutralising influences.

On the one hand, the US economy is expected to grow faster than the other developed economies, which should be favourable for the dollar. On the other hand, the continuation of the global economic cycle against a backdrop of reduced uncertainty generally tends to favour currencies other than the dollar.



Against this backdrop, the Bank continued to grow, confirming the success of its strategy.

Consolidated net banking income reached a record level of 191.7 million euros, up 47% on 2022, driven not only by the rise in interest rates but also by the strengthening of our private banking activities.

The asset management, both private and collective, and advisory sectors continued to grow, with volumes representing 30% of customer resources. Together, they accounted for 12% of net banking income and 31% of total commissions. The Advisory business performed particularly well, with assets up 19% to €1.9 billion.

Brokerage grew by 15% to €30m, thanks to our ability to design innovative products tailored to our customers' needs. It accounted for 41% of commissions.

Despite the rise in financing costs, which led to a number of repayment arbitrages, we managed to keep total loans stable at 2.8 billion euros thanks to a high level of new lending. This was achieved without compromising our principles of rigour and prudence, which enable us to maintain a particularly low level of provisions.

Finally, with the same concern for rigour, cash continued to be invested exclusively in bonds issued by leading governments and international organisations, or by our Group, under agreements adapted to the average duration of our resources, thus taking advantage of the rise in interest rates.

General operating expenses rose by 13%, reflect the efforts made in terms of transformation and digitalisation to further enhance the quality of our services, as well as risk monitoring.

Overall, consolidated operating profit came to 87.7 million, and after taking into account the cost of risk, other non-operating items, and a depreciation charge of €4.7 million for goodwill on fixed assets, consolidated net profit came to €58.3 million, up by more than 200% on the previous year.

Thus, before distribution, consolidated shareholders' equity at 31 December 2023 was €1,108 million.

For the bank alone, net profit also rose sharply, by 57.4 million euros, bringing total shareholders' equity before distribution to 1,081 million euros at 31 December 2023.

In view of the high level of shareholders' equity, which goes well beyond regulatory requirements and our operating needs, the Board of Directors is proposing a dividend payout of 320 million euros.

On this basis, the prudential ratios would remain well above the thresholds set by the regulations, in particular CET 1, which would stand at 24.1%.

The appropriation of net profit would be as follows:

Reserves available for distribution at 01/01/2023	€ 824.046.909
Retained earnings at 01/01/2023	€ 239
Profit for the year to 31/12/2023	€57.413.591
Total to be allocated	€ 881.460.739
Dividend distribution	€ 320.000.000
Reserves available for distribution at 31/12/2023	€ 561.460.500
Retained earnings at 31/12/2023	€239
Total allocated	€ 881.460.739

After distribution, total parent company and consolidated shareholders' equity would remain at very high levels of 761 million euros and 789 million euros respectively. Minority interests in consolidated shareholders' equity amounted to 30 million euros. This is the share of equity held directly by Mediobanca in the property subsidiary CMB RED, which is 60% owned by CMB Monaco and 40% by Mediobanca.

The year 2023 was also marked by the finalisation of the redeployment of our facilities in the Principality as part of the real estate operation planned on the site of our former head office, at 23 avenue de la Costa.

- ❖ In July, the Corporate and Private Banking activities were transferred to the Park Palace, in a 686 m2 facility with open areas for employees, reception lounges and safe deposit boxes.
- ❖ The Grimaldi site has been restructured. The former branch was closed and since October it has been home to all our IT activities.
- ❖ In October, the head office was temporarily relocated to Métropole, 17 avenue des Spélugues, during the above-mentioned property development. The site covers 1,700 sq. m. on two floors, with the first floor mainly devoted to welcoming Wealth Management customers and the second floor reserved for employees.

These developments have made it possible to group all staff together on four sites, with the Victoria site, completed in July 2022, joining the other three. These four refurbished sites offer our employees an improved working environment, enabling us to provide high-quality services to our customers.

During the year, a number of transactions covered by Article 23 of the Sovereign Order of 5 March 1985 were continued:

- ❖ Day-to-day banking transactions and reciprocal services with institutions that have directors in common with the Bank,
- ❖ IT and administrative services provided to our subsidiaries Compagnie Monégasque de Gestion and CMB Asset Management SAM,
- ❖ Real estate transactions carried out jointly with our subsidiary CMB RED SAM.

At the end of the year, the Group had 249 employees.

The Board of Directors warmly thanks the Executive Management and all the staff for the quality of their work, their dedication and the results achieved during the year. It would also like to thank our customers for their loyalty to our company.

The Board of Directors

Balance sheet

as at 31 December 2023 and 2022 before allocation of net profit

In thousands of euros	2023	2022
Cash, central banks	163.805	164.928
Due from banks	4.641.576	4.756.333
Customer loans	2.815.811	2.846.861
Bonds and other fixed income securities	974.036	680.528
Equities and other variable income securities	2.348	2.348
Participating interests and other financial investments	1.070	1.050
Interests in related companies	54.460	52.239
Goodwill, intangible assets Property and equipment	19.628	20.924
Property and equipment	91.892	85.487
Other assets	93.768	13.655
Deferred charges - accrued income	29.561	14.609
Total assets	8.887.954	8.638.961
Due to banks	1.920.375	1.410.171
Due to customers	5.687.293	6.118.834
Other liabilities	118.316	27.783
Accrued charges - deferred income	51.815	39.625
Provisions for contingencies and charges	2.196	2.004
General banking risks reserve	27.206	17.206
Share capital	111.110	111.110
Additional paid-in capital	4.573	4.573
Reserves	907.656	883.611
Retained earnings	0	0
Net profit	57.414	24.045
Total liabilities	8.887.954	8.638.961

Commitments and contingencies	2023	2022
Commitments given	1.041.868	1.071.305
Confirmed lines of credit	971.732	1.001.692
Guarantees given	56.734	69.613
Commitments relating to securities transactions	13.402	0
Commitments received	12.042	0
Commitments relating to securities transactions	12.042	0

Income statement

as at 31 December 2023 and 2022

In thousands of euros	2023	2022
Banking income and expense		
Interest income	314.381	102.146
Interest expense	(203.834)	(36.791)
Income from variable income securities	24	2.317
Commission and fee income	72.772	70.580
Commission expense	(4.421)	(4.307)
Net gain (or loss) on disposal of trading account securities	378	832
Net gain (or loss) on disposal of securities available for sale	10.520	(3.617)
Other banking income	18	86
Other banking expense	(2.787)	(3.613)
Net banking income	187.051	127.633
General operating expenses	(81.836)	(71.362)
Depreciation and other write-downs of property, equipment and intangible assets	(11.378)	(8.876)
Gross operating income	93.837	47.395
Depreciation on property revaluation reserve	(4.702)	(9.421)
Movement of provisions on loans and off-balance sheet items	(2.330)	(654)
Operating income	86.805	37.320
Gains and releases of provisions on long-term investments		3.850
Income before tax and non-operating items	86.805	41.170
Non-operating income		(400)
Income taxes	(19.391)	(7.287)
Provisions/reversals for general banking risks and regulated provisions	(10.000)	(9.438)
Net profit	57.414	24.045
Group share	57.414	24.045
Basic earnings per share	0.103	0.043
Diluted earnings per share	0.103	0.043

Changes

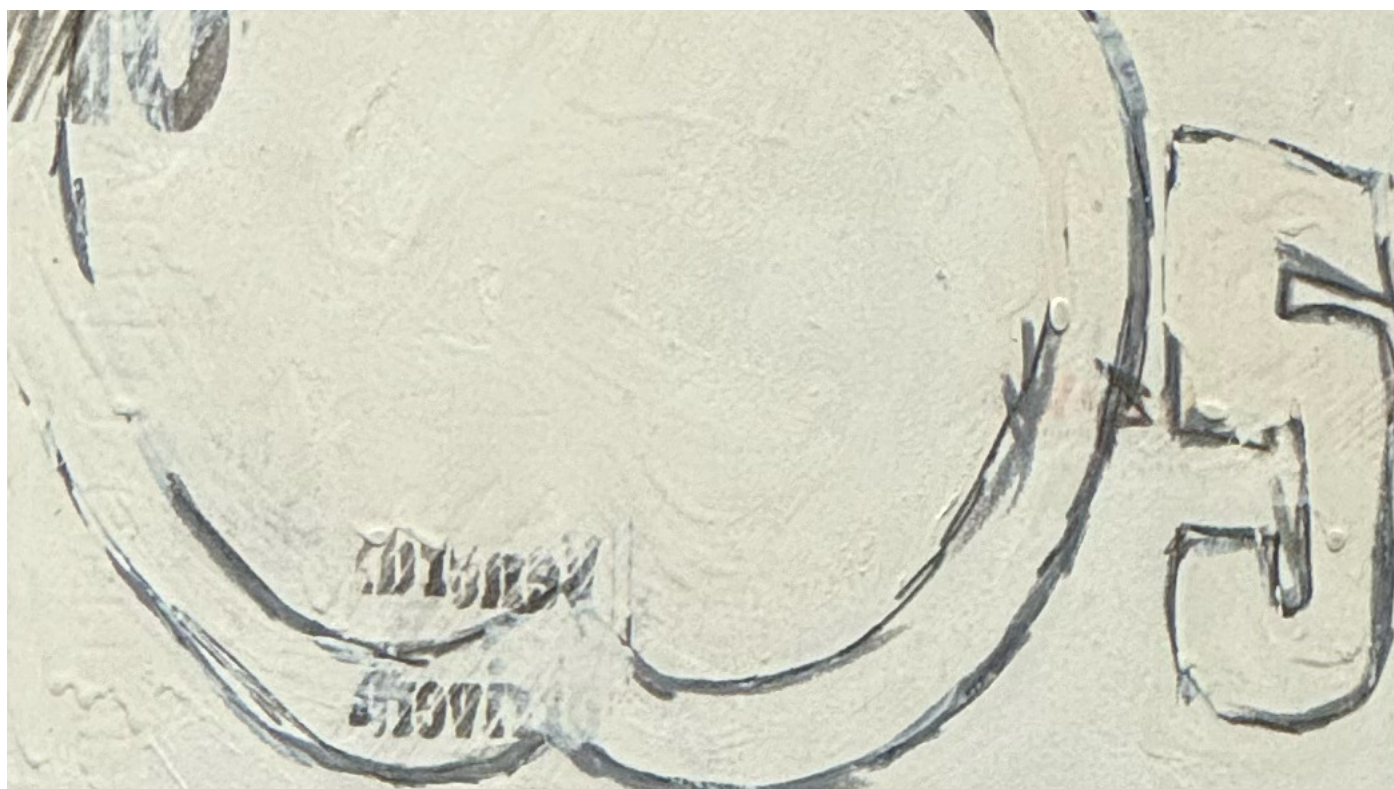
in main balance sheet items

In thousands of euros	2023	2022	Variation	%
Interbank loans	4.805.380	4.921.261	(115.881)	(2.35%)
- Repayable on demand	1.847.468	2.159.896	(312.428)	(14.46%)
- Time loans	2.957.912	2.761.365	196.547	7.12%
Customer loans	2.815.811	2.846.861	(31.050)	(1.09%)
- Sight accounts	1.231.266	1.062.029	169.237	15.94%
- Other loans	1.584.545	1.784.832	(200.287)	(11.22%)
Securities portfolio	976.384	682.876	293.508	42.98%
Total	8.597.575	8.450.998	146.577	1.73%
Interbank deposits	1.920.375	1.410.171	510.204	36.18%
- Repayable on demand	20.974	2.744	18.230	664.38%
- Time loans	1.899.401	1.407.427	491.973	34.96%
Customer deposits	5.687.293	6.118.834	(431.541)	(7.05%)
- Repayable on demand	2.436.223	3.187.869	(751.646)	(23.58%)
- Time loans	3.247.418	2.924.889	322.529	11.03%
- Special savings accounts	3.652	6.076	(2.424)	(39.90%)
Total	7.607.669	7.529.005	78.663	1.04%

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 2022	111.110	4.573	753.231	130.380	0	17.206	24.045	1.040.545
Appropriation of 2022 net profit			24.045				(24.045)	0
Amortisation of revaluation difference			57.883	(57.883)				0
Profit for the period 2023							57.414	57.414
Allocation to general banking risks reserve						10.000		10.000
Balance as at 31 December 2023	111.110	4.573	835.159	72.497	0	27.206	57.414	1.107.959
Appropriation of 2023 net profit			57.414				(57.414)	0
Amortisation of revaluation difference			4.702	(4.702)				0
Balance as at 31/12/2023 after appropriation	111.110	4.573	897.275	67.795	0	27.206	0	1.107.959



Notes

to the financial statements for the year ended 31 December 2023

1. Share ownership

At 31 December 2022, the Bank had 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 Cuccia Enrico, 1 - 20121 Milan - Italy. (<https://www.mediobanca.com>).

2. Accounting principles and valuation methods

The accounting principles and valuation methods adopted for the preparation of the financial statements comply with the provisions of Regulation 2020-10 of 22 December 2020 and ANC Regulation No. 2014-07 of 26 November 2014 on the financial statements of companies in the banking sector.

2.1 Provisions for doubtful receivables

Loans and advances to credit institutions and customers are governed by ANC regulation 2014-07. They are broken down according to their residual term or the nature of the loans:

- ◇ sight and term loans for credit institutions
- ◇ trade receivables, other loans and ordinary customer accounts.

The customer item includes transactions with financial customers.

Receivables are recorded in the balance sheet at their face value.

Accrued interest on receivables is recorded in the related receivables account with a corresponding entry to the income statement.

Off-balance sheet commitments by signature correspond to irrevocable commitments to provide cash and guarantees that have not given rise to movements of funds.

The level of credit risk is assessed using external and/or internal rating systems. Loans and commitments by signature are broken down into performing and doubtful loans.

Amounts owed to credit institutions are presented according to their initial maturity (sight or term) and amounts owed to customers are presented according to their nature (special savings accounts and other customer deposits). Accrued interest is recorded under related payables.

Guarantees received are recorded in the accounts as off-balance sheet items. They are revalued periodically. The book value of all guarantees taken out on the same loan is limited to the amount of the loan outstanding.

Impairment

Impairment losses are recognised on receivables for which recovery has become uncertain, and are deducted from assets to cover the risk of loss. Impairment losses are calculated on a receivable-by-receivable basis, taking into account the present value of the collateral received and the costs of taking possession of and selling the collateral. They are determined at least quarterly on the basis of an analysis of the risk and the collateral available. Impairment losses cover at least uncollected interest on doubtful loans. Impairment losses for probable proven losses cover all forecast losses, calculated as the difference between capital outstanding and forecast cash flows discounted at the effective rate. Forecast cash flows are determined for each category of receivable on the basis of historical losses and/or expert opinion, and are then positioned over time on the basis of schedules determined on the basis of historical collections.

Charges to and reversals of impairment losses recognised for the risk of non-recovery are recorded under «Cost of risk», with the exception of impairment losses relating to interest on doubtful debts which, like the interest thus impaired, are recorded under «Interest and similar income». The reversal of impairment due solely to the passage of time is recorded under «Cost of risk».

2.2 Interest and fees

Interest is recognised in the income statement on an accruals basis.

Commissions are recorded when they are due, with the exception of those treated as interest, which are therefore recorded on an accruals basis.

A provision is made for unpaid interest if recovery appears unlikely, 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 participating 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.

Participating interests

Participating interests are recognised at their historical cost. At year-end, they are valued on the basis of their "value in use".

2.7 Provision for retirement benefits

Mandatory pensions and retirement benefits are paid by specialised bodies to which employer and employee contributions are paid. Amounts due in respect of the year are charged to income for the period.

A provision for retirement indemnities, calculated in accordance with agreements signed internally, has been established for active employees.

A provision of €0.2m was recognised at 31 December 2023, bringing the total provision to €1.5m.

2.8 General banking risks reserve

At 31 December 2023, the amount prudently allocated to cover general risks inherent in banking transactions was increased to a total of €27.2m (ANC regulation no. 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 life.

At 1 January 2017, the Bank carried out a revaluation of its property portfolio, resulting in an amount of €224.63 million being transferred to the revaluation reserve.

This revaluation difference gives rise to additional depreciation calculated over the residual depreciation period of the assets concerned.

On 26 April 2022, CMB Monaco sold the «La PALMERAIE» building to its property development subsidiary CMB RED, which it owns with MEDIOBANCA, for €63m. The net book value was €59m, including the revaluation surplus.

Goodwill included in intangible assets is amortised over ten years. This goodwill corresponds to the acquisition of the Monaco branch of ABN AMRO for €8m in November 2006, fully amortised at 31 December 2016, the acquisition of the Monaco operations of Capitalia Luxembourg for €18.2m in March 2008, fully amortised at 31 December 2018, and the acquisition of part of the goodwill of CFM Indosuez Monaco, acquired in two tranches, for €5.3m in December 2016 and €1.2m in February 2017.

According to ANC.Art 1124-5, fixed assets are recognised at historical cost. They are depreciated on a straight-line basis over their useful lives, as follows:

◇ Customer shares	10 years
◇ Leasehold rights	not amortised
◇ Software	3 to 5 years
◇ Fixtures and fittings	10 years
◇ Office equipment	3 to 5 years
◇ IT equipment	3 years
◇ Transport equipment	5 years

2.10 Commitments and contingencies

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 2023 financial year, the bank remains subject to income tax at a rate of 25%, introduced by Sovereign Order 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 Russia-Ukraine crisis

The events that have taken place in Ukraine since 2022 have had repercussions for the global economy as a whole, and the stock markets in particular.

CMB Monaco applies all the measures resulting from the 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.

Furthermore, the Bank has not identified any risks arising from the sanctions imposed on Russia that could have a material impact on the 2023 financial statements.



3. Other information

3.1 Property, equipment & intangible assets

Property, equipment & intangible assets were as follows as at 31 December 2023 :

In thousands of euros	31/12/2022	Increase	Decrease	31/12/2023
Gross amount				
Goodwill, intangible assets	63.165	10.107		73.272
Property and equipment	129.422	17.989	(41)	147.370
Prepayments to suppliers	11.877	16.118	(22.787)	5.208
Total gross fixed assets	204.464	44.214	(22.828)	225.850
Depreciation				
Goodwill, intangible assets	(49.661)	(8.721)		(58.382)
Property and equipment	(48.374)	(7.556)		(55.930)
Total depreciation	(98.035)	(16.277)	0	(114.312)
Provisions for impairment of assets	(18)			(18)
Net value	106.411	27.937	(22.828)	111.520

3.2 Investments in subsidiaries and participating interests

As at 31 December 2023, investments in subsidiaries and participating interests were as follows:

In thousands of euros	Share capital	% interest	At cost	2023 net profit	Shareholder loans	Provisions	Net book value 31/12/2023
C.M.G	600	99.92%	592	15	8.913		9.505
CMB RED Sam	75.150	60.00%	45.090	921			45.090
Certificate of association FGDR			956				956
Other companies			113				113

❖ CMG Monaco, SAM: as at 31 December 2023, this subsidiary managed 20 mutual funds, in accordance with the legislation in force in the Principality, as well as a SICAV under Luxembourg law. As part of the integration into the MEDIOBANCA group's Asset Management division, since 1er January 2022 it has been responsible for the individual management of CMB MONACO's managed clients under mandate.

❖ CMB AM Monaco was fully integrated into CMB Monaco's accounts on 25 September 2023 through a universal transfer of assets and liabilities.

❖ CMB RED SAM, a property development subsidiary owned 60% by CMB Monaco and 40% by MEDIOBANCA.

3.3 Provisions for contingencies

In thousands of euros	Balance as at 31/12/2022	Additions during the year	Reversals during the year	Utilised during the year	Balance as at 31/12/2023	Loans at 31/12/2023	% of coverage
Provisions for contingencies							
Private risks	192	1.821	(14)		1.999	50.146	4%
Provisions for contingencies and charges	2.004	1.085	(893)	(753)	2.196		
Total	2.196	2.906	(907)	(753)	4.195	50.146	

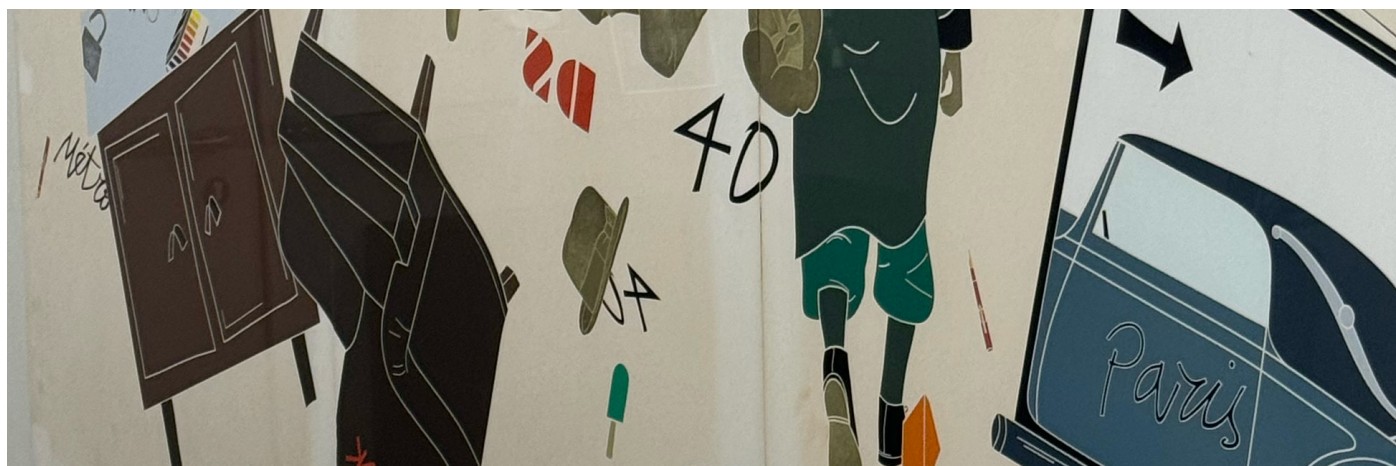
Au 31 décembre 2023, le montant global des encours douteux, compris dans les comptes ordinaires débiteurs de la clientèle, s'élève à 50.2 M€. La provision pour dépréciation s'élève quant à elle à 2.0 M€.

3.4 Trading account securities and securities available for sale

In thousands of euros	2023			2022		
	Available for sale	Trading account	Total portfolio	Available for sale	Trading account	Total portfolio
Bonds						
Governments	619.775	113.571	733.346	412.379	106.742	519.121
Central authorities			0			0
Banks			0			0
Other financial institutions	240.690		240.690	161.407		161.407
Other non-financial institutions			0			0
Subtotal	860.465	113.571	974.036	573.786	106.742	680.528
Equities & other						
Equities, mutual funds, SICAVs	2.348		2.348	2.348		2.348
Subtotal	2.348	0	2.348	2.348	0	2.348
Total	862.813	113.571	976.384	576.134	106.742	682.876
<i>Provisions for impairment included in the above</i>	(1.585)			(4.779)		
<i>Unrealised gains (not recognised - for information only)</i>	6.903			2.367		

Trading account securities comprise government bonds loaned by Mediobanca at Mediobanca's risk. No cash deposit is made in consideration.

Breakdown of securities by type	2023	2022	Breakdown of trading account securities	2023	2022
Fixed income bonds	860.465	680.528	Listed on an active market	113.571	106.742
Floating income bonds	113.571		Others	0	0
Equities, warrants, others, funds	2.348	2.348			
Total	976.384	682.876	Total	113.571	106.742



3.5 Breakdown of customer loans

In thousands of euros	2023	2022
Overdrafts	1.231.266	1.062.029
Other customer loans	1.584.545	1.784.832
Total	2.815.811	2.846.861

3.6 Breakdown of balance sheet items

In thousands of euros	Foreign currencies	Euros	Total euro equivalent
Due from banks	1.846.331	2.959.049	4.805.380
Customer loans	308.744	2.507.067	2.815.811
Deferred charges - accrued income	9.945	19.616	29.561
Other assets	1.112	10.853	11.965
Participating interests and portfolio securities	265.786	766.127	1.031.914
Property, equipment & intangible assets	0	111.520	111.520
Total assets	2.431.919	6.374.232	8.806.151
Due to banks	106.943	1.813.433	1.920.375
Due to customers	2.309.923	3.377.371	5.687.293
Accrued charges, deferred income and provisions for contingencies	9.684	44.326	54.011
Debt securities			
Other liabilities	4.982	31.531	36.513
Shareholders' equity		1.107.959	1.107.959
Total liabilities	1.431.531	6.374.620	8.806.151

3.7 Forward commitments – Off-balance sheet

In thousands of euros	2023	2022
Commitments given	4.775.396	3.664.580
Financing commitments to customers	971.732	1.001.692
Customer order guarantee	56.734	69.613
Foreign currency loans and spot foreign exchange transactions	13.642	259.911
Forward foreign exchange transactions – Currency to be delivered	802.362	1.059.561
Commitments on forward financial instruments	2.917.523	1.273.804
– on interest rate instruments	262.942	212.810
– on foreign exchange instruments	782.549	777.995
– on other instruments	1.872.032	282.998
Securities to be delivered	13.402	
Commitments received	5.032.255	3.804.147
Guarantees received on financing for customers	1.367.691	1.466.194
Foreign currency loans and spot foreign exchange transactions	13.647	51.118
Forward exchange transaction – Currency to be received	802.174	1.059.377
Commitments on forward financial instruments	2.836.702	1.227.458
– on interest rate instruments	262.942	212.810
– on foreign exchange instruments	721.083	728.896
– on other instruments	1.852.677	285.752
Titles to be received	12.042	

Transactions in interest rate instruments include :

- ❖ Fixed-for-floating swap contracts to hedge fixed-rate loans with a reference capital of €40m. This is earmarked micro-hedging.
- ❖ Swap contracts to hedge interest rate sensitivity risk – macro hedge – Mediobanca amortising over 10 years. At 31 December 2023, the swaps amounted to €223m. CMB pays a variable rate and receives a fixed rate.

Transactions in foreign exchange instruments» records active positions in options and foreign exchange accumulators/decumulators.

Transactions in other instruments» records the maximum amount of residual commitments (outstanding amount at the last known price) accumulated (in absolute value) with the overall commitments calculated on the strike both on the client side and on the securities market side.

There are no speculative positions in derivatives. These are not isolated open positions. The sale of a market option is intended to hedge the purchase of a customer option or vice versa.

The sole purpose of these contracts is to reduce the risk to which the hedged item exposes the Group. The results of the hedging transaction are recognised symmetrically to the hedged transaction.

3.8 Securities awaiting settlement under delayed delivery transactions

In thousands of euros	Securities due	Securities receivable
Securities awaiting settlement	13.402	12.042
Total	13.402	12.042

3.9 Analysis of assets and liabilities by maturity

In thousands of euros	Less or equal to 3 months	3 months - 1 year	1-5 years	Beyond 5 years
Due from banks	4.122.306	651.904	4.525	
Accrued income	17.863	8.779	3	
Customer loans	696.156	649.378	587.754	870.787
Accrued income	128	621	3.988	6.996
Bonds	83.096	292.787	600.501	0
Total assets	4.919.549	1.603.469	1.196.771	877.783

	Less or equal to 3 months	3 months - 1 year	1-5 years	Beyond 5 years
Due to banks	325.043	100.000	795.000	690.000
Accrued expense	995	36	3.554	5.747
Due to customers	4.913.142	585.441	160.112	3.452
Accrued expense	25.140	6		
Total liabilities	5.264.320	685.483	958.666	

Contingencies and commitments	1 year or less	1-5 years	Beyond 5 years
Financing commitments	57.664	35.409	878.656
Guarantee commitments	12.391	38.746	5.597
Commitments on securities	13.402		
Commitments given	83.457	74.155	884.253
Financing commitments			
Guarantee commitments			
Commitments on securities	12.042		
Commitments received	12.042		

3.10 Accrued interest and other accruals included in balance sheet items

In thousands of euros	2023	2022
Accrued income (classified within accounts receivable)	43.948	18.446
Due from banks	26.628	11.558
Customer loans	11.732	5.636
Bonds and other fixed income securities	5.588	1.253
Deferred charges – accrued income	29.561	14.609
Commitments on derivative financial instruments	24.818	10.211
Prepaid expense	2.233	2.378
Accrued income	2.510	2.020
Total assets	73.509	33.055
Accrued expense (within accounts payable)	35.477	12.416
Due to banks	10.332	2.076
Due to customers	25.145	10.340
Accrued charges – deferred income	51.815	39.625
Commitments on derivative financial instruments	18.031	12.535
Deferred income	13	0
Accrued charges	33.739	27.058
Other	32	32
Total liabilities	87.292	52.041

3.11 Employees

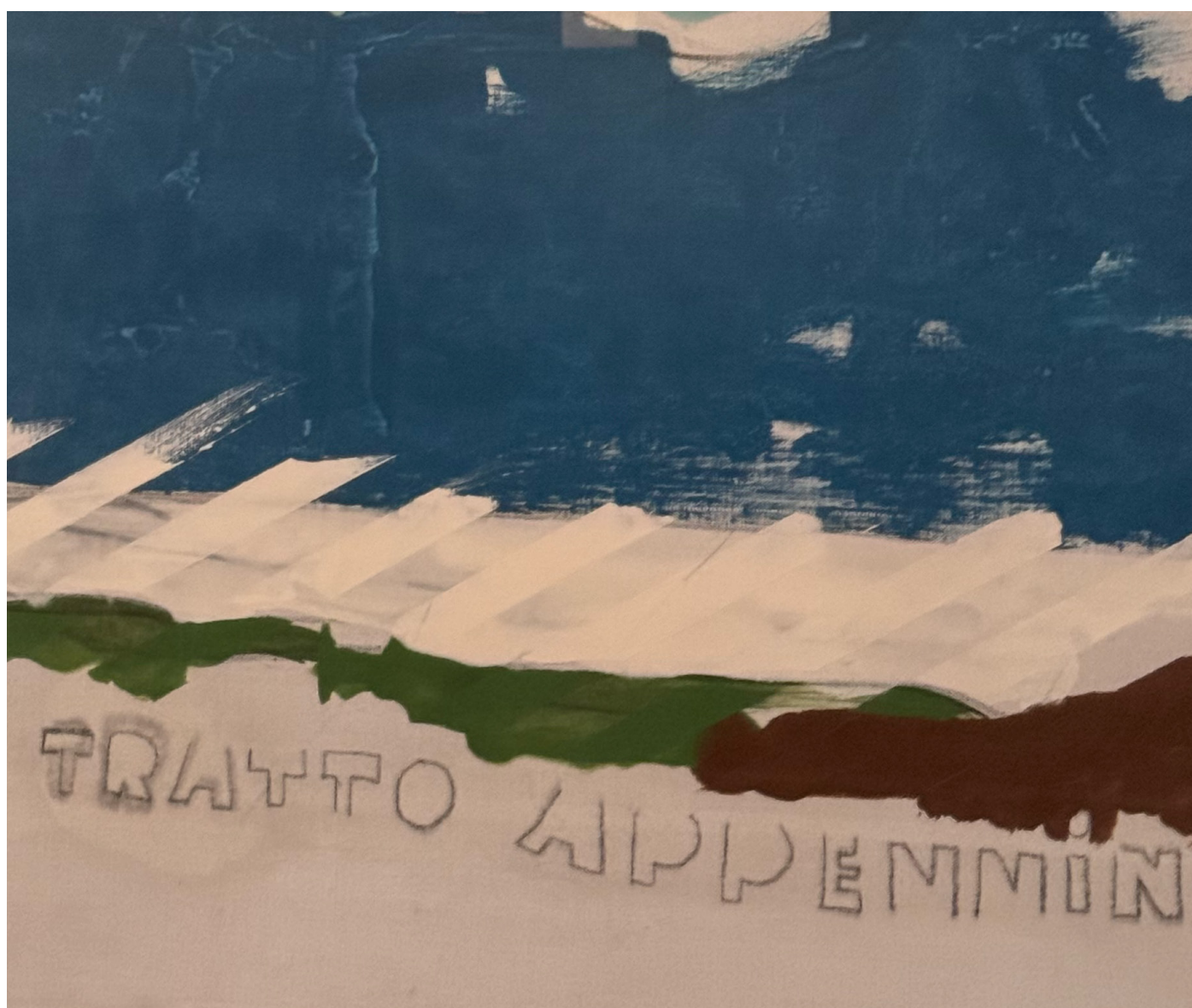
	2023	2022
Executives	181	173
Senior employees	52	57
Staff	2	1
Total	235	231

3.12 Analysis of income and expenses

In thousands of euros	2023		2022	
	Expense	income	Expense	income
Interest				
Interbank transactions	(73.805)	169.299	(13.162)	47.971
Customer transactions	(129.760)	131.354	(23.363)	49.997
Bonds	(269)	13.728	(266)	4.178
Subtotal	(203.834)	314.381	(36.791)	102.146
Income from variable income securities				
Participating interests		24		2.317
Subtotal		24		2.317
Commissions				
Customer transactions	(874)	17.610	(1.161)	18.042
Securities transactions	(3.548)	55.162	(3.145)	52.538
Subtotal	(4.421)	72.772	(4.307)	70.580
Trading account securities				
Currency transactions		3.622		2.841
Securities transactions	(3.244)		(2.009)	
Subtotal	(3.244)	3.622	(2.009)	2.841
Securities available for sale				
Net gains and losses		7.393		1
Net changes in provision		3.127	(3.618)	
Subtotal	0	10.520	(3.618)	1
General operating expenses				
Personnel expenses				
- Salaries and bonuses	(40.190)		(35.705)	
- Social security contributions	(12.220)		(10.975)	
General and administrative expenses	(29.426)		(24.681)	
Subtotal	(81.836)		(71.362)	

3.13 Breakdown of the cost of risk

In thousands of euros	2023	2022
Reversal of doubtful debt provision	14	50
Reversal of risk provision (litigation)	893	103
Doubtful debt provision	(1.821)	(172)
Risk provision (litigation)	(1.085)	(623)
Loss on irrecoverable debt	(331)	(12)
Total	(2.330)	(654)



Resolutions

presented to the Ordinary General Meeting of 7 May 2024

First resolution

The shareholders, having heard the reports of the Board of Directors and the Statutory Auditors, approve the parent company and consolidated balance sheets and income statements, together with the transactions reflected in these accounts and summarised in these reports.

Second resolution

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

Reserves available for distribution at 01/01/2023	€ 824.046.909
Retained earnings at 01/01/2023	€ 239
Net profit for the year to 31/12/2023	€ 57.413.591
Total to be appropriated	€ 881.460.739
Dividend distribution	€ 320.000.000
Reserves available for distribution at 31/12/2023	€ 561.460.500
Retained earnings at 31/12/2023	€ 239
Total allocated	€ 881.460.739

Third resolution

The shareholders approve the amount of the Statutory Auditors' fees set by the Board of Directors, as shown in the profit and loss account for the year.

Fourth resolution

The shareholders, having heard the Statutory Auditors' special report and the Board of Directors' report on agreements governed by Article 23 of the Sovereign Ordinance of 5 March 1895, note the transactions between the Company and its Directors.

Fifth resolution

The shareholders, authorise the Directors to enter into the transactions referred to in Article 23 of the Sovereign Ordinance of 5 March 1895, subject to reporting thereon to the Annual General Meeting.

Sixth Resolution

The shareholders discharge the Directors in respect of the performance of their duties for the 2023 financial year.

Seventh resolution

The shareholders, having noted that the terms of office of all the Directors expire at the present General Meeting, resolve to renew the terms of office of the following Directors for a period of three years, i.e. until the Shareholders called to approve the financial statements for the 2026 financial year:

- Mr Massimo BERTOLINI
- Mr Francesco CARLONI
- Mr Etienne FRANZI
- Mr Mario Germano GIULIANI
- Mr Francesco GROSOLI
- Mrs Elisabeth MARKART
- Mrs Caroline ROUGAIGNON-VERNIN
- Mrs Sveva SEVERI
- Mr Marco VITTORELLI
- Mrs Alexandra YOUNG

And also to appoint as Directors:

- Mr Makram AZAR
- Mr Francesco PERILLI

Mrs Elisabeth MARKART, Mrs Caroline ROUGAIGNON-VERNIN, Mrs Sveva SEVERI, Mrs Alexandra YOUNG, Mr Makram AZAR, Mr Massimo BERTOLINI, Mr Francesco CARLONI, Mr Etienne FRANZI, Mr Mario Germano GIULIANI, Mr Francesco GROSOLI, Mr Francesco PERILLI and Mr Marco VITTORELLI have each declared that they accept their reappointment or their appointment as director and that they comply with the legal rules governing the holding of directorships.

Eighth resolution

Full and final discharge will be given to H.E. Mr José Badia, who ceases his duties as director today, at the Ordinary General Meeting called to approve the financial statements for the current year.

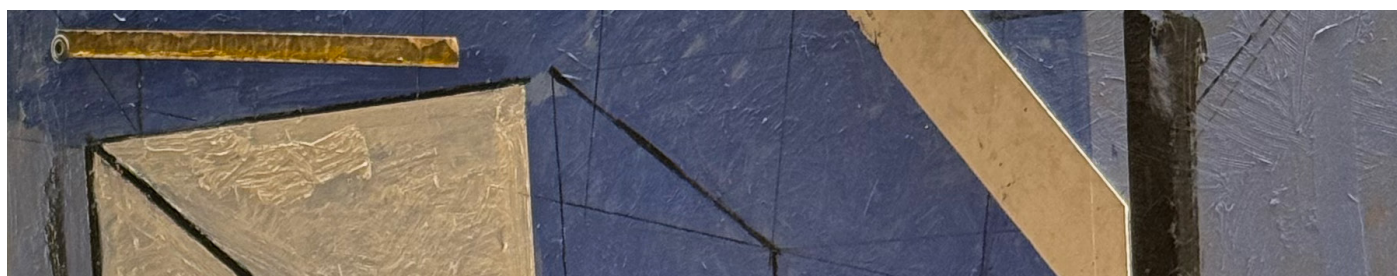
Ninth resolution

The General Meeting, having noted that the term of office of the Statutory Auditors expires at the close of this General Meeting, appoints for the next three financial years, i.e. until the General Meeting called to approve the financial statements for 2026, Mrs Sandrine Arcin and Mr Jean-Paul Samba as Statutory Auditors and Mrs Bettina Ragazzoni-Janin and Mr Tony Guillemot as Substitute Auditors.

Balance sheet

as at 31 December 2023 and 2022 after allocation of net profit

In thousands of euros	2023	2022
Cash, central banks	163.805	164.928
Due from banks	4.641.576	4.756.333
Customer loans	2.815.811	2.846.861
Bonds and other fixed income securities	974.036	680.528
Equities and other variable income securities	2.348	2.348
Participating interests and other financial investments	1.070	1.050
Interests in related companies	54.460	52.239
Goodwill, intangible assets	19.628	20.924
Property and equipment	91.892	85.487
Other assets	93.768	13.655
Deferred charges – accrued income	29.561	14.609
Total assets	8.887.954	8.638.961
Due to banks	2.240.375	1.410.171
Due to customers	5.687.293	6.118.834
Other liabilities	118.316	27.783
Accrued charges – deferred income	51.815	39.625
Provisions for contingencies and charges	2.196	2.004
General banking risks reserve	27.206	17.205
Share capital	111.110	111.110
Additional paid-in capital	4.573	4.573
Reserves	645.070	907.656
Retained earnings	0	0
Total liabilities	8.887.954	8.638.961





General report

of the statutory auditors on the year ended 31 December 2023

To the Shareholders,

In accordance with the provisions of Article 25 of Law no. 408 of 20 January 1945, we hereby report to you on the general and permanent assignment entrusted to us by the Ordinary General Meeting of 31 May 2021 for the financial years 2021, 2022 and 2023.

The financial statements and corporate documents approved by your Board of Directors were made available to us within the legal deadlines.

- ❖ **The balance sheet total was €8,887,954k.**
- ❖ **The income statement shows a net profit of €57,414k.**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with professional standards applicable in France and with the requirements of French banking regulations. Our responsibility is to express an opinion on these financial statements based on our review of the transactions carried out by your company during the year ended 31 December 2023, the balance sheet as at 31 December 2023, the income statement for the year and the notes to the financial statements.

These documents have been drawn up in accordance with legal requirements and in the same form and using the same valuation methods as the previous financial year.

We have audited the various components of the assets and liabilities as well as the methods used for their valuation and for the discrimination of income and expenses. We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing the accounting principles used and significant estimates made by management.

In our opinion, the financial statements at 31 December 2023, as attached to this report and submitted for your approval, give a true and fair view, in accordance with legal requirements and professional practice, of the assets and liabilities of your Company at 31 December 2023 and of the results of its operations for the year then ended.

We have also verified the financial information contained in the Board of Directors' report, the proposed appropriation of net income and compliance with the legal and statutory provisions governing the Company's operations. We have no matters to report.

Monaco, 22 April 2024

The Statutory Auditors
Stéphane GARINO, Sandrine ARCIN.



Special report

of the statutory auditors on the year ended 31 December 2023

To the Shareholders,

In accordance with the provisions of Article 24 of Law no. 408 of 20 January 1945, we hereby report to you on the transactions referred to in Article 23 of the Sovereign Order of 5 March 1895, carried out during the 2023 financial year and on the General Meetings held during the same year.

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

We remind you that this refers to any undertaking or contract involving a series of successive services of the same or similar nature, made with the company or on its behalf and in which a Director of your company has a direct or indirect interest.

The performance of these transactions during the 2023 financial year 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.

General meeting held during the year

During the financial year, you were convened to attend:

- ◇ the annual Ordinary General Meeting on 26 April 2023 to approve the financial statements for the year ended 31 December 2022;
- ◇ on 25 September 2023, at an Extraordinary General Meeting for the purpose of dissolving CMB ASSET MANAGEMENT S.A.M. and transferring all of its corporate assets to CMB MONACO S.A.M., the sole shareholder, without the need for liquidation.

For these meetings, 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, le 22 avril 2024

Les Commissaires aux Comptes
Stéphane GARINO, Sandrine ARCIN.



Consolidated accounts

Consolidated balance sheet

as at 31 December 2023 and 2022 before allocation of net profit

In thousands of euros	2023	2022
Cash, central banks	163.805	164.928
Due from banks	4.641.576	4.756.333
Customer loans	2.815.811	2.846.861
Bonds and other fixed income securities	974.425	680.918
Equities and other variable income securities	2.348	2.348
Participating interests and other financial investments	1.070	1.050
Interests in related companies	0	0
Goodwill, intangible assets	21.059	20.924
Property and equipment	160.360	149.832
Other assets	95.285	17.721
Deferred charges – accrued income	32.280	14.309
Total assets	8.908.017	8.655.222
Due to banks	1.920.375	1.410.171
Due to customers	5.677.150	6.105.283
Other liabilities	118.573	30.450
Accrued charges – deferred income	53.762	39.625
Provisions for contingencies and charges	2.196	2.004
General banking risks reserve	27.206	17.206
Share capital	111.110	111.110
Additional paid-in capital	4.573	4.573
Reserves	934.800	916.161
Group share	904.437	886.101
Minority interests	30.364	30.060
Retained earnings	0	0
Net profit	58.270	18.640
Group share	57.890	18.336
Minority interests	381	304
Total liabilities	8.908.017	8.655.222

Commitments and contingencies

Commitments given	1.041.868	1.071.305
Confirmed lines of credit	971.732	1.001.692
Guarantees given	56.734	69.613
Commitments relating to securities transactions	13.402	0
Commitments received	12.042	0
Commitments relating to securities transactions	12.042	0

Consolidated income statement

as at 31 December 2023 and 2022

In thousands of euros	2023	2022
Banking income and expense		
Interest income	314.381	102.136
Interest expense	(203.834)	(36.791)
Income from variable income securities	24	17
Commission and fee income	78.629	76.917
Commission expense	(4.424)	(4.307)
Net gain (or loss) on disposal of trading account securities	378	832
Net gain (or loss) on disposal of securities available for sale	10.520	(3.617)
Other banking income	38	5
Other banking expense	(3.988)	(4.978)
Net banking income	191.724	130.214
General operating expenses	(85.620)	(75.924)
Depreciation and other write-downs of property, equipment and intangible assets	(11.378)	(8.876)
Gross operating income	94.726	45.414
Depreciation on property revaluation reserve	(4.702)	(9.421)
Movement of provisions on loans and off-balance sheet items	(2.330)	(654)
Operating income	87.694	35.339
Gains and releases of provisions on long-term investments		0
Income before tax and non-operating items	87.694	35.339
Non-operating income		0
Income taxes	(19.423)	(7.261)
Provisions/reversals for general banking risks and regulated provisions	(10.000)	(9.438)
Net profit	58.270	18.640
Group share	57.890	18.336
Minority interests	381	304
Basic earnings per share	0.104	0.033
Diluted earnings per share	0.104	0.033

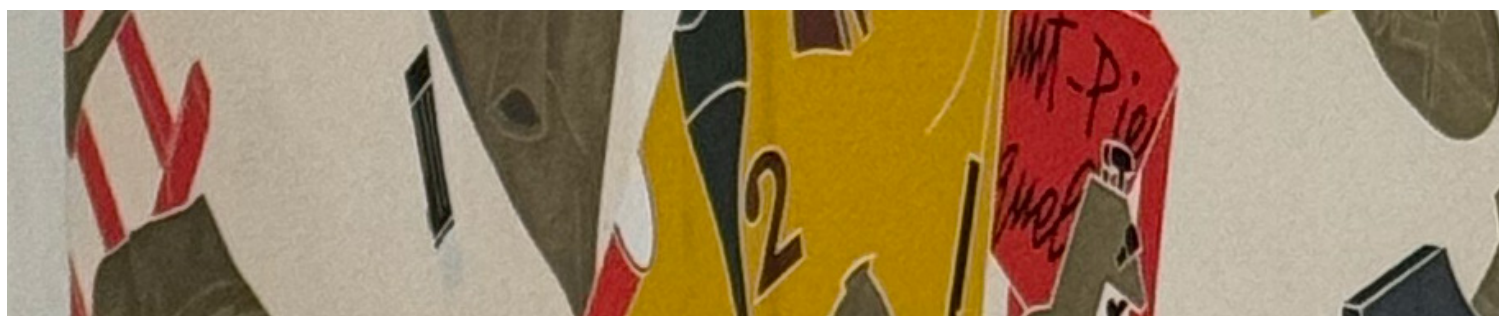
Changes

in consolidated shareholders' equity

In thousands of euros	Share capital	Additional paid-in capital	Consolidated reserves and retained earnings	Revaluation differences	Retained earnings	General banking risks reserve	Net profit	Total
Balance as at 31/12/2022	111.110	4.573	795.202	120.959	0	17.206	18.640	1.067.690
Appropriation of 2022 net profit			18.640				(18.640)	0
Allocations to general banking risk reserve						10.000		10.000
Amortisation of revaluation difference			4.702	(4.702)				0
2023 net profit							57.890	57.890
Minority interests							381	381
Balance as at 31/12/2023	111.110	4.573	818.544	116.257	0	27.206	58.271	1.135.961

Minority interests of €30m relate to the share held by MEDIOBANCA via its 40% stake in CMB RED, which is fully consolidated in CMB Monaco's consolidated financial statements.





Notes

to the consolidated financial statements for the year ended 31 December 2023

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, CMB RED.

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

Consolidation rules

Intercompany 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 standalone financial statements (2 - alinéas 2.1 à 2.12).

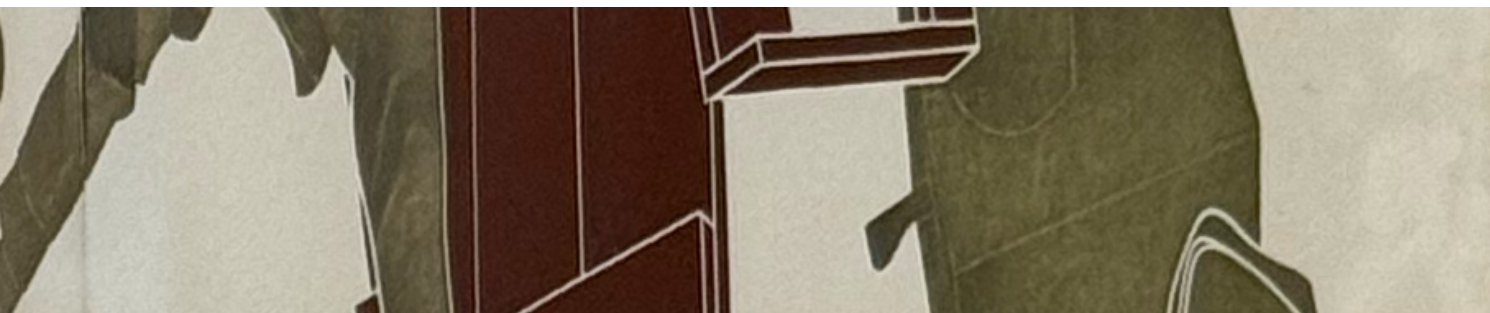
Impact of the Russia-Ukraine crisis

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 2023 financial statements.



Other information

a. Consolidated goodwill, intangible assets, property and equipment

In thousands of euros	31/12/2022	Increase	Decrease	31/12/2023
Gross amount				
Goodwill, intangible assets	63.165	10.107		73.272
Property and equipment	279.641	23.553	(42)	303.152
Prepayments to suppliers	11.877	16.118	(22.787)	5.208
Total gross fixed assets	354.683	49.778	(22.829)	381.632
Depreciation				
Goodwill, intangible assets	(49.661)	(8.721)		(58.382)
Property and equipment	(134.249)	(7.564)		(141.813)
Total depreciation	(183.910)	(16.285)	0	(200.195)
Provisions for impairment of assets	(18)			(18)
Net value	170.755	33.493	(22.829)	181.419

The intra-group sale of the “La Palmeraie” building in April 2022 is eliminated on consolidation as follows: the intra-group profit included in the inventories of the property development company CMB RED is eliminated and the inventories are reclassified to fixed assets at the carrying amount on the date of the sale. No impairment has been identified since that date.

b. Breakdown of customer loans

In thousands of euros	2023	2022
Breakdown of loans		
Overdrafts	1.231.266	1.062.029
Other customer loans	1.584.545	1.784.832
Total	2.815.811	2.846.861

c. Consolidated provisions for contingencies

In thousands of euros	Balance as at 31/12/2022	Additions during the year	Reversals during the year	Utilised during the year	Balance as at 31/12/2023	Loans at 31/12/2023	% of coverage
Provisions for contingencies							
Provisions for doubtful customers	192	1.821	(14)		1.999	50.146	4%
Provisions for contingencies and charges	2.004	1.085	(893)	(753)	2.196		
Total	2.196	2.906	(907)	(753)	4.195	50.146	

d. Accrued interest and other accruals included in consolidated balance sheet items

In thousands of euros	2023	2022
Accrued income (classified within accounts receivable)	43.965	18.447
Due from banks	26.645	11.558
Customer loans	11.732	5.636
Bonds and other fixed income securities	5.588	1.253
Deferred charges – accrued income	29.561	14.309
Commitments on derivative financial instruments	24.818	10.211
Prepaid expense	2.233	2.078
Accrued income	2.510	2.020
Other		
Total assets	73.526	32.756
Accrued expense (within accounts payable)	35.478	12.416
Due to banks	10.332	2.076
Due to customers	25.145	10.340
Accrued charges – deferred income	51.950	39.625
Commitments on derivative financial instruments	18.031	12.535
Deferred income	13	0
Accrued charges	33.874	27.058
Other	32	32
Total liabilities	87.428	52.041

e. Analysis of income and expenses

In thousands of euros	Expense	Income
Interest		
Interbank transactions	(73.805)	169.299
Customer transactions	(129.760)	131.354
Bonds	(269)	13.728
Subtotal	(203.834)	314.381
Income from variable income securities		
Participating interests		24
Subtotal		24
Commissions		
Customer transactions	(875)	17.561
Securities transactions	(3.549)	61.068
Subtotal	(4.424)	78.629
Trading account securities		
Currency transactions		3.622
Securities transactions	(3.244)	
Subtotal	(3.244)	3.622
Securities available for sale		
Net gains and losses		7.393
Net changes in provision		3.127
Subtotal	0	10.520
General operating expenses		
Personnel expenses		
- Salaries and bonuses	(42.170)	
- Social security contributions	(12.967)	
General and administrative expenses	(30.482)	
Subtotal	(85.620)	

f. Breakdown of the cost of risk

In thousands of euros	2023	2022
Breakdown of the cost of risk		
Reversal of doubtful debt provision	14	50
Reversal of risk provision (litigation)	893	103
Doubtful debt provision	(1.821)	(172)
Risk provision (litigation)	(1.085)	(623)
Loss on irrecoverable debt	(331)	(12)
Total	(2.330)	(654)

g. Consolidated employees

	2023	2022
Consolidated employees		
Executives	193	183
Senior employees	52	58
Staff	4	1
Total	249	244



Report of the statutory auditors

on the consolidated financial statements for the year ended 31 December 2023

To the Shareholders,

We have audited the accompanying consolidated financial statements of CMB Monaco for the year ended 31 December 2023.

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 8,908.017 K€**
- ❖ **The income statement shows a net profit of 58.270 K€**

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 material 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, 22 April 2024

The Statutory Auditors
Stépane GARINO, Sandrine ARCIN.





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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, a Monaco public limited company duly authorised by the Monegasque Financial Activities Supervisory Commission (Commission de Contrôle des Activités Financières - CCAF) under number 2014-08 for investment services, and by the French Prudential Supervisory Authority (Autorité de Contrôle Prudentiel - ACP) for banking service).



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